

Cambridge Pre-U

BUSINESS AND MANAGEMENT

9771/01

Paper 1 Business Concepts

May/June 2022

MARK SCHEME

Maximum Mark: 100

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the May/June 2022 series for most Cambridge IGCSE, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

This syllabus is regulated for use in England, Wales and Northern Ireland as a Cambridge International Level 3 Pre-U Certificate.

This document consists of 21 printed pages.

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Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always whole marks (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit
 is given for valid answers which go beyond the scope of the syllabus and mark scheme,
 referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5:

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

GENERIC MARKING PRINCIPLE 6:

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

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Social Science-Specific Marking Principles (for point-based marking)

1 Components using point-based marking:

Point marking is often used to reward knowledge, understanding and application of skills.
 We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

- **a** DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
- **b** DO credit alternative answers/examples which are not written in the mark scheme if they are correct
- **c** DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons ...).
- **d** DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
- **e** DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
- **f** DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
- **g** DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

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4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

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Question	Answer	Marks
1	В	1
2	A	1
3	D	1
4	A	1
5	A	1
6	С	1
7	A	1
8	С	1
9	В	1
10	В	1
11	В	1
12	С	1
13	A	1
14	С	1
15	С	1
16	A	1
17	В	1
18	D	1
19	A	1
20	D	1

Question	Answer	Marks			
21(a)(i)	Refer to the data in Fig. B.	2			
	State the activities on the critical path.				
	B C D G H J (2 marks)				
	D G H J (1 mark) – likely mistake since Node 3 has the same EST and LFT				
	Any other path (0 marks)				
21(a)(ii)	Calculate the total float for Activity A.	2			
	Total float = LFT – duration – EST Activity A TF = $6 - 3 - 0 = 3$ (2 marks)				
	EST (of next activity) – LFT = $6 - 6 = 0$ (1 mark) – common mistake with TF – must have working				

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Question	Answer							
21(b)	Evaluate the usefulness of critical path analysis to WPH when planning the central kitchen project. You may refer to your results to question <u>21(a)</u> .							
	Level	Application	Analysis	Evaluation				
	2		Two or more developed analysis of the use of CPA to the planning of the central kitchen project. (3 marks)	Developed evaluation of the usefulness of CPA when planning the central kitchen project (2 marks)				
			One piece of developed analysis of the use of CPA to the planning of the central kitchen project. (2 marks)					
	1	Application to WPH (APP – 1 mark)	Limited analysis of the use of CPA to the planning of the central kitchen project (1 mark)	Limited evaluation of the usefulness of CPA when planning the central kitchen project (1 mark)				
	Applicati Will within Some and Critication the accuracy (lease	on may include take 23 days in next three more activities have activities (Bactivities (Bactivities which ser, potential er	total – well within Baz's de onths and forecast cashflo e float – A – 3 days (OFR)	esire to start production w I, E – 4 days, F – 4 days (E have float. These are also external stakeholders				

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Question	Answer	Marks
21(b)	Analysis may include:	
	Useful because: Make sure project happens on time – increase sales – cashflow Dealing with external stakeholders important – lengthen project – reduce sales incomes – cashflow – profitability Helps plan – reduce risk – sales – profit Gives overview – likely success – sales – profit Use float – resource allocation – success Not useful because: WPH already has experience (four outlets already opened) Lack of control of critical tasks Based on estimates Does not guarantee success WPH not opened a central kitchen before – unknown activities Evaluation may include: A judgement over the usefulness of CPA to the central kitchen project Weighing up of the most useful elements of CPA What the usefulness may depend upon (external influences, skillset of WPH owners, the right property being chosen etc.)	

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Question	Answer						
22	Recommend whether WPH should develop its own website and online ordering service. Justify your recommendation.						
	Level	Knowledge	Application	Analysis	Evaluation		
	1	Developed knowledge of channels of distribution (2 marks)	Developed application to WPH (2 marks)	Two or more pieces of developed analysis to WPH (3 marks)	Developed and justified evaluation whether WPH should develop their own website and online ordering service. (3 marks)		
				One piece of developed analysis to WPH (2 marks)	Developed evaluation whether WPH should develop their own website and online ordering service. (2 marks)		
	2	Limited knowledge of channels of distribution (1 mark)	Limited application to WPH (1 mark)	Limited analysis to WPH (1 mark)	Limited evaluation whether WPH should develop their own website and online ordering service. (1 mark)		
	Cha consCho phys	sumer/customer osing a distribut sical distribution	tion, e-commerd ion channel: loc	ce, agents, produ	ucer, istribution channel,		
	Each foodThree	ee channels; in p	all seating area, person (20%), te	but majority of c elephone (40%), tra £0.50 and W	` ,		

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Question	Answer	Marks
22	 Analysis may include: Online service is an agent – increases price to customers – may make WPH uncompetitive 14% may be added to price – in which case again uncompetitive price. If absorbed by WPH will increase costs and reduce profitability. Online service may have marketing benefits – as an agent advertising, ease of use for customers, credit card payment, etc. Cost of developing website and online ordering Need to promote new website – could cost more in the short run Competitors may continue to use online service – may make WPH uncompetitive 	
	 Evaluation may include: A judgement/recommendation over whether WPH should develop their own website and online ordering service. Weighing up of the main arguments Justification of the recommendation and what it may depend upon (external influences, long run/short run, actions of competitors, etc.) ARA	

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Question	Answer						
23	Evaluate the importance to WPH of cash flow forecasting.						
	Level	Knowledge	Application	Analysis	Evaluation		
	2	Developed knowledge of cash flow forecasting (2 marks)	Developed application to WPH (2 marks)	Two or more pieces of developed analysis to WPH (3 marks)	Developed and justified evaluation of the importance to WPH of cash flow forecasting (3 marks)		
				One piece of developed analysis to WPH (2 marks)	Developed evaluation of the importance to WPH of cash flow forecasting (2 marks)		
	1	Limited knowledge of cash flow forecasting (1 mark)	Limited application to WPH (1 mark)	Limited analysis to WPH (1 mark)	Limited evaluation of the importance to WPH of cash flow forecasting (1 mark)		
	 Metl Way fored Applicati Neg Quate 4 out fored Cen lowe 	casts. on may include: ative cash flow i interly payment o itlets (currently), cast tral kitchen fored er average costs	ng cash flow, cast ash flow, calculung the flow of the	ation and interp 320) and 4 (£22 I utilities – experience u or in Month 3 –	retation of cash flow		
	 Identifinar fees Com Com Prov Can Only Dyn 	nce for relatively /cost nparison with ac nparison with his /e to lenders tha make other adj / based on estin	small amount (tual/forecast – v storic/current t the problem is ustments to avo nates/forecasting	max needed £4 rariances short term id negative casl	months) source of 320) – overdraft n flow have about the new		

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Question	Answer	Marks
23	 Evaluation may include: A judgement over the importance to WPH of cash flow forecasting Weighing up of the main arguments What the importance might depend upon (external influences, quality of forecasting data, time taken to produce cash flow forecast, necessity of external finance, etc.) ARA	

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Question	Answer						
24	Evaluate the advantages to WPH of introducing batch production for the production of its pizzas.						
	Level	Knowledge	Application	Analysis	Evaluation		
	2	Developed knowledge of production methods (2 marks)	Developed application to WPH (2 marks)	Two or more pieces of developed analysis of the advantages to WPH of introducing batch production (3 marks)	Developed and justified evaluation of the advantages to WPH of introducing batch production for the production of its pizzas (3 marks)		
				One piece of developed analysis of the advantages to WPH of introducing batch production (2 marks)	Developed evaluation of the advantages to WPH of introducing batch production for the production of its pizzas (2 marks)		
	1	Limited knowledge of production methods (1 mark)	Limited application to WPH (1 mark)	Limited analysis of the advantages to WPH of introducing batch production (1 mark)	Limited evaluation of the advantages to WPH of introducing batch production for the production of its pizzas (1 mark)		
	 Knowledge may include: Job, batch, lean, just in time (JIT), flexible specialisation: Appropriate production methods and their links with inventory, quality, continuous improvement Application may include: Production is started after customer orders (job – current), labour intensive, highly trained, high level of quality Batch production – only most popular pizzas – frozen 						
	RedStar	may include: uced costs – inc ndardised quality nomies of scale	/ – improved q	uality control			

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Question	Answer	Marks
24	 Evaluation may include: A judgement over the advantages to WPH of introducing batch production for the production of its pizzas Weighing up of the main advantages and comparison with disadvantages What the advantages might depend upon (external influences, quality of centrally produced pizzas, level of economies of scale, number of customers who order 'off menu', etc.) ARA	

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Question		Answer							
25	Tesla's energy.	mission is to a	accelerate the v	vorld's transitio	on to sustainable	40			
		Evaluate the importance of a mission statement to the strategic planning of a business.							
	Level	Knowledge	Application	Analysis	Evaluation				
	3		Extensive application to selected businesses (7–8 marks)	Extensive analysis (9–13 marks)	Extensive evaluation (9–13 marks)				
	2	Developed knowledge (4–6 marks)	Developed application to selected businesses (4–6 marks)	Developed analysis (4–8 marks)	Developed evaluation (4–8 marks)				
	1	Limited knowledge (1–3 marks)	Limited application to selected businesses (1–3 marks)	Limited analysis (1–3 marks)	Limited evaluation (1–3 marks)				
	 Stra Com Applicati Rele Analysis Prov Can Prov Can Mari May May May Poo 	on may include want reference may include: wide a strategic reduce conflicities focus to be communicate keting benefits not be specific focus on short not be consist ruse of manager.	important decisi plans through m e: es to real world b direction	usiness exampl n making l external staker a example, other t long-term strat ness objectives resources	ts and corporate plans. es nolders r examples				

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Question	Answer	Marks
25	 Evaluation may include: A judgement over the importance of a mission statement to the strategic planning of a business Weighing up of the main arguments What the importance might depend upon (external influences, quality of mission statement, nature of business/product, scale of business, etc.) ARA	

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Question	Answer					Marks
26	'The true purpose of a business is to create and keep a customer, not to make you money' (Theodore Levitt author of Marketing Myopia). Evaluate the dangers to a multinational business of marketing myopia.					40
	Level	Knowledge	Application	Analysis	Evaluation	
	3		Extensive application to selected businesses (7–8 marks)	Extensive analysis (9–13 marks)	Extensive evaluation (9–13 marks)	
	2	Developed knowledge (4–6 marks)	Developed application to selected businesses (4–6 marks)	Developed analysis (4–8 marks)	Developed evaluation (4–8 marks)	
	1	Limited knowledge (1–3 marks)	Limited application to selected businesses (1–3 marks)	Limited analysis (1–3 marks)	Limited evaluation (1–3 marks)	
	 Knowledge may include: Marketing myopia, the danger of a short-sighted approach, recognising and changing to consumer wants: consumer wishes should be at the core of decision-making and businesses must carefully monitor consumer trends. Multinationals Application may include: Relevant references to real world business examples 					
	 Analysis may include: More focus on sales as opposed to building customer relationships Predicting growth without conducting proper research. Mass production without knowing the demand. Giving importance to just one aspect of the marketing attributes without focusing on what customer actually wants Not changing with the dynamic consumer environment Evaluation may include: A judgement over the dangers to a multinational business of marketing myopia. Weighing up of the main arguments What the level of danger might depend upon (external influences, nature of business/product, scale of business, which countries involved, 					
	changing consumer preferences, social media, etc.) ARA					

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Question	Answer					Marks
27	In the UK, trade union membership rose by 91 000 to 6.44 million in 2019. This was the third successive annual increase in trade union membership levels following the fall to a low of 6.23 million in 2016. Evaluate the advantages and disadvantages to a business of trade union involvement in business activity.					
	Level	Knowledge	Application	Analysis	Evaluation	
	L3		Extensive application to selected businesses (7–8 marks)	Extensive analysis (9–13 marks)	Extensive evaluation (9–13 marks)	
	L2	Developed knowledge (4–6 marks)	Developed application to selected businesses (4–6 marks)	Developed analysis (4–8 marks)	Developed evaluation (4–8 marks)	
	L1	Limited knowledge (1–3 marks)	Limited application to selected businesses (1–3 marks)	Limited analysis (1–3 marks)	Limited evaluation (1–3 marks)	
	 Knowledge may include: Trade unions, collective labour law, union recognition and union density, pros and cons of union involvement in business activity. Application may include: Relevant references to real world business examples Use of text – increasing membership Analysis may include: Represent workers – legal, tribunals, wage negotiations Training – some unions are part of industry training and apprenticeship schemes Counter-balance monopsony – where there is a dominant buyer of labour, allows the power of workers to counterbalance the monopsony. Increases low wages – increase business costs, reduce employment gaps. Effects on productivity – unions actions can increase productivity with agreements, but can also harm productivity with industrial action Industrial action – increase business costs, decrease productivity, stop production Increased communication between higher management and workers Unemployment – could reduce business costs of recruitment Wage inflation – increase business costs Increased possibility of confrontation – between management and unions 					

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Question	Answer	Marks
27	 Evaluation may include: A judgement over the adv and dis of trade union involvement in business activity. Weighing up of the main arguments What the advantages and disadvantages might depend upon (external influences, nature of business/product/industry, level of national union involvement, move to e-commerce, working from home, etc.) ARA	

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Question			Answ	er		Marks
28	Evaluate the importance to the retail food industry of reducing single-use plastic.					
	Level	Knowledge	Application	Analysis	Evaluation	
	3		Extensive application to selected businesses (7–8 marks)	Extensive analysis (9–13 marks)	Extensive evaluation (9–13 marks)	
	2	Developed knowledge (4–6 marks)	Developed application to selected businesses (4–6 marks)	Developed analysis (4–8 marks)	Developed evaluation (4–8 marks)	
	1	Limited knowledge (1–3 marks)	Limited application to selected businesses (1–3 marks)	Limited analysis (1–3 marks)	Limited evaluation (1–3 marks)	
	 Knowledge may include: Waste management and control, waste minimisation, benefits and problems of waste management and factors influencing waste management: Methods of reducing waste, legal issues, ethical concerns, cost reduction. External costs, environmental policy and audits Application may include: Relevant references to real world business examples Analysis may include: Advantages of continued use of single use plastic; quality, freshness, longevity, safety Cost implications of removing/reducing the use of plastic Consumer/customer preference – green pound may force change on industry – impact on sales External costs and government response – taxation, tariffs, subsidies for non-use etc. Marketing benefits of championing the environment Popular belief, growing interest in the reduction of single use plastic 					

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Question	Answer	Marks
28	 Evaluation may include: A judgement over the importance of reducing single use plastic in the retail food industry. Weighing up of the main arguments What the importance might depend upon (external influences, nature of product, especially in different areas of the food industry, level of national engagement in issue, actions of competitors, legal impact, health and safety etc.) 	

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