



GCE A LEVEL MARKING SCHEME

SUMMER 2024

**A LEVEL
BUSINESS - COMPONENT 1
A510U10-1**

About this marking scheme

The purpose of this marking scheme is to provide teachers, learners, and other interested parties, with an understanding of the assessment criteria used to assess this specific assessment.

This marking scheme reflects the criteria by which this assessment was marked in a live series and was finalised following detailed discussion at an examiners' conference. A team of qualified examiners were trained specifically in the application of this marking scheme. The aim of the conference was to ensure that the marking scheme was interpreted and applied in the same way by all examiners. It may not be possible, or appropriate, to capture every variation that a candidate may present in their responses within this marking scheme. However, during the training conference, examiners were guided in using their professional judgement to credit alternative valid responses as instructed by the document, and through reviewing exemplar responses.

Without the benefit of participation in the examiners' conference, teachers, learners and other users, may have different views on certain matters of detail or interpretation. Therefore, it is strongly recommended that this marking scheme is used alongside other guidance, such as published exemplar materials or Guidance for Teaching. This marking scheme is final and will not be changed, unless in the event that a clear error is identified, as it reflects the criteria used to assess candidate responses during the live series.

GENERAL MARKING GUIDANCE

Positive Marking

It should be remembered that learners are writing under examination conditions and credit should be given for what the learner writes, rather than adopting the approach of penalising him/her for any omissions. It should be possible for a very good response to achieve full marks and a very poor one to achieve zero marks. Marks should not be deducted for a less than perfect answer if it satisfies the criteria of the mark scheme, nor should marks be added as a consolation where they are not merited.

For each question there is a list of indicative content which suggest the range of business concepts, theory, issues and arguments which might be included in learners' answers. This is not intended to be exhaustive and learners do not have to include all the indicative content to reach the highest level of the mark scheme.

The level-based mark schemes sub-divide the total mark to allocate to individual assessment objectives. These are shown in bands in the mark scheme. For each assessment objective a descriptor will indicate the different skills and qualities at the appropriate level. Learner's responses to questions are assessed against the relevant individual assessment objectives and they may achieve different bands within a single question. A mark will be awarded for each assessment objective targeted in the question and then totalled to give an overall mark for the question.

EDUQAS A LEVEL BUSINESS
COMPONENT 1 – BUSINESS OPPORTUNITIES AND FUNCTIONS
SUMMER 2024 MARK SCHEME

Section A

1. The Big Four

- (a) Calculate the increase in Aldi's market share between 2011 and 2021. [2]**

AO2: 2 marks

Award 1 mark for correct data selected

Award 1 mark for correct answer

$$8.2 (1) - 2.4 = 5.8(\%) (2)$$

$$(5.8 / 2.4) \times 100 = 241.67\% (2)$$

Award 2 marks for correct final answer without workings

- (b) With reference to the data in the table, describe the changes in the market share of the 'Big Four'. [2]**

AO2: 2 marks

Award 1 mark for reference to the data

Award 1 mark for description of the change in market share using the data

Indicative content:

The market share of all the Big Four supermarkets decreased (1) from 76.5% to 66.5% (1). There was a decrease of 10% in total (1)

Credit individual differences / percentage changes of supermarkets (1)

Increased market share of the smaller supermarkets (1)

Credit any other valid point.

2. Clean Kilo

(a) Define the term market. [2]

AO1: 2 marks

Award **1** mark for a limited definition of market

Award **2** marks for a good definition of market

Indicative content:

A market involves the exchange or transaction of goods and services (1)
between buyers and sellers (1)

A market can be a physical place or online (1)

A market can be niche or mass (1)

A market can refer to the interaction of supply and demand (1) and the
formation of price (1)

Credit any other valid point.

(b) Outline two possible reasons why The Clean Kilo, as a small business, can survive. [4]

AO1: 2 marks

AO2: 2 marks

Award **1** mark for each correct reason of the survival of small businesses

Award **1** mark for each correct reason that is applied to Clean Kilo

Indicative content:

- Low cost structure – buys products in bulk.
- Loyal customers – repeat customers from the local community.
- Flexibility and choice / wide product portfolio – product range, budgets, and quantity freedoms.
- Personalisation of products and services – interactive talks and in-store customer experience.
- Unique – plastic-free concept that provides something different from other supermarkets.

Credit any other valid point.

(c) Evaluate the impact of SMEs on the UK economy. [8]			
Band	AO1	AO3	AO4
	2 marks	3 marks	3 marks
3		<p>3 marks</p> <p>Excellent analysis of how SMEs impact the UK economy</p> <p>Analysis is balanced so that positive impacts and counterpoints are considered</p> <p>Logical chains of reasoning are evident</p>	<p>3 marks</p> <p>A well-balanced and well-detailed evaluation of how SMEs impact the UK economy</p> <p>Judgements are convincing and well-supported</p> <p>Qualifying statements may be used</p>
2	<p>2 marks</p> <p>Good knowledge of SMEs</p> <p>A detailed understanding of SMEs is shown</p>	<p>2 marks</p> <p>Good analysis of how SMEs impact the UK economy</p> <p>Clear explanations of how SMEs impact the UK economy</p> <p>The analysis may be one-sided</p>	<p>2 marks</p> <p>Good evaluation of how SMEs impact the UK economy</p> <p>Judgement is detailed and supported with clear reasoning</p> <p>Lines of evaluation are developed</p>
1	<p>1 mark</p> <p>Limited knowledge of SMEs</p> <p>A limited understanding of SMEs is shown</p>	<p>1 mark</p> <p>Limited analysis of how SMEs impact the UK economy</p> <p>The analysis is likely to be one-sided</p> <p>Superficial points with limited development</p>	<p>1 mark</p> <p>Evaluation is limited and is likely to be one-sided</p> <p>The candidate makes partial judgements, with some attempt to support their evaluation</p>
0	<p>0 marks</p> <p>No valid knowledge</p>	<p>0 marks</p> <p>No valid analysis</p>	<p>0 marks</p> <p>No valid evaluation</p>

Indicative content:

- SMEs have fewer than 250 employees, turnover of less than 50m Euros, 99.9% of businesses in the UK are SMEs and employs around 60% of UK employment.

Positive impacts

- SMEs account for most businesses in the UK.
- SMEs buy products and components from other businesses.
- SMEs employ people and create jobs. Employees then spend money in the local community.
- SMEs pay taxes (VAT, corporation tax) – contribution to tax revenues that are then spent on public services and developing infrastructure.
- SMEs can provide competition which can keep prices lower for customers and encourage other businesses to invest in product development.
- SMEs can be innovative (product and process).
- SMEs may sell their goods and services overseas, raising further money for the UK economy.
- SMEs encourage investment into the UK economy.
- SMEs may become large businesses.

Counterarguments

- SMEs operate on a smaller scale and are more likely to fail, especially in times of recession and hardship.
- SMEs have smaller budgets and may find it more difficult to compete effectively with larger businesses.
- SMEs are less well recognised compared to larger businesses so can have less influence in the economy.
- SMEs may find it harder to raise finance to grow.
- SMEs may find it more difficult to obtain economies of scale compared to larger businesses.

Possible points for evaluation

- Individual SMEs might not have much impact on the economy, but collectively their impact is more significant.
- Depends on if the SMEs are profitable.
- In a free market economy customers have choice; if SMEs were not fulfilling customer needs, arguably fewer SMEs would be in the economy.
- SMEs provide many jobs and tax revenues for the economy and competition for larger businesses for the benefit of customers – these might be viewed as the most positive / significant impacts that SMEs have on the economy.
- Overall, it is plausible to conclude that SMEs can have more positive than negative impacts on the economy.

Credit any other valid point.

3. The Great Escape

(a) Calculate the contribution per unit for Location A. [2]

AO1: 1 mark

AO2: 1 mark

Award 1 mark for correct formula

Award 1 mark for correct answer

Contribution per unit = selling price per unit – variable cost per unit (1)

£60 - £35 (1) = £25 (2)

Award 1 mark for 25 i.e. without £ sign

Award 2 marks for correct final answer without workings

(b) Calculate the break-even point for Location B. [2]

AO1: 1 mark

AO2: 1 mark

Award 1 mark for correct formula

Award 1 mark for correct answer

Break-even point = fixed costs / contribution per unit

£4000 / (£70 - £30) (1) = 100 (group experiences per month) (2)

Award 2 marks for correct final answer without workings

(c) With reference to the break-even point for each location, suggest which location The Great Escape should choose, stating the reason for your choice. [2]

AO1: 1 mark

AO2: 1 mark

Award 1 mark for correct understanding of break-even point

Award 1 mark for correct choice of location

Location B should be chosen (1) because it has a lower break-even point (1)

OFR applies.

(d) Evaluate the usefulness of break-even to The Great Escape when deciding on its new location. [10]			
Band	AO2	AO3	AO4
	2 marks	4 marks	4 marks
3		4 marks Excellent analysis of the usefulness of break-even when deciding the new location Well-reasoned and detailed chains of analysis Analysis is balanced Analysis is in full context of the data	4 marks A well-balanced and detailed evaluation of the usefulness of break-even when deciding the new location Other factors in deciding a location are identified and considered Judgements are convincing and well-supported Qualifying statements may be used
2	2 marks Good use of data Break-even data is used well to support the answer	2-3 marks Good analysis of the usefulness of break-even when deciding the new location Lines of reasoning are clear and well-developed Analysis may be linked to the data	2-3 marks Good evaluation of the usefulness of break-even when deciding the new location Candidate may identify other factors that are relevant in location decision or recognise factors that break-even analysis depends upon Judgement is detailed and supported with clear reasoning Lines of evaluation are developed
1	1 mark Limited use of data The response is mainly theoretical with some reference to the context	1 mark Limited analysis of the usefulness of break-even Underdeveloped points are made Analysis is likely to be one-sided	1 mark Evaluation is limited Judgements are underdeveloped and lacking depth Evaluation is likely to be one-sided
0	0 marks No valid application	0 marks No valid analysis	0 marks No valid evaluation

Indicative content:

Application

- Break-even point for Location B is lower.
- Break-even data:
 - Margin of safety is higher for Location A (75) compared to Location B (50).
 - Contribution per unit for Location B is higher (£40) compared to Location A (£25).
 - Expected monthly profit for location B is higher (£2 000) compared to Location A (£1 875).
- Factors other than breakeven that can influence location decision can be credited, but only in comparison to the benefits/limitations of break-even.
 - Location choice can be based on the target market – students, families, friends, business customers.
 - Accessibility will be a factor (city centre vs rural location with good motorway links).

Analysis

Useful because:

- Easy visual means / calculation of analysing The Great Escape's financial position at different levels of output.
- Profit and loss situation can be seen 'at a glance' – good for non-financial specialists.
- Useful for making decisions in 'what if' situation.
- Breakeven analysis, as part of a location decision, can be useful in gaining finance, if needed.
- Allows identification of the margin of safety – reducing risk.
- May help in the setting of targets such as sales / production.

Less useful because:

- Often regarded as too simplistic as some assumptions are unrealistic.
- It assumes all output (group experiences) are 'sold' which is often not the case – expected output is not the same as actual demand.
- Assumes that conditions remain unchanged – wages, prices, rent can all change suddenly.
- Relies on the data being accurate and often under or over estimations are made.
- Assumes that total revenue and cost curves are always linear – this may not be the case (e.g. corporate discounts or student discounts).
- Allocating fixed costs and average prices / variable costs in a multi-product business (escape rooms, axe throwing, murder mysteries) can be problematic – thus making break-even output inaccurate.

Evaluation

- Break-even is useful to consider as part of a range of information and research into location choices.
- Consideration needs to be given to the accuracy of the data and how up to date it is.
- Market research, especially into anticipated demand and local competition is likely to be important to consider.

Credit any other valid point.

Section B

4. Adding Value for Butterfingers

- (a) Calculate the added value for each sandwich. [2]

AO1: 1 mark

AO2: 1 mark

Award 1 mark for correct formula

Award 1 mark for correct answer

Added value = selling price per unit – variable costs per unit (1)

Added value = total contribution / quantity (1)

$(£6000 - £3300)/2000$ (1) = £1.35 (2)

1.35 (1)

Award 2 marks for correct final answer without workings

- (b) Apart from reducing unit costs, explain one way that Shanice could increase the added value of the products she sells at Butterfingers. [2]

AO2: 1 mark

AO3: 1 mark

Award 1 mark for application to Butterfingers

Award 1 mark for explanation of how added value could be increased

Indicative content:

- Increase the selling price of the sandwiches which would make the difference between price and the cost bigger (1) e.g. charging above £3 for an average sandwich.
- Offer more of a range of sandwiches for variety of choice that could be different to competitors which could be a USP.
- Convenience – such as delivery to her customers
- Offer 'meal deals', for example a sandwich, crisps and a drink, or a breakfast and lunch offer.
- Increasing brand identity / brand image – effective marketing techniques to increase the perceived value of the brand e.g. using local celebrities.
- Better customer service – personalised sandwiches already made on arrival.
- Quality – organic ingredients or better sandwich fillings, bread, packaging.

Credit any other valid point.

Do not credit points that involve, or lead to, a reduction in unit costs.

N.B. Increasing price in isolation should not be credited unless supported by an appropriate explanation.

5. It's A Dog's Life

- (a) Define the term brand. [2]**

AO1: 2 marks

Award **1** mark for a limited definition of brand

Award **2** marks for a good definition of brand

Indicative content:

A brand is a business or product name / logo (1) that can give customers a perception of what the business stands for (1).

A brand is a name, term, sign, symbol, image or design (1) which identifies / associates a business and / or its products (1) and differentiates them from competitors' products (1).

Credit any other valid point.

- (b) Outline, with the use of an example, what is meant by above the line promotion. [2]**

AO1: 2 marks

Award **1** mark for correct understanding of above the line promotion

Award **1** mark for a correct example of above the line promotion

Indicative content:

Above the line promotion:

- is paid-for advertising / media (1)
- is through independent / mass media (1)
- is indirect advertising (1)
- allows a business to reach a wide / large audience (1).

Examples include: T.V., radio, cinemas, newspapers, the internet, billboards social media (1).

Credit any other valid point or example.

Award a maximum of 1 mark for examples.

Award a maximum of 1 mark for a feature of above the line promotion.

- (c) Using the information in Table 1, construct a fully labelled product life cycle diagram for the Squeaky Squawker on the axis below. [4]

AO1: 2 marks

AO2: 2 marks

Award 1 mark for labelling of both axes

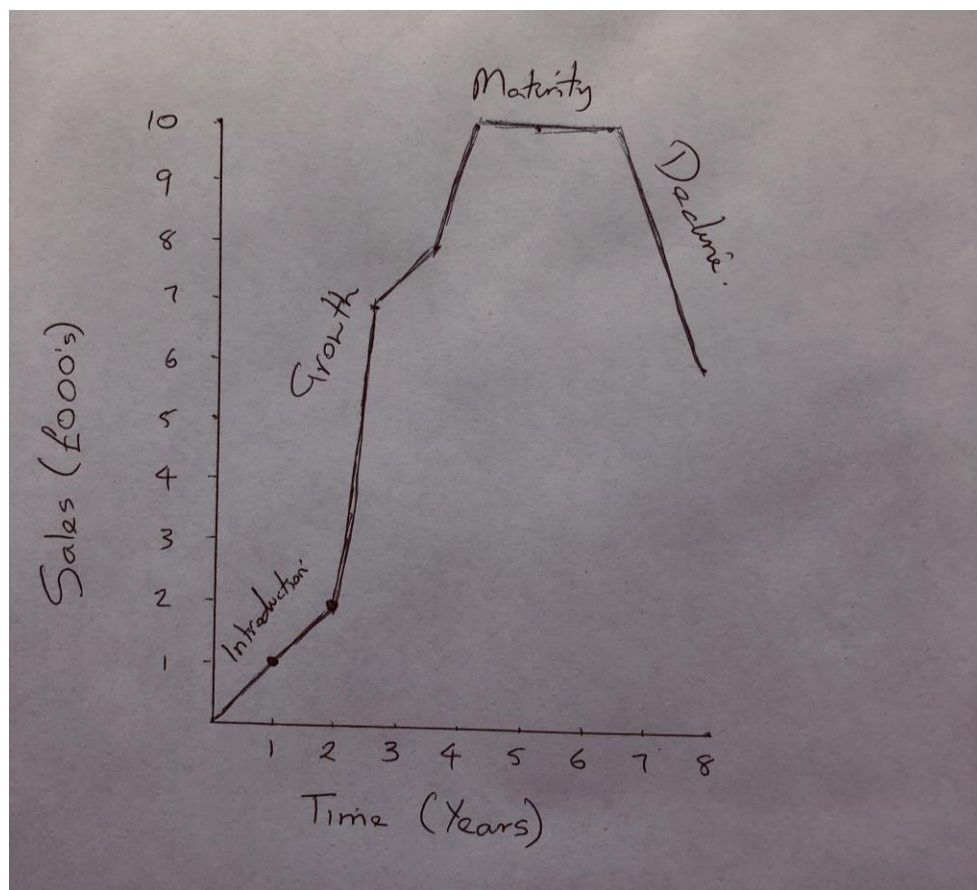
Award 1 mark for sales data plotted for each year

Award 1 mark for labelling of at least three product life cycle stages

Award 1 marks for positioning of at least three product life cycle stages

Positioning of the stages should be as follows:

- Introduction (Years 0-2)
- Growth (Years 3-5)
- Maturity (Years 6-7)
- Decline (Year 8)



(d) Evaluate the usefulness of the Boston matrix to a business. [8]			
Band	AO1	AO3	AO4
	2 marks	3 marks	3 marks
3		<p>3 marks</p> <p>Excellent analysis of the usefulness of the Boston matrix to businesses</p> <p>Analysis is balanced so that usefulness and counterarguments are considered</p> <p>Logical chains of reasoning are evident</p>	<p>3 marks</p> <p>A well-balanced and detailed evaluation of the usefulness of the Boston matrix to businesses</p> <p>Judgements are convincing and well-supported</p> <p>Qualifying statements may be used</p>
2	<p>2 marks</p> <p>Good knowledge of the Boston matrix</p>	<p>2 marks</p> <p>Good analysis of the usefulness of the Boston matrix to businesses</p> <p>Clear explanations of how the Boston matrix is useful to businesses</p>	<p>2 marks</p> <p>Good evaluation of the usefulness of the Boston matrix to businesses</p> <p>Judgement is detailed and supported with clear reasoning</p> <p>Lines of evaluation are developed</p>
1	<p>1 mark</p> <p>Limited knowledge of the Boston matrix</p>	<p>1 mark</p> <p>Limited analysis of the usefulness of the Boston matrix to businesses</p> <p>The analysis is likely to be one-sided</p> <p>Superficial points with limited development</p>	<p>1 mark</p> <p>Evaluation is limited and is likely to be one-sided</p> <p>The candidate makes partial judgements, with some attempt to support their evaluation</p>
0	<p>0 marks</p> <p>No valid knowledge</p>	<p>0 marks</p> <p>No valid analysis</p>	<p>0 marks</p> <p>No valid evaluation</p>

Indicative content:

The Boston matrix is a technique that allows businesses to analyse their product portfolio with the use of a matrix. It examines the balance of products within a business's portfolio in relation to market share and market growth.

Products are categorised according to market growth (MG) and (relative) market share (MS). Products are placed into one of four categories – stars, cash cows, dogs and problem children:

- Stars - high MG, high MS
- Cash cows – low MG, high MS
- Dogs – low MG, low MS
- Problem children – high MG, low MS

Possible use

- Shows market share and the rate of growth of all products in the market all in one diagram – an easy to understand visual.
- Helps a business to keep a balanced portfolio, which could reduce risk of not allocating resources where they are best needed to support various products.
- Helps businesses to analyse their products and categorise them. It may help with decisions about promotion or discontinuing a product.
- It is very simple to use and explain, as there are only two dimensions and four quadrants.
- It has been used successfully by many firms over a long period of time in helping to manage wide ranging product portfolios.
- Market growth and relative market share are available to the company making it relatively easy to construct.
- Clear guidance is provided for the management of each of the four categories in terms of the approach to investment and support of brands or products. Appropriate examples: for example, using money coming into the business from 'cash cows' to invest in the development of 'star products'.
- It is an important model for allocating resources to the right areas to achieve success in the future.
- By highlighting the position in the market in terms of MS and MG, can analyse situation and decide what to do next.

Possible counterarguments

- Just a generalisation – cash cows can lose money and dogs can be profitable.
- Customer opinions and loyalty need to be taken into account.
- Matrix can cause businesses to focus too much upon pursuing increasing market share as opposed to, for example, attempting to consolidate market share or improve other aspects of the performance of the business or the product.
- Does not take into account how various products support each other.
- Can be too simplistic and that relative market share and market growth rate are too narrow when trying to measure a firm's competitive strength. While market share is one of those factors there are many others that also need to be considered – such as, brand equity, retailer relationships, logistics, financial support, product line, customer loyalty, and so on.
- It is only a snapshot of the current position and has no predictive value.
- Some of the terminology of the four quadrants might be considered misleading. For example, the term 'dog' tends to suggest something undesirable that should be removed from the firm's business portfolio. However, a 'dog' in a niche position is still likely to be quite profitable to the business. However, it is classified as a 'dog' because it has limited growth potential.

Possible themes for evaluation

- The Boston matrix is a well-established technique with some important uses. It should be used with caution, considering its limitations.
- The information that supports the construction of the Boston matrix should be as accurate as possible, since this will help to better interpret the matrix and make better decisions.
- The Boston matrix is one source of reference to help a business, but other models and information should be used to make decisions, especially those of a strategic nature.

Credit any other valid point.

6. A Cash-drive at DTN Ltd

(a) Define the term cash flow forecast.

[2]

AO1: 2 marks

Award **1** mark for a limited definition of cash flow forecast

Award **2** marks for a good definition of cash flow forecast

Indicative content:

A cash flow forecast is a prediction or estimation (1) of the money coming in and money going out of a business (1)

A cash flow forecast is a document that a business prepares about the future / expected / anticipated (1) cash inflows and cash outflows of a business (1)

Reference to prediction / estimation / future / expected is needed for a good definition and can only be awarded when supported by including inflow/outflow.

Credit any other valid point.

(b) Advise whether the directors should raise finance through the sale of assets or debt factoring to ensure DTN Ltd forecasts a positive closing balance in December 2024. [10]				
Band	AO1	AO2	AO3	AO4
	2 marks	2 marks	3 marks	3 marks
3			3 marks Excellent analysis shown of sale of assets and debt factoring Analysis is balanced for both options Lines of reasoning and impacts are clear	3 marks A well-balanced and detailed evaluation of which option should be chosen Evaluation is focussed Qualifying statements are likely to be included Clear advice given
2	2 marks Good understanding shown of sale of assets and debt factoring The candidate makes relevant points relating to the decision	2 marks Good application to DTN Ltd Information from the case is used to support each source of finance	2 marks Good analysis shown of sale of assets and / or debt factoring Analysis is balanced for one option or an impact of both options is evident Logical chains of reasoning are evident	2 marks Good evaluation Evaluation may be one-sided but developed Qualifying statements may be made May offer advice
1	1 mark Limited understanding shown of sale of assets or debt factoring The candidate identifies a relevant factor in making the decision	1 mark Limited application to DTN Ltd Reference to the case study is limited	1 mark Limited analysis shown of sale of assets or debt factoring Analysis is one-sided Underdeveloped points are made	1 mark Evaluation is limited and is likely to be one-sided The candidate makes partial judgements, with some attempt to support their evaluation
0	0 marks No valid knowledge	0 marks No valid application	0 marks No valid analysis	0 marks No valid evaluation

Indicative content:

Sales of assets (vehicles)

- Involves the transfer of ownership of capital goods in return for money.
- Money is raised from apparently idle vehicles (operating at 60% capacity utilisation means 12 vehicles may not be used regularly).
- The sale of 8 vehicles may mean there is some capacity to meet increases in demand, with 4 vehicles being available at an average of 60% capacity utilisation.
- Selling the vehicles at the full net book value means sufficient money will be raised to combat the forecast cash deficit, with a cash surplus of £10 000 to be used as a contingency or deal with unforeseeable cash flow problems.
- The option for sale and leaseback could be a possibility if a buyer agrees to such an arrangement.

Debt factoring

- Involves a business selling its accounts receivable / debtors to a third party business (that often specialises in the recovery of money / invoice management) in return for immediate / quick payment of a proportion of the debt owed (the factor's fee).
- Payment for invoices due from customers can be collected up to 60 days prior to customers paying, allowing the forecast cash flow deficit to be solved.
- It appears £85 000 can be raised through debt factoring, considering the 15% fee the factor charges for buying £100 000 of debt. DTN Ltd is foregoing £15 000 of cash using this method.
- The offer to buy the debt will sufficiently cover the amount required, with a £5 000 surplus, if needed.
- A reduction in profit will result from this option, given the factor fee is an expense to the business.
- DTN Ltd's customers may wonder why another company is chasing their invoice, especially if it is a temporary arrangement and this might affect the communication and relationship customers have with DTN Ltd.

Possible themes of evaluation

- Candidates may choose either option to raise finance.
- The sale of vehicles depends on whether the average of 60% capacity utilisation is likely to remain consistent. If capacity utilisation rises, selling the vehicles might affect its ability to meet demand.
- The sale of vehicles is dependent on a buyer being found that will pay the net book value for them and can pay before or by December.
- DTN Ltd must weigh up the benefit of foregoing £15 000 cash by selling the debt to the factoring company. There might be other companies available that charge a smaller fee.
- Comparison of the options and weighing up the most important factors(s) which affects the choice is valid evaluation.

Credit any other valid point.

7. The Water Can

- (a) Identify two duties of employers regarding employees' rights at work.

[2]

AO1: 2 marks

Award 1 mark for each valid duty identified

Indicative content:

- Issue a contract of employment.
- Ensure health and safety requirements are met (hygiene and cleanliness)
- Pay employees at least the minimum wage.
- Adhere to procedures in relation to dismissal.
- Ensure legislation relating to equal opportunities is adhered to.
- Ensure employees are not discriminated against.
- Rest breaks and working hours.

Credit any other valid point.

- (b) Describe two methods of non-financial motivation that the owner could introduce at The Water Can.

[4]

AO1: 2 marks

AO2: 2 marks

Award 1 mark for each valid method of non-financial motivation outlined (Max 2 marks)

Award 1 mark for each method correctly applied to The Water Can (Max 2 marks)

Indicative content:

Job design – the employees could be involved in choosing the elements of the job that they find more interesting and more meaningful based on their interests and skills. This could be choosing to water plants or work on the till. The manager could allow employees to redesign their job often to suit an employee's preferences.

Job enlargement – employees could be provided with a further range of tasks to complete. Since they carry out the same duties every day, garden centre assistants, for example, might want to work as a cashier at some points.

Job enrichment – employees could be given more responsibility for example with making decisions about which plants should be prominently displayed or leading a 10 minute briefing or getting involved with administration.

Team working – employees can work together to achieve targets or tasks that need to be done during a shift (according to the 10-minute briefing), such as working together to water plants or preparing a display.

Flexible working arrangements / flexibility might also be considered a form of non-financial motivation in terms of part time working to promote a work / life balance. The manager could organise flexible working according to employees' requests.

Empowerment – employees could be given the responsibility to make decisions, especially if they want to progress. This could be through giving authority to make orders with suppliers or decisions about what food to serve in the café.

Training – employees could be given training on aspects of managing a garden centre, specific training on plant care, as a cashier or in administration. This will help them to become multi-skilled.

Other methods of non-financial motivation that might be suggested that should be given credit include: job rotation (switching jobs), quality circles, praise and recognition (e.g. employee of the month, star of the week).

Do not award appraisal or promotion as methods of non-financial motivation.

Credit any other valid method of non-financial motivation.

(c) Evaluate the importance to businesses of having the correct numbers of employees with appropriate skills and experience. [8]			
Band	AO1	AO3	AO4
	2 marks	3 marks	3 marks
3		<p>3 marks</p> <p>Excellent analysis of the importance of having the correct numbers of employees with appropriate skills and experience</p> <p>Analysis contains some balance</p> <p>Logical chains of reasoning are evident</p>	<p>3 marks</p> <p>A well-balanced and detailed evaluation of the importance of having the correct numbers of employees with appropriate skills and experience</p> <p>Judgements are convincing and well-supported</p> <p>Qualifying statements may be used</p>
2	<p>2 marks</p> <p>Good knowledge shown of working planning</p> <p>The importance of having the correct number of employees with appropriate skills and experience is clear</p>	<p>2 marks</p> <p>Good analysis of the importance of having the correct numbers of employees with appropriate skills and experience</p>	<p>2 marks</p> <p>Good evaluation of the importance of having the correct numbers of employees with appropriate skills and experience</p> <p>Judgement is detailed and supported with clear reasoning</p> <p>Lines of evaluation are developed</p>
1	<p>1 mark</p> <p>Limited knowledge shown of workforce planning</p> <p>A feature of workforce planning may be identified</p>	<p>1 mark</p> <p>Limited analysis of the importance of having the correct numbers of employees with appropriate skills and experience</p> <p>The analysis is likely to be one-sided</p> <p>Superficial points with limited development</p>	<p>1 mark</p> <p>Evaluation is limited and is likely to be one-sided</p> <p>The candidate makes partial judgements, with some attempt to support the evaluation</p>
0	<p>0 marks</p> <p>No valid knowledge</p>	<p>0 marks</p> <p>No valid analysis</p>	<p>0 marks</p> <p>No valid evaluation</p>

Indicative content:

Reasons why it is important

- Having the correct numbers of employees with appropriate skills and experience is part of workforce planning. Workforce planning involves looking to the future and judging the level of demand for skills within the business. In other words, it means ensuring that there will be the right number of workers, with the right skills, doing the right jobs, at the right time and in the right place.
- The correct numbers of employees with appropriate skills and experience might involve recruitment or redundancies at different times, depending on requirements.
- Correct levels of employees might enable businesses to save money by not having too many employees and therefore could make businesses more efficient by decreasing costs and potentially increasing profits.
- Planning for the correct number of staff helps a business to control staffing costs by not recruiting more staff than are needed.
- It also can help a business to avoid staffing shortages by ensuring enough employees are recruited in time for when they are needed.
- It helps a business produce enough products to meet customer demand by ensuring sufficient staff are recruited in time.
- Workforce planning can help with allocating resources and making decisions on training and development, for example if employees need certain skills to do their job.
- Workforce planning can help to reduce labour turnover by ensuring the right people are employed and in sufficient numbers to manage workload.

Possible counterarguments

- Businesses that find it easy to recruit employees on low paid, low skilled jobs may find it less important to plan extensively. They might be able to train new employees quickly and they do not require much prior experience to do their jobs.
- It may not be important to always have the 'correct' number of employees, because a business might desire some flexibility in its workforce to deal with uncertainty e.g., sudden increases in demand.
- Some businesses that are in a favourable financial position might not give too much priority in the short term to being overstaffed since in a large organisation having a few extra staff might not have that much of an impact on its financial performance.
- Indeed, many small businesses, the majority of which do not employ people will find that workplace planning does not apply to them, as they do not have any employees.

Possible themes for evaluation

- It may be difficult to measure what is the 'correct' number of staff with appropriate skills and experience and this is likely difficult to achieve all the time with precision, since many workplaces are fluid and dynamic.
- It is likely that having the correct number of employees with appropriate skills and experience is more important than not, since having too many or few staff is likely to be inefficient. Having staff with deficiencies in their skills and experience is likely to result in mistakes and decreased quality, whereas employing staff with skills and experience that are surplus to requirements is likely to lead to boredom for staff and / or paying more wages and salaries.
- Workplace planning can be important to a business, but there are other aspects that might equally be as important, or more important, at a particular time, for example delivering quality products or dealing with a reputational crisis.
- In the long term, businesses should consider workforce planning as part of its operations.

Credit any other valid point.