



*Rewarding Learning*

**ADVANCED**  
**General Certificate of Education**  
**2024**

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## **Business Studies**

**Assessment Unit A2 1**

*assessing*

**Strategic Decision Making**

**[ABU11]**

**TUESDAY 21 MAY, MORNING**

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**MARK**  
**SCHEME**

## **General Marking Instructions**

### ***Introduction***

The main purpose of the mark scheme is to ensure that examinations are marked accurately, consistently and fairly. The mark scheme provides examiners with an indication of the nature and range of candidates' responses likely to be worthy of credit. It also sets out the criteria which they should apply in allocating marks to candidates' responses.

### ***Assessment objectives***

Below are the assessment objectives for GCE Business Studies.

Candidates should be able to:

- AO1** Demonstrate knowledge of terms, concepts, theories, methods and models to show an understanding of how individuals and organisations are affected by and respond to business issues.
- AO2** Apply knowledge and understanding to various business contexts to show how individuals and organisations are affected by and respond to issues.
- AO3** Analyse issues within business, showing an understanding of the impact of external and internal influences on individuals and organisations.
- AO4** Evaluate quantitative and qualitative information to make informed judgements and propose evidence-based solutions to business issues.

### ***Quality of candidates' responses***

In marking the examination papers, examiners should be looking for a quality of response reflecting the level of maturity which may reasonably be expected of a 17 or 18-year-old which is the age at which the majority of candidates sit their GCE examinations.

### ***Flexibility in marking***

Mark schemes are not intended to be totally prescriptive. No mark scheme can cover all the responses which candidates may produce. In the event of unanticipated answers, examiners are expected to use their professional judgement to assess the validity of answers. If an answer is particularly problematic, then examiners should seek the guidance of the Supervising Examiner.

### ***Positive marking***

Examiners are encouraged to be positive in their marking, giving appropriate credit for what candidates know, understand and can do rather than penalising candidates for errors or omissions. Examiners should make use of the whole of the available mark range for any particular question and be prepared to award full marks for a response which is as good as might reasonably be expected of a 17 or 18-year-old GCE candidate.

### ***Awarding zero marks***

Marks should only be awarded for valid responses and no marks should be awarded for an answer which is completely incorrect or inappropriate.

### ***Marking Calculations***

In marking answers involving calculations, examiners should apply the 'own figure rule' so that candidates are not penalised more than once for a computational error. To avoid a candidate being penalised, marks can be awarded where correct conclusions or inferences are made from their incorrect calculations. If a candidate gives the correct answer without showing their working out, full marks should be awarded.

### **Types of mark schemes**

Mark schemes for tasks or questions which require candidates to respond in extended written form are marked on the basis of levels of response which take account of the quality of written communication.

Other questions which require only short answers are marked on a point for point basis with marks awarded for each valid piece of information provided.

### **Levels of response**

In deciding which level of response to award, examiners should look for the 'best fit' bearing in mind that weakness in one area may be compensated for by strength in another. In deciding which mark within a particular level to award to any response, examiners are expected to use their professional judgement.

The following guidance is provided to assist examiners.

- **Threshold performance:** Response which just merits inclusion in the level and should be awarded a mark at or near the bottom of the range.
- **Intermediate performance:** Response which clearly merits inclusion in the level and should be awarded a mark at or near the middle of the range.
- **High performance:** Response which fully satisfies the level description and should be awarded a mark at or near the top of the range.

### **Quality of written communication**

Quality of written communication is taken into account in assessing candidates' responses to all tasks and questions that require them to respond in extended written form. These tasks and questions are marked on the basis of levels of response. The description for each level of response includes reference to the quality of written communication.

For conciseness, quality of written communication is distinguished within either 3 or 4 levels of response.

Where there are three levels of response, quality of written communication is distinguished as follows:

Level 1: Quality of written communication is basic.

Level 2: Quality of written communication is good.

Level 3: Quality of written communication is excellent.

In interpreting these level descriptions, examiners should refer to the more detailed guidance provided below:

**Level 1 (Basic):** The candidate makes only a basic selection and use of an appropriate form and style of writing. The organisation of material may lack clarity and coherence. There is little use of specialist vocabulary. Presentation, spelling, punctuation and grammar may be such that intended meaning is not clear.

**Level 2 (Good):** The candidate makes a good selection and use of an appropriate form and style of writing. Relevant material is organised with good clarity and coherence. There is good use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are of a good standard to make meaning clear.

**Level 3 (Excellent):** The candidate successfully selects and uses the most appropriate form and style of writing. Relevant material is organised with a very high degree of clarity and coherence. There is widespread and accurate use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are of the highest standard to make meaning absolutely clear.

Where there are four levels of response, quality of written communication is distinguished as follows:

Level 1: Quality of written communication is basic.

Level 2: Quality of written communication is satisfactory.

Level 3: Quality of written communication is good.

Level 4: Quality of written communication is excellent.

In interpreting these level descriptions, examiners should refer to the more detailed guidance provided below:

**Level 1 (Basic):** The candidate makes only a basic selection and use of an appropriate form and style of writing. The organisation of material may lack clarity and coherence. There is little use of specialist vocabulary. Presentation, spelling, punctuation and grammar may be such that intended meaning is not clear.

**Level 2 (Satisfactory):** The candidate makes a satisfactory selection and use of an appropriate form and style of writing. Relevant material is organised with some degree of clarity and coherence. There is some use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are of a satisfactory standard to make meaning evident.

**Level 3 (Good):** The candidate makes a good selection and use of an appropriate form and style of writing. Relevant material is organised with good clarity and coherence. There is good use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are of a good standard to make meaning clear.

**Level 4 (Excellent):** The candidate successfully selects and uses the most appropriate form and style of writing. Relevant material is organised with a high degree of clarity and coherence. There is widespread and accurate use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are of the highest standard to make meaning absolutely clear.

1 (a) Using the case study information, explain an impact that new technology has on communication to stakeholders.

- Results in faster speed of communication
- Communications between stakeholder groups improved
- Better web connection, mobile connection and faster broadband speed.

Barclay Communications are the forefront for new methods of technology to help improve communication to all stakeholder groups.

VoIP systems are built to provide faster communication speeds and response rates.

5G networks are believed to transform web connections as we know them. With this technology, Internet users can expect increased network capacities, lightning-fast browsing speeds, and better mobile broadband connection.

Marking:

- good explanation [2]
- basic explanation [1]
- good application [2]
- basic application [1]
- no explanation or application [0]

[4]

(b) Explain **two** elements of Kaplan and Norton’s Balanced Scorecard model using examples from Barclay Communications.

Kaplan and Norton’s Balanced Scorecard is a framework that enables members of the management team to analyse and evaluate how businesses’ activities stack up against its vision and strategy. It looks at financial and non-financial elements.

- Financial
- Customer
- Internal Business Processes
- Learning & Growth

	Financial	Customer	Internal Business Processes	Learning & Growth
Examples	Growth in 5G market share.  Increase sales revenues, from £750m to £780m	Impact of technology – investment of £1.2m in customer support packages to provide after-sales support and training	Efficient logistics and supply chain management, including partnerships with key industry names, e.g. BT plc	Staff development scheme – leader and expert in business mobile, landline and IT software  Store manager development programme

**Level 3 [5]–[6]**

An excellent response demonstrates:

- Comprehensive and relevant knowledge and understanding of 2 elements of the balanced scorecard using examples from Barclay Communications.
- Appropriate use of relevant source material, to fully support a detailed explanation.

**Level 2 [3]–[4]**

A good response demonstrates:

- Good knowledge and understanding of 2 elements of the balanced scorecard using examples from Barclay Communications.
- Mostly appropriate use of relevant source material, to support the explanations.

**Level 1 [1]–[2]**

A basic response demonstrates:

- Basic knowledge and understanding of up to 2 elements of the balanced scorecard using examples from Barclay Communications.
- Basic use of relevant source material to support the explanations.

Answers not worthy of credit **[0]** marks.

[6]

10

**AVAILABLE  
MARKS**

**2** Evaluate the external factors influencing the business objectives of Barclay Communications.

AVAILABLE  
MARKS

- Competition from rival firms Radium, Welcom and Yellowcom. Barclay Communications provide all-in-one communication solutions to keep businesses responsive and dynamic, their speciality is customer service alongside an experienced team of staff that are dedicated to managing all customer enquiries give them a competitive edge over their rivals.
- The cost of research and development into the latest technology to keep ahead of competitors. External economies of scale if the whole industry does market research.
- The state of the economy which refers to issues outside the businesses control that are likely to affect performance and the achievement of business objectives. Rising inflation and interest rates have affected consumer spending over the past number of years.

**Marking:**

**Level 3 [11]–[15]**

An excellent response demonstrates:

- Comprehensive and relevant knowledge and understanding of external factors influencing the business objectives of Barclay Communications.
- Appropriate use of relevant source material, to fully support a detailed analysis.
- Well-focused and sound analysis.
- Highly appropriate, clear and logical evaluation.
- An excellent quality of written communication.

**Level 2 [6]–[10]**

A good response demonstrates:

- Good knowledge and understanding of external factors influencing the business objectives of Barclay Communications.
- Mostly appropriate use of relevant source material to support the analysis.
- Good analysis of relevant issues.
- Mostly appropriate, clear and logical evaluation.
- Good quality of written communication.

**Level 1 [1]–[5]**

A basic response demonstrates:

- Basic knowledge and understanding of external factors influencing the business objectives of Barclay Communications.
- Basic use of relevant source material to support the analysis. Some references to source material may not be appropriate.
- Basic analysis of relevant issues.
- Basic evaluation.
- Basic quality of written communication.

Answers not worthy of credit **[0]** marks.

[15]

15

**3** Evaluate the need for contingency planning for the protection of data within Barclay Communications.

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MARKS

Barclay Communications have a very detailed contingency plan to protect customer data in an event of a data breach. Barclay Communications have taken several pro-active decisions to implement controls.

- It provides managers with opportunities to ensure the continuity of business activities for example Cyber Crime – they have secure destruction processes to ensure that sensitive information is properly disposed of and cannot be easily reconstituted in the event of theft.
- It minimises panic among staff and affords staff and customers a degree of assurance that business operations can continue as normal as far as possible – They have 2 offices both of which have capacity to hold all staff. In the event of a data breach in one office they can use the other. The IT systems are backed up remotely and therefore can be accessed from either location.
- Reduces the risk of uncertainty to a business – Addition passwords on work laptops and PC to provide further security to help protect against hacking.
- Contingency plan ensures the business can still meet its key objectives even if the original plan has changed.
- Involving staff of the drawing up of contingency planning and preparing them for future changes can ease the burden in the event of the original plan being abandoned.
- Data Protection – Data is backed up and stored offsite to allow for the restoration of information in the event of data loss.
- Must be kept under view and changes made if requires.
- Time consuming to draw up and may prove costly to research and implement.
- Additional training may be required so staff are confident in new procedures.
- Avoid crisis management.
- Improves corporate image.
- Build good relations with customers.
- Management can become overly focused on CP and lose focus on main objective.
- Can be waste of time and resources as may never be used.

**Marking:**

**Level 4 [16]–[20]**

An excellent response demonstrates:

- Comprehensive and relevant knowledge and understanding of the need for contingency planning for the protection of data within Barclay Communications.
- Appropriate use of relevant source material, coming to a fully supported argument.
- Well-focused and sound analysis.
- Highly appropriate, clear and logical evaluation.
- An excellent quality of written communication.

**Level 3 [11]–[15]**

A good response demonstrates:

- Good knowledge and understanding of the need for contingency planning for the protection of data within Barclay Communications.
- Mostly appropriate use of relevant source material to support the analysis.
- Good analysis of relevant issues.
- Mostly appropriate, clear and logical evaluation.
- Good quality of written communication.

**Level 2 [6]–[10]**

A satisfactory response demonstrates:

- Satisfactory knowledge and understanding of the need for contingency planning for the protection of data within Barclay Communications.
- A suitable, appropriate evaluation, based on reasonable analysis.
- A satisfactory use of source material, coming to a partially supported argument.
- A satisfactory quality of written communication.

**Level 1 [1]–[5]**

A basic response demonstrates:

- Basic knowledge and understanding of the need for contingency planning for the protection of data within Barclay Communications.
- Basic use of relevant source material to support the analysis. Some references to source material may not be appropriate.
- Basic analysis of relevant issues.
- Basic evaluation.
- Basic quality of written communication.

Answer not worthy of credit **[0]** marks.

[20]

20

**AVAILABLE  
MARKS**

4 Evaluate the qualitative factors influencing the investment of £1.2million in customer support within Barclay Communications.

- Potential Impact on staff – may result in staff redundancies, decrease motivation or staff may need retrained which leads to added costs and stress on staff. Resistance to change.
- Ethical Issues – business must consider its ethical and corporate social responsibilities when considering investment of £1.2m.
- Availability of project funds – banks may not lend due to the uncertainty in the external environment.
- Business Objectives – it is important that the investment supports the business objectives in order to succeed.
- Corporate Image – may be affected due to staff redundancies and unfavourable press speculation.
- **Technical** – Businesses might invest in the most up to date equipment, which might improve productivity but in turn lead to staff redundancies and increased training costs. This may create unfavourable press speculation and force the business to reconsider or postpone such investment plans.
- **Uncertainty** – a business might not be able to proceed with a planned project if the funding is not available from the businesses own retained profit or from a bank loan as interest rates are fluctuating.
- Most businesses are postponing investment plans due to the rising energy costs, wage increases, rising inflation and uncertainty within the economy.
- Style of leadership/culture.
- Effect on industrial relations.
- Current gearing may affect ability to secure funding.
- Conflict between stakeholders may arise from this investment.

**Marking:**

**Level 4 [16]–[20]**

An excellent response demonstrates:

- Comprehensive and relevant knowledge and understanding of qualitative factors influencing the investment of £1.2m.
- Highly appropriate, clear and logical evaluation, based on well focused and sound analysis.
- Appropriate use of relevant source material, coming to a fully supported argument.
- An excellent quality of written communication.

**Level 3 [11]–[15]**

A good response demonstrates:

- Sound and accurate knowledge and understanding of qualitative factors influencing the investment of £1.2m.
- An appropriate, clear and logical evaluation, based on focused analysis.
- Mostly appropriate use of relevant source material, coming to a supported argument.
- A good quality of written communication.

**Level 2 [6]–[10]**

A satisfactory response demonstrates:

- Satisfactory knowledge and understanding of qualitative factors influencing the investment of £1.2m.
- A suitable, appropriate evaluation, based on reasonable analysis.
- A satisfactory use of source material, coming to a partially supported argument.
- A satisfactory quality of written communication.

**Level 1 [1]–[5]**

A basic response demonstrates:

- Basic knowledge and understanding of qualitative factors influencing the investment of £1.2m.
- Basic evaluation, based on limited or no relevant analysis.
- References to source material may not be appropriate.
- A basic quality of written communication.

Answers not worthy of credit **[0]** marks.

Valid alternative answers will be credited.

[20]

20

AVAILABLE  
MARKS

**5** Evaluate the usefulness of a Boston Matrix as a decision making tool for Barclay Communications.

**AVAILABLE MARKS**

The Boston Matrix is a useful tool for firms facing decisions relating to market share and market growth. Use of the Boston Matrix will assist a business entity in making business decisions, related to financial, marketing, production and other support activities in relation to competing within the market.

	High Market Share	Low Market Share
High Market Growth	<p><b>‘Stars’</b></p> <ul style="list-style-type: none"> <li>• Workpal</li> <li>• Broadband</li> </ul>	<p><b>‘Question Marks’ or ‘Problem Children’</b></p> <ul style="list-style-type: none"> <li>• Mobile Broadband</li> <li>• VoIP</li> </ul>
Low Market Growth	<p><b>‘Cash Cows’</b></p> <ul style="list-style-type: none"> <li>• Business Mobile</li> </ul>	<p><b>‘Dogs’</b></p> <ul style="list-style-type: none"> <li>• Calls and Landline (phone systems)</li> </ul>

- The Boston Matrix is particularly beneficial to firms who are trying to manage a product portfolio as they must ensure a balance between the number of products in each category or quadrant of the matrix.
- The Boston Matrix positions each product on a grid thus allowing management to make key decisions at each stage depending on whether the product attracts a high or low percentage of market share or potential growth rates are high or low.
- Using the Boston Matrix helps management to identify the appropriate time for launching new products onto the market.
- The information provided by the Boston Matrix can indicate the likely cash flow position of each product within the context of its market.
- Simple business tool.
- Highlights when remedial action is needed.
- Visual tool/simple.
- Using the Boston Matrix for decision making and managing the product portfolio is no guarantee of success for Barclay Communications.
- Critics suggest that the analysis provided is too simplistic and does not reflect economic reality. The Boston Matrix is a theoretical model only and therefore cannot take account of all economic activity.
- The IT/Mobile environment is very volatile so making decisions based on the predicted cash flows for each product in the portfolio can be risky.
- Analysis can be affected by bias.
- Ignores qualitative data.
- Difficult for management to decide where to place each product.
- Help identify what stage of the PLC each product is at.
- Can identify products that need more investment.

**Marking:**

**Level 4 [20]–[25]**

An excellent response demonstrates:

- Comprehensive and relevant knowledge and understanding of the usefulness of the Boston Matrix as a decision making tool for Barclay Communications.
- Highly appropriate, clear and logical evaluation, based on well focused and sound analysis.
- Appropriate use of relevant source material, coming to a fully analysed argument of the change in financial performance.
- An excellent quality of written communication.

**Level 3 [14]–[19]**

A good response demonstrates:

- Sound and accurate knowledge and understanding of usefulness of the Boston Matrix as a decision making tool for Barclay Communications.
- An appropriate, clear and logical evaluation, based on focused analysis.
- Mostly appropriate use of relevant source material, coming to a partially analysis of the change in financial performance.
- A good quality of written communication.

**Level 2 [8]–[13]**

A satisfactory response demonstrates:

- Satisfactory knowledge and understanding of usefulness of the Boston Matrix as a decision making tool for Barclay Communications.
- A suitable, appropriate evaluation, based on reasonable analysis.
- A satisfactory or appropriate use of source material, coming to a partially supported analysis of the change in financial performance.
- A satisfactory quality of written communication.

**Level 1 [1]–[7]**

A basic response demonstrates:

- Basic knowledge and understanding of usefulness of the Boston Matrix as a decision making tool for Barclay Communications.
- Basic evaluation, based on limited or no relevant analysis.
- References to source material may not be appropriate.
- A basic quality of written communication.

Answer not worthy of credit **[0]** marks.

Valid alternative answers will be credited.

[25]

**Total**

**AVAILABLE  
MARKS**

25

**90**