

Mark Scheme (Results)

June 2008

GCE

GCE Business Studies (6126/01)

General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Unit 6126/01 - Corporate Strategy Mark scheme

Question Number	Indicative content
1	<p>Valid points could include:</p> <p>A strategy ideally would refer to corporate objectives, identify key strategic elements eg finance, HR, marketing, location/distance</p> <p>If a candidate assesses and prioritises; the components of a strategy in some depth, in context, and may infer that further information is needed, it is not necessary to indicate a specific location to achieve L4</p> <p>Europe</p> <ul style="list-style-type: none"> • Relocating to a possible base in Eire - Euro zone but English speaking and same electronic standards. More likely or less likely that key staff will move? • Good sea links to Europe • Le Mans presents problems of sea links to other parts of Europe or extensive road journeys • Are skills available for installation on the same sub contract basis or will permanent full time staff be needed - will volume support this. • Change of Health and Safety laws • Problems of control • Costs of moving for either option • L'Oeil has an expensive location, weaker financial performance, much more needs to be known about their profile, why selling up after only twelve years. <p>But</p> <ul style="list-style-type: none"> • Removes the currency obstacle and apart from L'Oeil may attract regional funding from EU as well as offering cost savings • May need to overcome possible strong opposition from his father <p>Conclusion</p> <ul style="list-style-type: none"> • Any supported conclusion is acceptable preferably with use of Ansoff, • No evidence to suggest any financial difficulty if expansion is agreed. • More information and market research is needed before any conclusion can be validly reached. <p><i>eg A level 4 response may analyse the impact of most of the major influences, demonstrate clear appreciation of the importance of them and produces a balanced recommendation based on the analysis made and which must amount to a strategy. Reference to France as a distribution base to rest of Europe; higher marks when including Ireland in considerations.</i></p> <p><i>eg A level 3 response will analyse the problem in context, demonstrating sound knowledge, but with some omissions and no conclusion.</i></p> <p><i>If a candidate ONLY refers to expansion into France = L3</i></p> <p style="text-align: right;">Total 40 marks</p>

Level	Mark	Descriptor
Level 4	29-40	Candidates assess the relevant factors and produce a relevant strategy and draw upon most major issues.
Level 3	17-28	Candidates analyse the relevant factors, causes and/or consequences, but may not present a convincing conclusion. There may be some notable omissions and lack of balance.
Level 2	9-16	Candidates apply knowledge of strategic processes.
Level 1	1-8	Candidates demonstrate knowledge of strategic processes or make simple references to data.
	0	No rewardable material.

Quality of Written Communication (QWC):

Quality of written communication will be assessed in question 1 by means of the following criteria:

Level 4

Candidate expresses complex ideas extremely clearly and fluently. Answers are very well structured. Arguments are consistently relevant and well-developed. There are very few, if any, errors in spelling, punctuation and grammar.

6 marks

Level 3

Candidate expresses moderately complex ideas clearly and answers are well structured. Arguments are generally relevant and developed. There are few, if any, errors in spelling, punctuation and grammar.

4-5 marks

Level 2

Candidate expresses straightforward ideas clearly, but not always fluently. Answers are not well structured and arguments may be weakly presented. There may be some errors in spelling, punctuation and grammar.

2-3 marks

Level 1

Candidate expresses simple ideas clearly, but may be confused or imprecise in the expression of ideas. There may be noticeable errors in spelling, punctuation and grammar.

0-1 mark

Total 6 marks

Question Number	Indicative content
2	<p>Valid points could include:</p> <ul style="list-style-type: none"> • Change is inevitable - it is the rate of change that is significant • HHW should always review the environment in which it exists using SWOT/PESTLE tools etc • The business must have changed many times since it started or how else has it become larger and successful • The business has outgrown the present site so change in this respect is inevitable if growth is required, unless diseconomies of scale are to be borne • Reference to climate concerns, renewable energy issues, Kyoto agreement etc and their influence on Hooper • Boston Matrix theory would suggest that new products or services should be brought on stream • There is no suggestion of decline in the product life cycle • The financial extracts suggest a business that is going along steadily, so is there in fact a need for change - no evidence of this. Therefore the existing premises may suffice <p>Candidates should be given credit for indicating that amongst the options is to do nothing possibly with reference to owners objectives.</p> <p>Market development references are only valid when strongly linked to support product development.</p> <p><i>eg A level 4 response will analyse the inevitability of change in context, showing sound subject knowledge and produce a balanced conclusion. Example - “change is inevitable to some extent...Hooper appear to be well positioned. However many influences exist and on balance if they wish to maintain the financial progression shown in Table B then”</i></p> <p><i>eg A level 3 response will analyse need for change in context, but with some omissions and no conclusion.</i></p> <p style="text-align: right;">Total 40 Marks</p>

Level	Mark	Descriptor
Level 4	29-40	Candidates assess the inevitability of change in relation to product development with good use of theory and reach a valid conclusion.
Level 3	17-28	Candidates analyse the relevant points in context but may not present a convincing conclusion. There may be some notable omissions and lack of balance.
Level 2	9-16	Candidates apply the relevance of product development to HHW.
Level 1	1-8	Candidates demonstrate knowledge of product lifecycle, development theory.
	0	No rewardable material.

Question Number	Indicative content
3	<p>Valid points could include:</p> <ul style="list-style-type: none"> • Globalisation reflects the continuing emergence and standardisation of developing economies • There are inevitably both Opportunities and Threats in any situation of widening markets • Possible use of Ansoff and Porter - eg supplier dominance • More competitors • Different technical standards • Exchange rate impacts, Euro and dollar for example • New technologies arising which more easily impact upon UK firms eg Miklos • Entrenched Market leaders • Need to develop bases near to markets in some cases, eg expansion into Europe • Finance needs - HHW small, but well funded • Development of language skills • Time zones • Culture differences - need to study sensitive issues • Need to adjust culture of the firm to make sure it is one of welcoming widening markets not one of retreating into xenophobic inhibition • New supplies to ease the present dominant UK manufacturers <p>BUT</p> <ul style="list-style-type: none"> • Wider customer base • New emerging markets eg Russia, China • New sources of supply • Collaboration and partnerships in launching overseas products into the UK market and taking UK products and services to new markets eg Miklos and hurricane proof • Sharing of best practices <p>AND</p> <ul style="list-style-type: none"> • Not all firms will be affected simply because some are too small and localised in their market and unlikely even to encounter inbound competition <p><i>eg A level 4 response may demonstrate clear subject knowledge in context and show appreciation of the opportunities and challenges presented by globalisation. Using both context and non context examples, perhaps supported by appropriate use of theorists, possibly concluding that the move towards globalisation is inevitable and therefore must be embraced by firms of sufficient size like HHW</i></p> <p><i>eg A level 3 response will analyse in context the impact of the growth of global markets on HHW, with reference to positive and negative aspects and perhaps with limited or inappropriate use of theorists</i></p> <p style="text-align: right;">Total 40 marks</p>

Level	Mark	Descriptor
Level 4	29-40	Candidates evaluates the likely implications of globalisation for HHW. A balanced evaluative response and valid conclusion are present.
Level 3	17-28	Candidates analyses the likely implications of globalisation for HHW. There may be some notable omissions and lack of balance.
Level 2	9-16	Candidates apply globalisation issues to HHW.
Level 1	1-8	Candidates demonstrate knowledge of globalisation issues.
	0	No rewardable material.

Quality Of Written Communication 6 marks
Total for paper 126 marks