

Cambridge International AS & A Level

BUSINESS		9609/22
Paper 2 Data Respons	e Oc	tober/November 2020
MARK SCHEME		
Maximum Mark: 60		
	Published	
	i apriorieu	

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.

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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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Question	Answ	er			Marks
1(a)(i)	Define the term 'revenue' (line 2).				2
	Knowledge			Marks	
	A correct definition			2	
	A partial, vague or unfocused definition			1	
	No creditable content			0	
	Content A correct definition should include the fo for each element): Revenue is the money received (by for selling its products and services. Alternatively, a candidate can gain BOTI Price × quantity sold (2)	a busines	s)		
	Exemplar	Mark	Rationale		
	Revenue is the money a firm gets from sales	2	Both eleme	ents	
	Price × Quantity	2	Valid formu	ıla	
	The income of a firm	1	First eleme	nt only	
	Revenue is the profit of a firm	0	Incorrect		
1(a)(ii)	Explain the term 'unit costs' (line 6). Award one mark for each point of explan	nation:			3
	Rationale			Marks	
	C Example or some other way of sunderstanding – only if both A abeen gained			1	
	B An understanding of unit – must single product/good	t be an ide	ea of a	1	
	A An understanding of costs – mu cost is something paid by a bus from production			1	

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Question	Answe	er		Mark
1(a)(ii)	Content			
	Exemplar	Marks	Rationale	
	The amount that a business must pay out (A) to produce a single item (B). For example, this may be what ES has to pay out to produce a single unit of energy.	3	All three marks	
	How much a business pays (A) to make a single produce (B).	2	Both A and B marks	
	Total costs/output.	2	Both A and B marks	
	Costs are incurred by a business by production.	1	A mark only	
	The total costs, which include fixed and variable costs of products divided by the number of products (B).	1	Clear understanding of a single unit, but no explanation of what a cost is.	
	What it costs for a unit (B).	1	'a unit' is enough for the B mark.	
	The cost of one (B) unit of a good. An example would be the cost of one can of cola.	1	A clear idea of a single unit. However, example mark cannot be given without A and B marks awarded.	
	The cost of units.	0	Neither unit or cost is explained.	

Question		A	nswer		Marks
1(b)(i)			difference in dollars recei the profit-sharing schemo		3
	Rationale			Marks	
	Correct answer with or w	ithout cor	rect working or \$	3	
	Correct calculation of Dir	ectors sha	are and Managers share	2	
	Correct calculation of Dir	ectors sha	are or Managers share	1	
	No creditable content			0	
	(\$0.012 m) • \$30 000 - \$12 000 = \$ Answer = \$18 000 (\$0.018)	\$18 000 3 m) ver if there	0.1% = 0.1% of \$12 m = \$1 e is clear working shown for se numbers are wrong)		
	Answer	Mark	Rationale		
	18 000	3	Correct answer – does no	ot need \$	
	\$12 m 0.25 = \$48 m \$12 m 0.1 = \$120 m \$48 m + \$120 m = \$168 m	1	Candidate has inverted the sharing formula for both I Managers, which are not However, the candidate the completes the last stage of based on their own figure should be awarded one manager than the should be awarded on the should be awarded one manager than the should be awarded on the should be awarded one manager than the should be awarded on the should be awarde	Directors and creditable. hen correctly and (OFR)	
	candidate for the stages of stage or figure used is inc create all following calcula rewardable (if correct whe	of a calcula correct. An ations to h en using a arks for the	ure rule – this aims to rewa ation that are correct, even early mistake, for example ave wrong answers, but the candidate's own figures) T e stage that was incorrect, i	if an earlier e, would ese are still Therefore the	

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Question			Answer			Marks
1(b)(ii)	Explain one	disadvanta	ge to ES of using a pro	ofit-sharing sch	eme.	3
	Level	Knowledg	e and Application		Marks	
	2b (APP)		n of one disadvantage to neme in context	ES of a profit-	3	
	2a (K+K)		n of one disadvantage to aring scheme	a business of	2	
	1a (K)		on of one disadvantage t aring scheme	o a business of	1	
	0	No creditat	ole content		0	
	for fracki ES share leading t Increase competit May cau gained (i	ing. eholders mig to the compa es the costs of ive (many couse employer use of previous	nough retained profit to in the sell their shares because being taken over. In the business and there ompetitors in the market of the business and there ompetitors in the market of the should be marked bus answers – OFR).	use of low divide efore could make	ends ES less	
	Identification disadvanta		Explanation	Possible con	text	
	The owners profit	get less	Which may lead to them selling their shares	Because ES is limited compa	•	
	There is les profit for ES		Which may lead to lower growth for ES	Which might s expansion into fracking sites		

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Question			Answer			Marks
1(c)		e <u>one</u> internal source of that ES could use to pu			e of	8
	Level	Knowledge and Application (4 marks)	Marks	Analysis (4 marks)	Marks	
	2b	Shows understanding of one internal and one external source of finance in context	4	Good analysis of one internal and one external source of finance in context	4	
	2a	Shows understanding of one internal or one external source of finance in context	3	Good analysis of one internal or one external source of finance in context	3	
	1b	Shows knowledge of one internal and one external source of finance	2	Limited analysis of one internal and one external source of finance	2	
	1a	Shows knowledge of one internal or one external source of finance	1	Limited analysis of one internal or one external source of finance	1	
	0	No creditable content			0	
	son • Sal		e as a so ne old co	urce of finance		
	Gov frace	I ling shares – plc so able to y be able to sell on the bas vernment grants – governr sking, so may be willing to nk loans – profitable busing	sis of pub ment of co give a gra	licity that profits will incre cuntry X is very supportion ant to ES	ease	
	finance.	rights issue (to current sha However, simply selling s nt shareholders) is an exte	hares (wi	ith no explicit reference t		

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Question		Answer		Marks
1(c)	Example of an internal source of finance (K)	Examples of application/context (APP)	Examples of possible analysis (AN + DEV)	
	Retained profit (K)	ES had \$12m retained profit in 2019 (APP)	Does not need to be repaid (AN) but there is an opportunity cost (DEV)	
	Example of an external source of finance (K)	Examples of application/context (APP)	Examples of possible analysis (AN + DEV)	
	Sell shares (K)	ES is a Public Limited Company (APP)	So, by selling shares this can release cash to finance the purchase of the fracking license (AN), however, this may lead to a loss of control by the current owners (DEV)	

Question		An	swer		Marks
1(d)	Evaluate how two external company continuing to us		Iders of ES might be affect cking process.	ed by the	1
	Knowledge and Application (4 marks)	Marks	Analysis and Evaluation (7 marks)	Marks	
			Justified evaluation based on arguments in context	7	
			Developed evaluation based on arguments in context	6	
			An evaluative statement based on arguments in context	5	
	Shows understanding of two external stakeholders in context	4	Arguments based on the effect on two external stakeholders in context	4	
	Shows understanding of one external stakeholder in context	3	Arguments based on the effect on one external stakeholder in context	3	
	Shows knowledge of two external stakeholders	2	Limited analysis of the effect on two external stakeholders	2	
	Shows knowledge of one external stakeholder	1	Limited analysis of the effect on one external stakeholder	1	
	No creditable content	1	I	0	

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Question	Answer	Marks
1(d)	 Content Local community/society – devaluation of houses, earthquakes, pollution Activists/environmentalists/pressure groups – damage to the natural environment, pollution etc. Potential investors – attracted to future profit but could be put off by bad publicity (not current shareholders) Potential employees – Growth in jobs Customers – cheaper energy, cost of living Suppliers – increased demand because of ES growing Lenders – risk of bad publicity or government changing mind at a later date Government – increase energy self-sufficiency, increased tax revenue, economic growth Competitors – May lead them to having to purchase a fracking license and increasing costs to compete Analysis should be focussed on the effect on each stakeholder (not the business). 	
	 Evaluation is most likely to be demonstrated by: The relative level of effect on each stakeholder Which stakeholder is likely to be most affected Whether the effect on each stakeholder is likely to be all bad or all good How external stakeholder's effects might be mitigated 	

Question			Answer			Marks
1(d)	Examples of ho	ow an answer c	ould develop and	how it should	I be annotated.	
	K	APP	AN	DEV	EVAL	
	Government (K).	Gain money from selling the licenses (APP).	Allows the government to invest in infrastructure (AN).	Which may increase the welfare of the citizens of country X (DEV).	The local community are likely to be most affected (EVAL) because they also have to suffer from earthquakes	
	Local community (K).	Who live near a fracking site may see a reduction in the price of their home (APP).	This means their houses are worth less (AN)	Which might mean they get less money if they sell their home (DEV).	whereas the government will get the money from the licenses no matter what (EVAL). However, this depends on whether the people keep voting for the government (EVAL).	

Question			Answer			Ма
1(d)	K	APP	AN	DEV	EVAL	
	Customers (K).	May get cheaper energy through ES growing (APP).	Which means the customers have to pay less for their energy (AN).	And have more money to spend on household goods (DEV).	The customers are likely to only benefit from ES continuing to	
	Competitors (K)	May find more competition for fracking licenses (APP).	Which increases their costs (AN).	And may reduce their profit (DEV).	use the fracking process (EVAL) because increased competition may lead to even lower prices (EVAL). However, this depends on whether ES and their competitors reduce their prices (EVAL).	

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Question	Answ	er			Marks
2(a)(i)	Define the term 'cost-based pricing' (line 14).			
	Knowledge			Marks	
	A correct definition			2	
	A partial, vague or unfocused definition	1		1	
	No creditable content			0	
	A correct definition should include the for each element): • An amount is added on to give the analysis and the same and	amount the	·		
	 for each element): An amount is <u>added on to</u> give the a Based on the cost to produce a produce 	amount the	e customer mus		
	for each element): • An amount is <u>added on to</u> give the a • Based on the cost to produce a produce. Exemplar The business works out how much it costs to make a product and then	amount the	·	t pay (1)	
	for each element): • An amount is <u>added on to</u> give the a • Based on the cost to produce a prod Exemplar The business works out how much it	amount the	e customer mus	t pay (1)	
	for each element): • An amount is <u>added on to</u> give the a • Based on the cost to produce a produce a produce. Exemplar The business works out how much it costs to make a product and then adds on a set percentage.	amount the duct (1) Mark 2	Rationale Both element	t pay (1) s. ent only. only – costs of	

Question			Ansv	/er		Marks	
2(a)(ii)	Explain the difference between 'cash' (line 15) and 'profit' (line 15).						
	Award one mark for each point of explanation:						
	Rationa	le			Marks		
	С	Explanation of the	difference	e between cash and profit	1		
	В	Understanding of p	rofit		1		
	A	A Understanding of cash					
	 Cash is the liquidity of a firm – the money available to pay debts/bills/everyday costs Profit is the difference between cost and revenue. Cash is required and will come from revenue, but not all cash is profit as costs need to be paid. Cash is an asset of the business. Cash is required to run a business, whereas profit is something to aim for. A business is unlikely to operate without cash but can operate without profit. 						
	Exempla	ar	Mark	Rationale			
	operate	ess is unlikely to without cash but rate without profit	3	A difference shown, so a marks gained – the cand does not need to show understanding of cash of a valid difference has be explained.	lidate r profit if		
	the busir	n be used to pay ness costs (A) profit is the e between costs enue (B).	3	Clear understanding of band profit, the word 'whe shows a difference.			
	the busir	n be used to pay ness costs (A). the difference costs and revenue	2	Two statements but no a to compare them, so onl marks.			

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Question		Answei	-		Marks	
2(b)(i)	Refer to Table 2.1 and any other relevant information. Calculate the revenue GT will receive from all the performances of 'A Summer Dream' in January 2021.					
	Rationale	Marks				
	Correct answer with or without	3				
	Correct calculation of TR			2		
	Correct use of numbers			1		
	No creditable content			0		
	Formula: \$40 × (250 tickets × 9 performances) \$40 × 2250 = \$90 000 (TR) 50% of revenue to GT = \$90 000 / 2 = \$45 000 Answer = \$45 000 OFR Common incorrect answers					
	Answer	Mark	Rationale			
	45 000	3	Correct answer – do need \$	es not		
	\$40 × 9 = \$360 \$360 / 2 = £180	2	Candidate has misse number of seats – he the other stages of the calculation have bee completed correctly	owever, all he en		
	\$180 (no working)	0	Do not reward incorr answers without wor show correct stages calculation.	king to		
	\$40 × 250 = 10 000 50% of 10 000 = \$5000	2	Candidate has misse number of performal however, all the othe of the calculation ha completed correctly	nces – er stages ve been		
	\$5000 (no working)	0	Do not reward incorr answers without wor show correct stages calculation.	king to		

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Question	Answer					
2(b)(ii)	Explain one possible advantage to GT, other than increased revenue, of renting the theatre to visiting groups.					
	Level	Knowledg	Marks			
	2 (APP)	Explanation of an advantage of renting the theatre to visiting groups			3	
	2 (K + K)	Explanation item	n of an advantage of rent	ing a capital	2	
	1 (K)	Identification item	on of an advantage of rer	iting a capital	1	
	0	No credital	0			
	more peMay advMakes uIncrease	rformances) ertise GT pe se of a redu	e cost of productions (fixed formances at a visiting of the indext of the theatre flow	group		
	Identification of a difficulty Advertises the theatre.		Explanation	Possible con	itext	
			Which may bring in more customers to a GT show. For example, G advertise Wise of during the performances of Summer Dream		e Owl	
	Spreads fixe	ed costs.	Because the extra performances can be allocated some of the fixed costs.	Such as upke building.	ep of the	

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Answer						
Analyse <u>two</u> factors which might affect the demand for the performances at GT's theatre.						
Level	Knowledge and Application (4 marks)	Marks	Analysis (4 marks)	Marks		
2b	Shows understanding of two factors affecting demand in context	4	Good analysis of two factors affecting demand in context	4		
2a	Shows understanding of one factor affecting demand in context	3	Good analysis of one factor affecting demand in context	3		
1b	Shows knowledge of two factors affecting demand	2	Limited analysis of two factors affecting demand	2		
1a	Shows knowledge of one factor affecting demand	1	Limited analysis of one factor affecting demand	1		
0	0					
 Content Candidates may choose to analyse the demand from consumers or the demand from visiting theatre groups Changes in income – being a normal/luxury product, consumers are likely to increase spending on GT performances based on increasing income. Fashions/trends/tastes/preferences – going to the theatre may become fashionable, or may become a new trend Advertising – if GT spend on advertising, then it is likely to increase demand for their performances Brand awareness Price of substitutes/complements Availability of substitutes/compliments (for example Netflix, Amazon, other theatres) Population size Quality Uniqueness (USP) 						
	Level 2b 2a 1b Content Candida demand Chalikelinco Fasi fash Advedemand A	Analyse two factors which migh performances at GT's theatre. Level Knowledge and Application (4 marks) 2b Shows understanding of two factors affecting demand in context 2a Shows understanding of one factor affecting demand in context 1b Shows knowledge of two factors affecting demand 1a Shows knowledge of one factor affecting demand 0 No creditable content Content Candidates may choose to analys demand from visiting theatre groupule. Changes in income — being a likely to increase spending on income. Fashions/trends/tastes/preferr fashionable, or may become a likely to increase spending on income. Advertising — if GT spend on a demand for their performance. Brand awareness Price of substitutes/complement. Availability of substitutes/component. Population size	Analyse two factors which might affect to performances at GT's theatre. Level Knowledge and Application (4 marks) 2b Shows understanding of two factors affecting demand in context 2a Shows understanding of one factor affecting demand in context 1b Shows knowledge of two factors affecting demand 1a Shows knowledge of one factor affecting demand 0 No creditable content	Analyse two factors which might affect the demand for the performances at GT's theatre. Level Knowledge and Application (4 marks) Marks Analysis (4 marks)	Analyse two factors which might affect the demand for the performances at GT's theatre. Level Knowledge and Application (4 marks) Marks 2b Shows understanding of two factors affecting demand in context 2a Shows understanding of one factor affecting demand in context 2a Shows understanding of one factor affecting demand in context 2b Shows understanding of one factor affecting demand in context 2a Shows understanding of one factor affecting demand in context 2b Shows knowledge of two factors affecting demand in context 2a Shows knowledge of two factors affecting demand in context 2b Shows knowledge of two factors affecting demand in context 2a Shows knowledge of two factors affecting demand in context 2b Shows knowledge of two factors affecting demand in context 2a Shows knowledge of two factors affecting demand in context 2 Limited analysis of two factors affecting demand 2 Limited analysis of one factor affecting demand 3 Limited analysis of one factor affecting demand 4 Double two factors affecting demand 5 Content Content Candidates may choose to analyse the demand from consumers or the demand from visiting theatre groups Changes in income – being a normal/luxury product, consumers are likely to increase spending on GT performances based on increasing income. Fashions/trends/tastes/preferences – going to the theatre may become fashionable, or may become a new trend Advertising – if GT spend on advertising, then it is likely to increase demand for their performances Brand awareness Price of substitutes/complements Availability of substitutes/complements Availability of substitutes/complements Availability of substitutes/complements Population size	

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Question		Answer					
2(c)	Example of a factor (K)	Examples of application/context (APP)	Examples of possible analysis (AN + DEV)				
	Tastes of customers (K)	Customers obviously prefer A Summer Dream to La Poeme Ballet (APP)	Which means that more tickets were sold for A Summer Dream (AN) and this gains GT more profit (DEV)				
	Income (K)	Theatre tickets are likely to be a luxury good (APP)	Which means that the higher the income the more tickets GT will sell (AN) and the more profit GT will make (DEV)				

Question			Answer		Marks
2(d)	Recommend whether GT should employ Nick or Portia for the position of Theatre Manager. Justify your recommendation.				
	Knowledge and Application (4 marks)	Marks	Analysis and Evaluation (7 marks)	Marks	
			Justified recommendation based on argument in context	7	
			Developed recommendation based on argument in context	6	
			A recommendation / evaluative statement based on argument in context	5	
	Shows understanding of two factors of selection in context	4	Argument based on factor(s) affecting the selection of Nick and Portia	4	
	Shows understanding of one factor of selection in context	3	Argument based on factor(s) affecting the selection of Nick or Portia	3	
	Shows knowledge of two factors of selection	2	Limited analysis of factor(s) affecting the selection of Nick and Portia	2	
	Shows knowledge of one factor of selection	1	Limited analysis of factor(s) affecting the selection of Nick or Portia	1	
	No creditable content	0			
	Content Nick Experience in the sec A-Level in Business - Organised and efficie No management experience May not stay for long				
	 Eight years of experie Good sense of humo Likely to stay for a lor No formal qualificatio experience? 	ur – likely ng time ns – but – does t	is this made up for by the bank his suggest she is disorganised –		

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Question	Answer						
2(d)	Examples of how an answer could develop						
	K	APP	AN	DEV	EVAL		
	Experience (K).	Nick has appropriate theatre experience, which means he knows what to do (APP).	That could mean that GT has to pay less training costs if they hire Nick (AN).	Leading to a better chance for GT to make profit (DEV)	Nick is the better person to employ (EVAL) because experience in a theatre is more important than personality in a job that requires administration and		
	Personality (K)	Portia has a good sense of humour making her easier to work with (APP).	Which may mean that GT attracts more visiting theatre companies (AN).	Which may lead to an increase in revenue for GT (DEV).	accounting (EVAL). However, this might depend on how complex the accounting is as Portia's banking experience might make her the better employee (EVAL).		