

A LEVEL

Exemplar Candidate Work

BUSINESS

H431

For first teaching in 2015

H431/01 Summer 2018 examination series

Version 1

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Introduction

These exemplar answers have been chosen from the summer 2018 examination series.

OCR is open to a wide variety of approaches and all answers are considered on their merits. These exemplars, therefore, should not be seen as the only way to answer questions but do illustrate how the mark scheme has been applied.

Please always refer to the specification <https://www.ocr.org.uk/Images/170837-specification-accredited-a-level-gce-business-h431.pdf> for full details of the assessment for this qualification. These exemplar answers should also be read in conjunction with the sample assessment materials and the June 2018 Examiners' report or Report to Centres available from Interchange <https://interchange.ocr.org.uk/Home.mvc/Index>

The question paper, mark scheme and any resource booklet(s) will be available on the OCR website from summer 2019. Until then, they are available on OCR Interchange (school exams officers will have a login for this and are able to set up teachers with specific logins – see the following link for further information <http://www.ocr.org.uk/administration/support-and-tools/interchange/managing-user-accounts/>).

It is important to note that approaches to question setting and marking will remain consistent. At the same time OCR reviews all its qualifications annually and may make small adjustments to improve the performance of its assessments. We will let you know of any substantive changes.

Question 16

16 "I'd like to do a bit more marketing but I don't have the resources." (Line 64)

Analyse **one** way in which the resources available to Michael may affect his ability to develop a marketing strategy for the shop.

Exemplar 1 (High)

6 marks

One way he will be affected is by not having enough funds for a good quality and good quantity marketing strategy. This means his marketing budget is very small as almost all the revenue is spent on rent, salaries etc. This lack of funds not only reduces the amount of advertising expenditure, but also means additional workers who specialise in marketing won't be able to be hired. This means the quality of marketing will be lower as Michael isn't specialised in marketing. Also, the lack of funds mean the limited marketing actually done has to be small scale such as local newspapers, rather than arguably more efficient advertising techniques such as radio or billboards. These techniques are sacrificed due to the lack of funds. [6]

Examiner commentary

This is a very good answer to the first question in Section B. It gets straight to the point by stating a resource limitation ('not having enough funds') leading to an impact on Michael's marketing strategy ('the quality of marketing will be lower') which is well developed at the end of the answer ('has to be small scale such as local newspapers, rather than...radio or billboards'). The answer is clearly contextual throughout.

Exemplar 2 (Medium)

4 marks

Michael is the manager of a shop that depends on being donated items which he can sell in order to make money. This means that the amount of money he receives is sometimes difficult to estimate. It also means ~~that~~ that he will have no idea what items he is going to have in stock to sell as people are encouraged to donate anything. This uncertainty within the business would make it difficult for Michael to construct a decent marketing strategy as his targets in the market would be ever changing due to changing stocks. This would also be affected by the fact that staff turnover is high making it difficult to get a solid workforce together who all have the same ideas and strategies. [6]

Examiner commentary

This second exemplar also focuses on the lack of funds (and its unpredictability) for Michael. The answer is also clearly contextual. However, it lacks a clear focus on the actual question, namely the impact on the marketing strategy for the shop. There is a basic reference to the difficulty in constructing 'a decent marketing strategy' but this is not developed (compare this with the first exemplar) and the answer focuses more on issues surrounding the workforce. Better contextual analysis (specifically focused on the question) is needed to move this answer up to 5 or 6 marks.

Exemplar 3 (Low)

1 mark

Michael does not have the resources to do marketing as mentioned in line 64.
 IF Michael had the capital for example, he would be able to promote his charity company.

Below-the-line method would be more ~~offered~~ appropriate for Michaels business. This will allow him to reach a wider range of customers. This leads to an increase in demand and potential orders.

However, this approach is costing and will ~~not~~ initially be a costingly and risky method.

Examiner commentary

Some answers focused more on the word 'marketing' in the question rather than 'resources'. This is just one example which starts by stating a resource which may be lacking (capital) but does not explain why this is the case or how it will affect any marketing strategy. The rest of the answer is not relevant, as it refers to promotional methods. The answer gains just 1 mark for the basic piece of knowledge.

Question 17

17* Evaluate methods which Michael could use to ensure that his staff are motivated.

Exemplar 1 (High)

13 marks

One method Michael could use is consistent/frequent training. This will improve the skills of the employees and improve customer service. This will improve motivation as staff feel like they are better at their job so will be more confident. Also, it will make employees feel more valued in the business, leading to higher motivation. This means labour turnover is likely to be reduced, especially if employees think they will ~~improve~~ continue to improve if they stay, through frequent training. This is especially important as labour turnover is high for Help UK and they have no way of retaining employees through monetary methods, as they are volunteers. However, as they are a charity, they have limited funds available for training and it isn't one of their main priorities, meaning it may be difficult to frequently do training. Also, as the skills required to work in a charity shop are low relative to other jobs - therefore, expenditure on training may be seen as a waste of money which could have been used elsewhere.

Another method Michael could use is job rotation. This is where employees do different tasks each time they work. This will mean employees don't get bored of doing the

same job and is therefore likely to improve motivation. This is important as it will lead to better customer service which is vital for Help UK and any other shop and charity. Good customer service can lead to higher sales, resulting in higher revenue and increased stock turnover. This therefore reduces storage costs and reduces the likelihood of turning down donations, which would have created a bad impression on the charity. However, job rotation won't lead to specialisation for employees ~~working~~ and they are therefore likely to be less productive. Also, as it is a charity shop and a small shop, there are only a few tasks anyway. Therefore, job rotation can only be performed to a limited extent. The success of job rotation will depend upon whether employees are more likely to be ^{more} motivated from not being bored or from being more skilled which results in more confidence. If it's from being more skilled, job rotation may not be successful, and specialisation may be better.

Overall, Michael should use a range of methods rather than just one method.

This is because ~~staff~~ if employees see a range of efforts being made, it can actually lead to ~~impro~~ improved motivation, as well as the motivation gained from each method. This is because they will feel valued in the charity and feel like they are doing ^{something} good for society. However, as they are a charity, the variety of methods available is limited as staff motivation arguably isn't as dependent

as methods to improve sales, especially in
 because labour turnover is so high and
 it's relatively cheap and easy to recruit
 new workers, as they are volunteers in
 and don't ~~require~~ require monetary methods of
 motivation.

Examiner commentary

Questions about motivational methods consistently score less well than we may expect; this was the case with this question. It must also be noted that, as can be seen from the mark scheme, each of the three 15 mark questions contain 7 marks of evaluation (AO4). Therefore, answers need to contain a significant amount of evaluation, on top of developed analysis, to score well.

This answer starts very well by considering training (knowledge) in customer service (context) which makes staff feel that they are better at their job (analysis), so they feel more valued leading to higher motivation (developed analysis). [Note how this is much more developed than an answer which just says that more training leads to more motivated workers. Look for the double link – it can be a sign of developed analysis.]

A second method, job rotation, is then covered. This is also explained (in context) to show how customer service will be improved and (eventually) develops into a good answer, by linking it to the shop not having to turn down donations and the impact this may have on reputation.

What lifts this answer into the higher level of marks is that it contains some reasonable evaluation. In the first paragraph it briefly mentions a key point, namely that financial methods are not available due to the staff being volunteers. Then at the end of the answer, the candidate comes to a reasonable conclusion by saying that a range of methods should be used, but that this range is rather limited due to the shop being a charity.

Ultimately, this answer is very good and could only be improved either with an all-encompassing conclusion which comes to a justified judgement about the best method to use, or some attempt to support the evaluative comments made, with reference to motivational theories which would have been studied in the course.

Exemplar 2 (Medium)

7 marks

One way Michael could ensure staff
 are motivated is to ensure that they
 are sufficiently trained. ~~At~~ This
 could mean spending a little more
 time training the staff and ensuring
 that they are fully prepared to
 provide good customer service. In doing
 this staff will feel a sense of
 self pride ~~but~~ because they will
 feel as if they are offering good
 customer service and therefore will
 feel more motivated.

Another way Michael could improve

Motivation of staff is through team bonding exercises. This could be things as simple as have a meal out together or going bowling etc. The benefit of this is that it would improve group cohesion and give the workers an opportunity to improve ~~relationships~~ relationships with one another. This would make staff more motivated as they will feel happier within the workplace working with people they have a good relationship with.

Another method Michael could use to motivate staff is through a reward system. The staff are voluntary workers and therefore are not paid. It is for this reason that I think a reward system would be seen as very motivating for employees and Michael could offer a reward for the 'employee of the month' to motivate workers.

The only disadvantage is that Michael would not be able to fund expensive, more motivating rewards and would therefore have to offer cheaper rewards.

Another way Michael could motivate his employees is by being understanding of the fact that his staff work for free, and also that ~~also~~ some of them may work for other charity shops.

Michael must be considerate and make sure he doesn't overwork his staff.

This can be achieved by offering his staff sufficient breaks and also being

aware of the other charity work they may do and negotiating their hours around these things accordingly. The affect this will have is that employees will feel that their manager understands and is appreciative of the work they put in. This will motivate employees as they will like the manager more and will ~~went~~ want to work well for him.

Examiner commentary

This was the most typical sort of answer to this question which contained some good analysis but made no attempt at evaluation.

The first paragraph is a very good start to the question. A method of motivation is outlined in context and then analysis is well developed (sense of self pride, leading to good customer service and so more motivated workers). A second method of team bonding is then mentioned, but any analysis cannot be rewarded as there is no context at all contained in this discussion. A third method (non-financial rewards) is contextual but now there is no analysis attached to this method.

A final method is then discussed, the way in which Michael treats his staff and his 'understanding' of them having other jobs. This leads to some weak contextual analysis at the very end of the answer.

This answer could have been improved if it just focused on two methods of motivation and then made some attempt at evaluating one or both of these methods.

Exemplar 3 (Low)

5 marks

Michael could use non-monetary methods of motivation to motivate his ~~staff~~ staff.

One way in which Michael could use is Job enlargement. Which is making the task of staff more challenging and giving them more responsibility. This would then motivate his staff because they feel like they are being trusted more and given ~~more~~ highly responsible jobs. This would impact the staff because it would make the staff feel more valued and therefore improve the performance of staff at Help UK. This could lead to the staff wanting to work more hours at Help UK or improve their customer service as they are doing it with a smile. Because they are happier ~~being~~ to be at work.

Another non-monetary method of motivation that Michael could use is Job enrichment. This is where the task/job of Staff is made more enjoyable and fun. This would increase motivation for Staff because the task they are performing won't be dull and boring. It will now be fun and more enjoyable. This would improve performance for the staff because everybody performs better when they are enjoying what they are doing. If the task is boring then the Staff member will be thinking about something different and won't be fully concentrating on the task he is performing.

Michael could also use a form of training to motivate his staff. Although this may add to costs and reduce profits, providing training for staff would increase motivation, as it makes the staff feel like they are valued part of the business. Feeling valued would increase anybody's motivation.

Michael could also use monetary methods of motivation, such as Fringe benefits or piecework.

Piecework is giving a bonus to a staff member for producing ~~to~~ a known quantity. This could work for 'Help UK' in the way that staff members receive a bonus, for achieving 10 sales. So every 10 sales that they make - they get a bonus. This would increase motivation because it gives the staff a purpose to try and sell products.

In Conclusion, I think that the best methods for ~~the~~ Michael to use are the non-monetary

methods as they cost nothing and won't affect profits. I would say to use job enrichment or job enlargement as it makes the staff members feel more valuable to 'Help UK'.

Examiner commentary

This is a weak answer which contains lots of knowledge (non-monetary motivation, job enlargement, job enrichment, training and fringe benefits) but only makes an attempt to analyse job enlargement (staff feel more valued so improving customer service).

There is an unsupported assertion at the very end of the answer which gains one of the AO4 marks.

Question 18

18 "...the shop faces a considerable amount of uncertainty." (Lines 49–50)

Analyse how **two** causes of uncertainty might have an impact on the Help UK shop in Macclesfield.

Exemplar 1 (High)

9 marks

Uncertainty in the state of the economy will affect Help UK. This is because this largely influences on the amount of sales, that as charity shop products are seen as an inferior good. It is difficult to predict when a recession or a boom, creating even uncertainty. This affects Help UK as they don't know what their sales figures will be like in the future, so it's hard to forecast sales and set budgets. Therefore, it's difficult to know for example whether to renew the lease on the shop, or how much to pay Michael and Ann, which affects motivation and therefore productivity. Another cause of uncertainty is not knowing what will be donated. During one period, they may not receive a good quantity or good quality of products, which will reduce sales and revenue. Therefore, it is difficult to forecast and set budgets and may result in an adverse variance on profits revenue. Similarly, they may receive lots of good donations in one period, which may put pressure on workers and shop space. This may result in turning down donations which could have been sold to earn revenue. [9]

Examiner commentary

There were some very good answers to this question and this is a typical exemplar. It is well-structured, with each of the two causes of uncertainty containing clear context and a developed piece of analysis.

The state of the economy is the first cause of uncertainty selected and good use of context is made by mentioning how charity products are seen as inferior goods. The inability to know what your sales figures will be in the future is a logical piece of analysis which is further developed when reference is made as to whether to renew the lease on the shop or how much to pay the employees.

The second cause of uncertainty mentioned is not knowing the level of donations (already clearly contextual) and how this will affect revenue. This good point is further developed, in context, in the last six lines of the answer.

An answer of this standard is characterised by being in context throughout (it could not really be about any other type of business) along with two well-structured pieces of analysis which consider the impact on Help UK.

Exemplar 2 (Medium)

7 marks

One cause of uncertainty is the fact that social trends are changing meaning less people are coming into shops and are instead shopping online. This means the amount of customers coming into the shop is likely to be low and that numbers is likely to ~~increase~~ ^{decrease} more. This will have a huge impact on the business as they rely heavily on people coming in to purchase their donated goods.

Another cause of uncertainty is that Michael never knows what item he is going to have in stock as the items donated are random and unpredictable. This makes it hard for Michael to advertise his products to a specific audience as the range of goods in the shop is likely to be massive and extremely varied. This means Michael is never able to hit a target audience with his products like most businesses are able to.

[9]

Examiner commentary

The most common score on this question was 6 or 7 marks. This exemplar typifies the sort of answer which gained this mark, due to a lack of developed analysis.

The two causes of uncertainty are good (social trends and stock levels) and are both in context (more people shopping online and random/unpredictable donations). However, looking at the first paragraph, it concludes by saying that it will have an impact on the business, but not how (compare this with the first exemplar which refers to the impact on budgets and the leasing decision).

The second cause of uncertainty scores better, as there is a more developed impact on who to advertise to, so that Michael cannot target a specific audience, like other firms do.

More consistent developed analysis (for both selected causes of uncertainty) was needed to score 8 or 9 marks.

Exemplar 3 (Low)

1 mark

One cause of uncertainty for 'Help UK' is the pricing strategy. The pricing strategy that 'Help UK' currently uses is competitive pricing because 'he always aims to undercut their prices'. This shows that Michael studies his competitors pricing and undercuts it, to make his products the cheapest in the market. This would work in gaining more sales and improving market share. But also reduces the profit of 'Help UK' because their prices are always lower, so are making less profit off of each product. But could make more profit overall if they make a considerable amount of more sales compared to competitors. One pricing strategy that 'Help UK' could use is Penetration Pricing - which is starting the price low and gaining market share and then increasing the price as they gain more market share.

Another cause of uncertainty for 'Help UK' is the amount of local competition they have. This could have reduced sales for 'Help UK'. 'Help UK' would need to improve and increase marketing/advertisement in order to compete. They could ~~use~~ ^{market} on social media which would have no cost and could receive a mass audience. This would then lead to more sales and more profit for 'Help UK'.

[9]

Examiner commentary

It was unusual to come across answers scoring 4 marks or less, usually due to them containing no analysis. Another reason for low marks was an apparent confusion about what 'causes of uncertainty' refers to. This answer begins off topic, as it spends a lot of time discussing pricing strategy which is not relevant. The last paragraph does mention 'local competition' which is a relevant cause of uncertainty but does not say how this will affect Help UK.

Question 19

19* "...poor customer service has to be avoided." (Line 41)

Evaluate the impact of poor customer service on the Help UK shop in Macclesfield.

Exemplar 1 (High)

14 marks

Poor customer service is how employees deal with customers including sales, dealing with complaints etc. It is important as a way of earning a good reputation.

Poor customer service may impact Help UK by causing lower satisfaction for customers. This may lead to a bad reputation, especially if the bad customer service is continuous. This may also be worse through negative word of mouth, as customers tell friends and family. This is very damaging for Help UK as a charity needs a good reputation as the whole point of them is, the whole aim of a charity is to help society and be seen as doing good. Also, a bad reputation will lead to less donations as well as less sales, resulting in stock control issues.

Also, as competition is high for Help UK and as the products are homogenous, these donations will go to competitors. Therefore, also methods. Also, customer good customer service is a great way to differentiate from competitors and attract customers. Therefore, if customer service is poor it will be very difficult to diversify from competitors and attract customers. Therefore, the impact of poor customer service will depend on the customer service of competitors and how the work of the charity is replicated. This is because some customers

may be more willing to shop at a charity that they care more about.

It may ~~also~~ ^{not} impact Help UK's Shop in Macclesfield ~~by~~ however, as the products that are sold may be more important to customers. As ~~it's~~ a charity, customers know the products will be cheap and likely low quality. Therefore, the customer's main aim is to ~~be able to~~ get a product for a low price, and aren't too worried about the quality of the product or customer service or the ~~the~~ design of the shop etc. ~~Therefore~~ Therefore, it will depend on whether customers actually care about customer service in a charity shop and are there other factors that are more important to them. Also, they may not care about customer service as they feel like they are helping a charity/society and that alone may be enough to keep them satisfied. Therefore, it may be that their reputation isn't harmed, and sales aren't reduced.

Overall, poor customer service is likely to impact Help UK negatively, but only to a limited extent. This is because it may damage their ~~the~~ reputation as a shop, but the fact that they are a charity and are helping society may outweigh the ~~negative~~ ~~reputa~~ poor customer service and their overall reputation may not be harmed. Also, it will depend on how poor the customer service is. If it's very bad then the impacts are likely to ~~be~~ be greater.

Examiner commentary

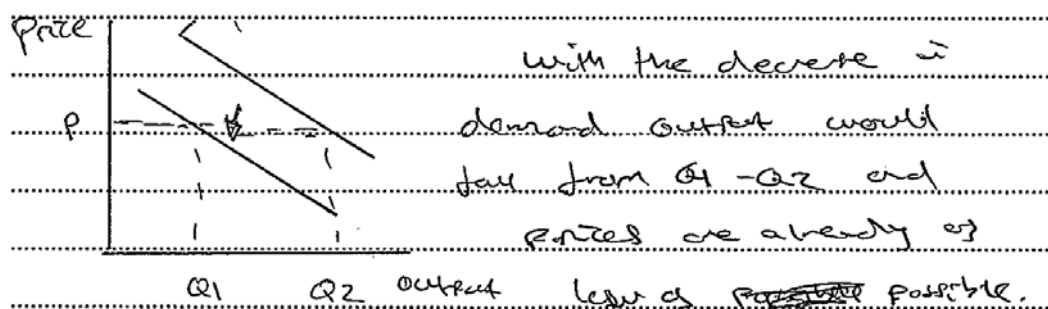
This question on customer service was marginally the best answered of the three 15 mark questions. This is an excellent answer which considers the impact on customer satisfaction and product differentiation. The context is used exceptionally well throughout the answer (e.g. a charity needs a good reputation, competition is high, products are homogenous, whether customers care about customer service, the role of charities in society). However, there is only one piece of developed analysis, discussing how poor customer service may affect Help UK's donations relative to its competitors. [This is ultimately the reason why this answer scores 14 rather than 15 marks.]

This answer is especially noteworthy for the large amount of very effective and contextual evaluation. It can first be found about half way through the second paragraph, as the candidate questions whether customers are really that bothered about customer service when looking for bargains in a charity shop. This leads to effective evaluation at the end of this paragraph, that reputation may not actually be harmed by poor customer service. There is then an excellent final paragraph which draws the previous discussion together and concludes that other factors (it is a charity helping society) may outweigh the poor customer service and it depends on just how bad the customer service is.

Exemplar 2 (Medium)

10 marks

Poor customer service can at times cause a direct effect on a business. Customer service may cause good or bad word of mouth. Poor ~~service~~ service would most likely mean bad. Bad word of mouth means individuals within the local area of the charity shop will hear about the poor customer service. This in turn may deter them from purchasing goods at the store. The word for Help UK mean a decrease in demand.



Therefore Help UK would see a fall in ~~revenue~~ revenue and potentially even profit.

However a ^{many} charity shop may not require good service, mainly because its low prices are the key attraction. In this case one could argue that good customer service is not a necessity.

Poor Customer Service may ~~also~~ ^{also} mean consumers will choose an alternative or substitute store. within a 2 mile radius there are 4 competitors. This could lead to consumers going to the competitors. That in turn would lower the market share for Help UK.

Poor customer service may also make individuals reluctant to donate. This would decrease the amount of products Help ~~UK~~ ^{UK} is able to sell. Decrease in output sold will lead to a decrease in revenue.

As a Charity that ~~at~~ ^{helps} helps with counselling, Poor customer service may lead to failure in providing the service stated. It is likely to see consumers rate the product low.

Due to poor customer service retail may be forced to change staff. This would require time to go through new cut and look for suitable candidates.

~~However~~ ^{the} Customer service issues may lead to more complaints which would waste management time on disciplinary acts.

Examiner commentary

In some ways this exemplar is very similar to the previous one. It contains some reasonable analysis, examining the impact of customer sales, market share and the level of donations to the shop. However, only the first of these leads to developed analysis (a fall in customer purchases which may ultimately affect revenue and profit).

Where this answer is less strong is in the amount of evaluation. It is only attempted in the second paragraph, by using the argument about whether people buying a low-priced product are that concerned about customer service.

This is a very typical answer which would benefit from the candidate considering fewer issues, but in more detail, so that evaluation can then be a greater focus of the answer.

Exemplar 3 (Low)

6 marks

The Help UK shop is dependent on selling its goods in order to make a profit. This means managers like Michael rely on their staff to provide a good customer service to increase the chances of the products being sold. The consequences of goods not being sold would be catastrophic as it would mean there would be no money for the ~~rest~~ business to operate from.

Having poor customer service could also mean that the business's reputation is damaged. If word of mouth gets around that the customer service is poor then it means people will be less likely to want to visit the shop meaning they will get less customers. This would be bad for the business as they rely heavily on ~~sell~~ selling goods in order to make a profit.

This would mean the business make less money that could be used on improving the business and providing the necessary service to customers.

Poor customer service may also lead to customers going to other charity shops instead of Help UK. A number of other local charity shops have opened locally meaning competition is now at an ~~all~~ all time high. This means that if customers are unhappy

with customer service at Help UK, they can very easily go to other charity shops instead where the customer service is better. This would be bad for Help UK in Macclesfield as they cannot afford to lose customers to other charity shops as their profits are very important.

Examiner commentary

This is a very superficial answer. Although it contains three separate consequences of poor customer service, it only considers a very limited impact on Help UK of each of them. In each case, the argument comes to a simple conclusion that the shop's sales or profits will be affected. There is no attempt at all to show any evaluation in the answer.

Question 21

21* Assume that the decision has been taken to renew the lease on the shop for another five years.
(Lines 65–67)

Evaluate how the continued success of the Help UK shop in Macclesfield might affect its local stakeholder groups. [15]

Exemplar 1 (High)

11 marks

One local stakeholder of the Help UK shop in Macclesfield would be the community, as "all profits from the shops go towards local projects." This means that the continued success of the Help UK shop would benefit the local community as it means that money will continue to contribute to local projects. This leads to the local community being satisfied with Help UK's contributions as a result of their continued success. This can cause Help UK to gain a good reputation as the local community has benefited and are happy with Help UK's continued success. This leads to the Help UK shop in Macclesfield gaining more customers as a result of their good reputation. This can cause sales revenue to increase for the Help UK shop in Macclesfield due to an increase in customers. This means that Help UK's profit margins increasing as a result of sales revenue increasing meaning that Help UK will be able to continue their success further and benefit the local community further as they will be able to contribute more to local projects. However, the extent to which the local community does benefit from the continued success of the Help UK shop in Macclesfield is debatable because the local projects may not necessarily be for or involve the local community and therefore the

local community may not benefit from them, this meaning that the overall continued success of the Help UK Shop in Macclesfield may not benefit the local community.

Another local stakeholder of the Help UK Shop in Macclesfield would be the employees. This means that the continued success of the Help UK Shop would benefit the employees as they would have greater job security. This leads to employees being satisfied with the continued success of the Help UK Shop in Macclesfield because they have greater job security. This could cause increased motivation and morale of the employees due to their job security and being satisfied. This can lead to greater productivity and customer service because the employees are motivated. This can cause an enhanced reputation for the Help UK Shop due to greater customer service. This leads to an increase in customers, causing an increase in ~~profit margins~~ sales revenue. This ~~also~~ means that Help UK's profit margins will also ~~increase~~ increase meaning they may be

able to further satisfy employees with a wage increase or be able to further continue their success meaning that employees will have even greater job security. However, the most important point is that a lot of employees at the Help UK Shop are volunteers and so the more job security may not be as important to them as they may not be paid and so may have other ways of coming income. Therefore, the extent to which the continued success of the Help UK Shop in Macclesfield will benefit employees with greater job security is

limited as 'Many of them are volunteers and so, they may not benefit as much because job security will be less important to them as many of them "often also work for other charities", meaning the impact of continued success of the Help UK shop is limited.

Examiner commentary

Few very good answers were seen to this question, about the impact on local stakeholders. Questions about stakeholders are often well attempted but do attract many unfocused answers. Even this answer, which was one of the better ones seen, is overly long without really showing consistent levels of developed analysis or evaluation.

The first stakeholder discussed is the local community. There is a long discussion which leads to strong analysis about how the success of the shop, '... will be able to contribute more to local projects'. There is then some basic evaluation by questioning whether this will really benefit the local community. The employees are then considered as another local stakeholder, although the analysis is limited to a superficial mention of job security and motivation. However, that job security is less of an issue when considering the workers in the shop are volunteers and the recognition of this by the candidate is rewarded with further evaluation (AO4) marks.

Ultimately, this answer does show some consideration of two relevant local stakeholders, but the degree of analysis and evaluation is limited and there is no attempt to consider how one stakeholder is affected relative to the other.

Exemplar 2 (Medium)

7 marks

The local council will be positively affected if the Help UK shop continues to run successfully. This is because having a local charity shop that is successful makes the area look good and ethical. This makes the long term success of the shop more likely as it is supported by the local council.

The local community will also be positively affected by the continued success of the shop as it has benefits for them. It provides a place where they can take old things that they no longer want and can get a good feeling from as they feel they are contributing to a good cause.

The local media will benefit from the continued success of the shop as it will give them positive things to write about the area as it can allow them to present Madderfield as a good charitable place with good values. This media attention would also benefit the shop as their work would be receiving attention, thus improving their reputation.

Local employees may also benefit from the shop continuing to operate as it could give them the opportunity to do some charity work. This will make them feel good about themselves as they will feel they are helping towards a good cause.

A stakeholder who may not benefit from the shop continuing to operate would be other charity shops in the local area such as the British Red Cross and Cancer Research UK. Help UK is competition for these shops ~~and~~ and therefore Help UK operating means there is the constant threat of customers being lost to them.

The local council may also have a ~~negative~~ negative view on the ~~shop~~ shop operating. Help UK is a charity shop and therefore receives a reduction on the business rate it has to pay to the local council. This means the

Local council won't receive as much money from the shop being there as they would if it was a private company who were operating there.

Examiner commentary

This is another example of an answer which scores around half marks due to a lack of detailed analysis or any evaluation, probably due to the candidate trying to consider too many separate points.

Five different stakeholders are referenced which is at least two too many. Only one of these (the local council) shows any developed analysis, right at the end of the answer (lower business rates for charities meaning the council receives less money than from a private sector business). The other stakeholders are considered at a more superficial level and no attempt is made to evaluate.

Exemplar 3 (Low)

2 marks

Stakeholders are those that have an interest in the business. This consists of internal and external stakeholders. This includes, share holders, employees, lost customers, and competitors and local residence.

The continued success of the Help UK will ~~then~~ benefit Michael, the manager, as this will increase the market growth for the company and increase their market share. They are now able to compete with other competitors in the local area and cut down on their prices. This generates in more customers and a positive cashflow due to the high level of demand.

However, Help UK cutting down prices ~~mean~~ means they won't be able to generate as much revenue as wanted. Customers will benefit from the potential

out in price and have more options available to choose from.

However, due to success and potential expansion, Help UK may lose the personal connection it had with its customers and the customers may suffer from the lack of one-to-one communication that small firms have with their consumers

For employees, this means potential increase in wages/salaries or maybe those that do not earn anything will have the opportunity to earn money. They will receive more training and will be able to have a clear sense of direction and increase their confidence in their work. This will increase their job security. However, ~~the staff~~

However, the staff may be work loaded with work due to the success of the business and may mean they have to work that much harder to keep up.

Examiner commentary

There were few answers which scored less than 6 marks, but this is one of them. A number of stakeholders are mentioned; employees, customers, competitors, local residence (sic). [Note that there is no negative marking, so that the mention of 'shareholders' is simply ignored.]

However, the rest of the answer is about the impact on the business (which is not a stakeholder) so no credit, other than the AO1 marks, can be given.



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