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AQA A LEVEL BUSINESS (7132): QUESTIONS BY TOPIC

Decision making to improve human resource performance (3.6)

A Level Business (7132) · Section 3.6

67 questions · 539 marks · Mark schemes included

For the final AQA A Level Business (7132) exams in summer 2027

Questions from A Level (7132) and AS (7131) papers, June 2017 to June 2025.

The AS papers test the same specification content, so every question here is valid 7132 practice.

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HOW TO USE THIS BOOKLET

Questions are grouped by AQA specification sub-topic and run from the lowest mark tariff to the highest within each one.

At the same tariff: AS before A Level, then oldest series first. Each question part appears once only, with its own mark scheme.

Click any row below to jump to it. On every question page, click ANSWER for its mark scheme (and QUESTION to come back).

Pages are the original exam pages. Every case-study question has its full case study printed directly before it.

After the mark schemes, WHAT THE EXAMINERS SAID quotes AQA examiner reports. Use EXAMINER on a mark scheme page to jump there.

QUESTION	SOURCE	MARKS	PAGE
3.6.1	SETTING HUMAN RESOURCE OBJECTIVES	6 Qs · 81 marks	4
1. Q1.4	A Level Paper 2 June 2018	6	4
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4. Q17.2	AS Paper 1 June 2025	16	10
5. Q3	A Level Paper 3 June 2017	16	14
6. Q22	A Level Paper 1 June 2024	25	19
3.6.2	ANALYSING HUMAN RESOURCE PERFORMANCE	16 Qs · 89 marks	25
7. Q6	AS Paper 1 June 2018	1	25
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10. Q12	A Level Paper 1 June 2023	1	28
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18. Q1.3	A Level Paper 2 June 2017	9	37
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22. Q3.4	A Level Paper 2 November 2021	16	52
3.6.3	IMPROVING ORGANISATIONAL DESIGN AND MANAGING THE HUMAN...	19 Qs · 160 marks	56
23. Q7	AS Paper 1 June 2017	1	56
24. Q5	AS Paper 1 June 2018	1	57
25. Q5	AS Paper 1 June 2019	1	58
26. Q1	AS Paper 1 November 2020	1	59
27. Q10	AS Paper 1 June 2023	1	60



QUESTION	SOURCE	MARKS	PAGE
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3.6.4 IMPROVING MOTIVATION AND ENGAGEMENT		21 Qs · 160 marks	100
42. Q7	AS Paper 1 June 2018	1	100
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54. Q17.1	AS Paper 1 June 2025	9	117
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QUESTION	SOURCE	MARKS	PAGE
3.6.5	IMPROVING EMPLOYER-EMPLOYEE RELATIONS	5 Qs · 49 marks	140
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QUESTIONS · 67 questions · 539 marks · 5 sub-topics

SUB-TOPIC 3.6.1 · 6 questions · 81 marks · lowest tariff first

SETTING HUMAN RESOURCE OBJECTIVES

2

Answer **all** questions in the spaces provided.Do not write
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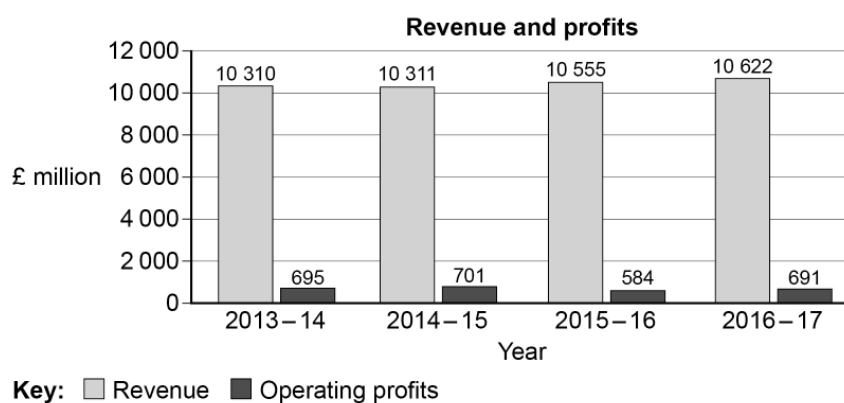
Marks and Spencer plc is one of the UK's leading retailers. It provides its own-brand food, clothing and home products in 1433 stores worldwide and online.

Appendix A Extracts from Marks and Spencer plc's published financial accounts

Balance sheet as at 1 April 2017

	£ million
Assets	
Non-current assets	6 569
Current assets	1 723
Liabilities	
Current liabilities	2 368
Non-current liabilities	2 774
Net assets	3 150
Equity	
Total equity	3 150

Appendix B Marks and Spencer plc's revenue and operating profit 2013–14 to 2016–17



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3

Appendix C Marks and Spencer plc customer data for financial year ending 1 April 2017Do not write
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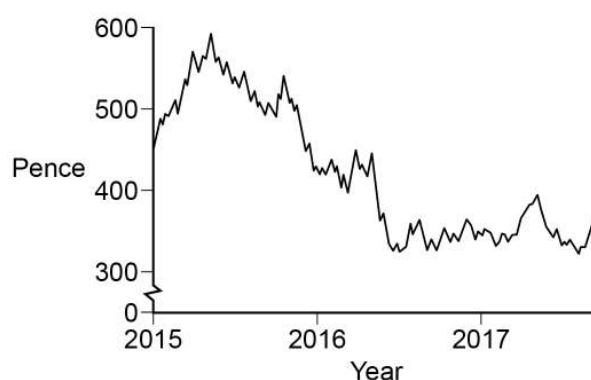
	Total number of customers	Percentage change on previous year	Average number of times a year a customer buys from Marks & Spencer	Percentage change on previous year
Food	20.5 million	+2.0%	22.5	0%
Clothing and home	24.6 million	0%	7.2	−5.3%

Appendix D Marks and Spencer plc online data

	2016–17	Percentage change on previous year
Total online revenue	£836.3 million	+5.6%
Weekly site visits	8.3 million	+11%

Appendix E Information on Marks and Spencer plc's Board of Directors in 2017**International experience:** directors come from the following countries

China Germany Hong Kong India Japan Italy
 UK Spain Netherlands Poland South Africa USA

Gender diversity: 70% of directors are male, 30% female**Industry sector experience of directors:** retail 90%, consumer 100%, finance 60%, e-commerce and technology 40%**Appendix F** Marks and Spencer plc's share price

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Using **Appendix E**, explain **two** potential benefits to Marks and Spencer plc of the diversity of its Board of Directors.

[6 marks]

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Read the information below and then answer the questions that follow.

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Dodo

Dodo is a small, growing, low-cost airline offering flights between the UK and Europe. The airline is seeing high demand for its flights due to its competitive pricing. It is able to keep its prices low due to its low-cost business model. The business model includes:

- making effective use of its non-current assets by using quick turnaround times which allow its planes to fly more hours a day than traditional airlines
- flying to cheaper airports rather than larger, more expensive airports such as London Heathrow
- using its own website for customers to book directly, avoiding the need to pay commission to other businesses
- making food, baggage and choice of seat optional extras rather than including them in the basic product offering.

Dodo currently has around 5000 permanent staff and sees its staff as key to the quality of service that it offers. Airline staffing needs are complex with a variety of different roles required. Some roles such as pilots and aircraft engineers require significant training that can take many months to complete. In addition, many staff spend most of their working day away from the company offices. Dodo sets and regularly reviews HR objectives in relation to:

- number of employees
- employee engagement.

Measures of quality that Dodo focuses on are:

- punctuality, measured using percentage of flights on time
- customer complaints, measured by number of complaints per 1000 customers.



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Analyse why Dodo sets HR objectives in relation to the number of employees and employee engagement.

[9 marks]

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17

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outside the
box**Diggin' It garden care**

Nita set up a gardening business, Diggin' It, in 2020. She now has 10 gardeners working full-time for the business. Nita employs her gardeners on permanent contracts, unlike most of her rivals. She pays competitive salaries and offers benefits such as paid annual holiday and sickness pay.

Nita's customers demand a variety of services, such as mowing lawns, weeding and advising on garden design. Nita provides regular training for her gardeners to learn new skills. Each gardener agrees the work to be done and the fee to be charged with the customers.

Each month, there is an award for the gardener with the highest customer satisfaction rating. Nita likes to visit each of her gardeners at work to meet with them face to face once a week to provide any support needed. Nita describes her team of gardeners as 'family' and is very proud that labour turnover at Diggin' It is low.

Nita would like to pay herself more. Her accountant has suggested a new approach to the business which he believes would increase its profits. Nita would need to change to a hard human resource management (HRM) approach. Gardeners would only be paid for the hours they actually work for a customer rather than an annual salary. They would not receive paid annual holiday and sickness pay.

The accountant has produced a forecast comparing the expected figures for Diggin' It in 2026 using the existing and new approach. These are shown in **Table 2**.

Table 2 Expected figures for Diggin' It's existing and new approach, 2026

	Existing approach	New approach
Sales revenue (£)	245 000	245 000
Total labour costs (£)	187 500	157 500
All other costs (£)	31 500	31 500
Labour turnover (%)	10	40
Customer satisfaction rating out of 100	92	70



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22

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16

END OF QUESTIONS



Case study: KMH plc (A Level Paper 3, June 2017 insert)

The full case study for Q3 (16 marks), which follows on the next pages. Read it before answering.

Source 1**KMH plc**

KMH plc is a multinational company with its headquarters in the UK. It designs, builds and maintains marine engines for ships and yachts. Revenue comes from two major sources. Around half its revenue comes from manufacturing and selling marine engines. The rest comes from providing support services for the engines, from regular checking and simple maintenance to more complex service arrangements. These services include KMH plc technicians monitoring engine performance minute by minute wherever it is in the world and making remote adjustments to the way an engine is operating.

5

Two market segments account for most of its engine sales – cruise ships and luxury yachts. KMH plc's market share for cruise ship engines is over 30%. Many of its customers (major cruise ship operators) have begun placing bigger orders as mergers and takeovers reduce the number of companies in this segment of the holiday industry (see **Appendix A**). Larger companies operating cruise ships can negotiate better deals from engine manufacturers, but KMH plc can also gain economies of scale as it works on larger orders, negotiating better deals with its own suppliers.

10

KMH plc is also market leader in the luxury yacht market – providing the engines and servicing for the vessels much loved by mega-rich company executives, notably from Russia and Middle Eastern oil-producing countries.

15

With key target markets for its marine engines consisting of cruise ship operators and buyers of luxury yachts, KMH plc's marketing mix is very different to many other large multinational businesses. These customers place relatively few orders for marine engines each year, but each purchase involves millions of pounds and complex negotiations. This requires KMH plc to have a specialised and highly skilled sales team with a detailed understanding of the technical benefits of its products and services.

20

Secrets of KMH plc's success

KMH plc puts a strong focus on Research and Development, allowing it to be a technological leader in its field, holding thousands of patents for innovative technologies developed in its research centres. KMH plc has invested heavily in training its staff and considers the excellence of its staff to be a fundamental source of competitive advantage. An apprenticeship academy was opened in Hull in 2012. Meanwhile, the company spent a total of £48.5m on training staff in 2016 to keep their skills up to date. Generous salaries alongside the excellent training make KMH plc one of Britain's favourite employers, shown by its low labour turnover. KMH plc aims to reap the rewards of its investment in people through ensuring that its maintenance services are world-class, whilst staff involved in Research and Development have the skills to develop market-leading new engines.

25

30

Much of KMH plc's success is down to the excellent fuel efficiency of its engines – a crucial selling point when oil prices are high. Its newest engine, the result of many years' Research and Development, is claimed to be 25% more efficient than those of its major rivals. In addition, KMH plc's maintenance and support contracts offer its customers peace of mind, aimed at preventing problems from occurring.

35



Turbulence for KMH plc

Despite its strengths, KMH plc was still vulnerable to changes in market conditions. 2015 and 2016 had been worrying times for KMH plc shareholders. In February 2015 the company was forced to issue a profit warning – advising the stock market that previous predictions of future profits might be inaccurate. Further warnings followed, each time downgrading expectations of future profits. **Appendix B** shows KMH plc's share price in 2015 and 2016. Financial data for the business can be found in **Appendix C**.

Journalists blamed KMH plc's poor financial performance in 2015 and 2016 on two major issues:

- worsening global economic conditions slowing revenue growth
- excessive costs.

Global economic growth rates have remained low and the incomes of consumers in many rich countries barely increased in real terms and are not forecast to rise for the next few years. This has had an impact on demand for cruise holidays. In addition, global oil prices have fallen. There are no clear signs that oil prices will rise again in the next couple of years.

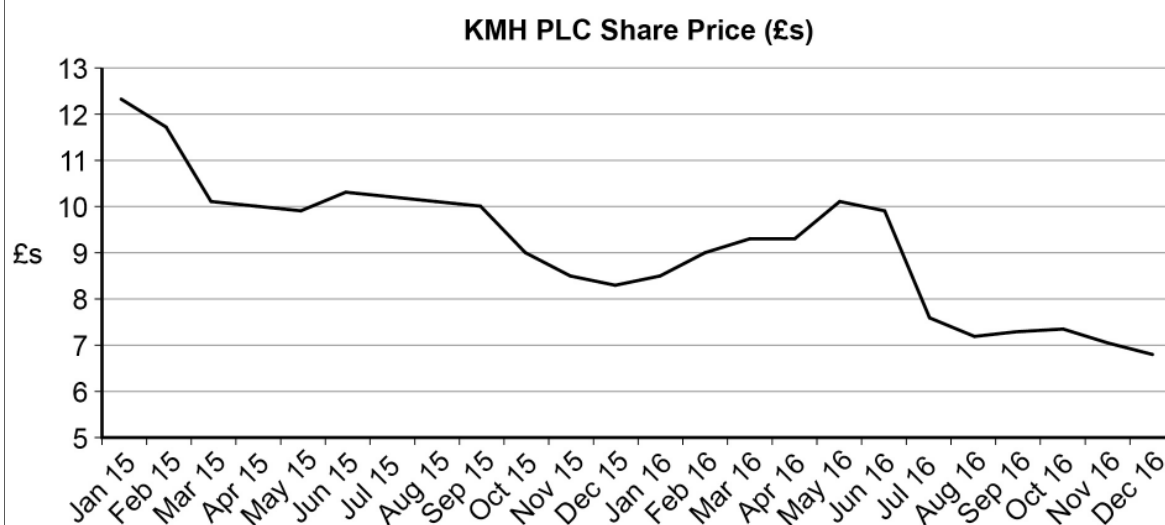
A new captain - a new strategy

In May 2016, KMH plc appointed Sir Rodney Short as its new Chief Executive. Sir Rodney was previously Chief Executive of ZQQZ plc – a British microchip manufacturer that he had turned into a world leader. Within weeks, Sir Rodney announced a major new strategy aimed at solving KMH plc's problems. One feature of the new strategy was an organisational restructuring. This was designed to reduce the size of the workforce. Most of the planned 140 job losses would be amongst senior managers (one in three senior managers would lose their jobs). Sir Rodney claimed that costs would be reduced by around £12m per year as a result after the costs of the restructuring. In addition, major investment (£50m) in new production machinery and a new factory is planned, aimed at reducing manufacturing costs and increasing total capacity. With such major changes planned, KMH plc's share price recovered slightly as the stock market gave Sir Rodney's strategy its approval, but there are plenty of details that need to be finalised, not least, how the changes are to be funded.

Appendix A

Top 5 Cruise Ship Holiday Providers - Market share (2016)	
CCL	48.1%
RCL	23.1%
NCL	10.4%
MSC Cruises	5.2%
Disney	2.8%
Others	10.4%



Appendix B**Appendix C****Table 1** Extracts from KMH plc balance sheets

	2015 (£m)	2016 (£m)
Non-current assets	5518.0	5104.0
Current assets	5594.0	6058.0
Current liabilities	(3842.5)	(4086.5)
Non-current liabilities	(4076.0)	(4567.5)
Net assets	3193.5	2508.0
Total equity	3193.5	2508.0

Table 2 Extracts from KMH plc income statements

	2014 (£m)	2015 (£m)	2016 (£m)
Revenue	7756.5	7441.7	6862.5
Gross profit	1658.4	1562.6	1399.8
Operating expenses	903.5	906.5	910.4
Operating profit	754.9	656.1	489.4

END OF SOURCE

< CASE STUDY

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KMH plc uses a soft approach to Human Resource Management. Using the information provided, assess whether KMH plc should change its approach to Human Resource Management to help boost its profit.

[16 marks]

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16



Section C

Answer **either** Question 21 **or** Question 22.

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Shade the lozenge below to indicate which optional question you have answered.

Question

2	1	
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Question

2	2	
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CORRECT METHOD ☒

WRONG METHODS



2	1
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To what extent are financial ratios the best way of assessing the performance of non-profit organisations, such as charities or mutuals?

[25 marks]

OR

2	2
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A business changes its human resource management (HRM) approach from hard HRM to soft HRM.

To what extent is this change guaranteed to increase the motivation of all employees?

[25 marks]

[illegible]

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19

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SUB-TOPIC 3.6.2 · 16 questions · 89 marks · lowest tariff first
ANALYSING HUMAN RESOURCE PERFORMANCE

6

0 6

In 2016, a business had 120 employees. Its total labour costs were £2.7 million. In 2017 its labour costs increased by 3%. The number of employees remained the same. Its labour costs per employee in 2017 were

A £21 845☐**B** £22 500☐**C** £23 175☐**D** £29 250☐**[1 mark]****0 7**

A manager aims to improve the motivation of an individual who has satisfied her esteem (or ego) needs. The manager should focus on the individual's

A physiological needs.☐**B** security needs.☐**C** self-actualisation needs.☐**D** social needs.☐**[1 mark]**

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4

0 5

The table below provides data on a business.

	2017	2018
Number of employees	25	20
Labour turnover (%)	20	10
Total units of output	500	420

Statement 1: 'This business had a higher labour retention rate in 2018 than 2017.'

Statement 2: 'This business had higher labour productivity in 2018 than 2017.'

Read statements 1 and 2 and select the correct option from the following

A Statement 1 is true. Statement 2 is true.

☐

B Statement 1 is true. Statement 2 is false.

☐

C Statement 1 is false. Statement 2 is true.

☐

D Statement 1 is false. Statement 2 is false.

☐

[1 mark]

0 6

The culture of a business changes from an emphasis on decisions being made by the original owner, to a culture in which there are stated rules and each worker has defined responsibilities.

According to Handy, this is a change in culture from

A person to role.

☐

B person to task.

☐

C power to role.

☐

D power to task.

☐

[1 mark]



0 4

IB/G/Jun19/7132/1



5

06

Stated below are three possible changes for a business.

1. A reduction in wage levels.
2. An increase in labour productivity.
3. An increase in labour turnover.

Other things being equal, which of the following changes is the most likely to lead to an increase in employee costs as a percentage of turnover?

[1 mark]

A 1 and 2 only

☐

B 2 and 3 only

☐

C 2 only

☐

D 3 only

☐

07

The owner of a business which sells hot drinks asks a focus group of customers for their views. This market research reveals that customers prefer to have cakes with their drinks. In terms of Ansoff's matrix, the subsequent decision to introduce cakes is an example of:

[1 mark]

A diversification, resulting from qualitative market research.

☐

B diversification, resulting from quantitative market research.

☐

C product development, resulting from qualitative market research.

☐

D product development, resulting from quantitative market research.

☐

08

A product's price rises by 20% and its sales volume falls by 10%. All of its competitors leave their prices unchanged. The product's market share, as measured by sales volume, remains the same.

Which of these statements is **false**?

[1 mark]

A The market size, measured by volume, remains unchanged.

☐

B The product's market share, measured by value, increases.

☐

C The product's price elasticity of demand is inelastic.

☐

D The product's sales value rises.

☐

Turn over ►



05

IB/G/Jun22/7132/1



8

Questions 12 and 13 are based on the following data, which relates to business X.

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Year	2020	2021
Revenue	£1 000 000	£1 000 000
Average price per unit	£5	£5
Units of output	200 000	200 000
Number of employees	20	22
Number of leavers	6	6
Total employee costs	£500 000	£550 000

- 1 2 Which **one** of the following outcomes happened between 2020 and 2021 for business X?

[1 mark]

	Labour productivity	Labour turnover	
A	Decreased	Decreased	☐
B	Decreased	Increased	☐
C	Increased	Decreased	☐
D	Increased	Increased	☐

- 1 3 Which **one** of the following outcomes happened between 2020 and 2021 for business X?

[1 mark]

	Employee costs per unit	Employee costs as a percentage of turnover	
A	Decreased	Decreased	☐
B	Decreased	Increased	☐
C	Increased	Decreased	☐
D	Increased	Increased	☐



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IB/G/Jun23/7132/1



8

Questions 12 and 13 are based on the following data, which relates to business X.

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Year	2020	2021
Revenue	£1 000 000	£1 000 000
Average price per unit	£5	£5
Units of output	200 000	200 000
Number of employees	20	22
Number of leavers	6	6
Total employee costs	£500 000	£550 000

- 1 2 Which **one** of the following outcomes happened between 2020 and 2021 for business X?

[1 mark]

	Labour productivity	Labour turnover	
A	Decreased	Decreased	☐
B	Decreased	Increased	☐
C	Increased	Decreased	☐
D	Increased	Increased	☐

- 1 3 Which **one** of the following outcomes happened between 2020 and 2021 for business X?

[1 mark]

	Employee costs per unit	Employee costs as a percentage of turnover	
A	Decreased	Decreased	☐
B	Decreased	Increased	☐
C	Increased	Decreased	☐
D	Increased	Increased	☐



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IB/G/Jun23/7132/1



8

Section BAnswer **all** questions in this section.*Do not write
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- 1 1** A business had a labour turnover of 15% in 2017 and 25% in 2018. Explain the likely impact of this change in labour turnover on its recruitment costs. **[2 marks]**

2

- 1 2** A manager is considering whether to launch a new, innovative product. Explain **one** limitation of using a decision tree to make this decision. **[4 marks]**

4

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IB/M/Jun19/7131/1



14

03

Read the information below and then answer the questions that follow.

Do not write
outside the
box**Chillax Ltd**

Chillax Ltd runs six luxury health spas in southern England. Health spas offer health and beauty treatments such as steam baths, exercise and massage. Chillax Ltd's customers expect high levels of service.

The business focuses on quality. It emphasises the importance of getting the customer experience right. It feels this is more about how employees interact with customers than the facilities in each health spa. The quality of customer experience is monitored through frequent customer surveys using the Chillax App. The business regularly has positive reviews online.

Chillax Ltd invests heavily in training, consults regularly and provides frequent feedback to staff. It feels that its high level of employee engagement has many benefits and ultimately ensures happy customers.

Chillax Ltd is unusual in the Health and Beauty sector in that many businesses in that sector have very high rates of labour turnover averaging over 30%.

Table 2 Selected employee data for Chillax Ltd for 2020 (31 December 2020)

Number of employees on 1 January 2020	180
Employees leaving during the year	24
Employees staying all year	162

03.1

Using **Table 2** calculate the employee retention rate for Chillax Ltd in 2020.**[2 marks]**

2



1 4

IB/G/Jun21/7132/2



7

Section BAnswer **all** questions in this section.Do not write
outside the
box**1 1** A business has a high level of trade union membership among its employees.Explain **one** benefit of this to the business.**[4 marks]**

4**1 2** A business had 30 000 employees in 2019. Its staff numbers increased by 25% in 2020. In 2020, 3000 employees left the business.

Calculate the labour turnover for this business in 2020.

[3 marks]

3

Turn over ►



0 7

IB/G/Jun22/7131/1



10

0 2

Read the information below and then answer the questions that follow.

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Seebus plc

Seebus plc is a food retailer that has used organic growth to expand. It now has 110 stores spread across the UK. The company competes with larger supermarkets by positioning itself as offering higher quality products and better customer service.

To differentiate itself, Seebus plc offers:

- a luxury range of 'own-brand' goods
- some branded goods which are market leaders in their particular categories.

The company focuses on a smaller range of products than its largest rivals and relies on being able to achieve higher gross profit margins. Seebus plc is aware that it cannot compete purely on price with much larger rivals in the mass market. Seebus plc operates a 'Just in Time' system of inventory management, as do all major competitors in the market. It recently introduced software which integrates inventory management with marketing, production, transport logistics and the supply chain.

Recently, the results of employee satisfaction surveys have shown rising levels of unhappiness with pay and working conditions. Labour turnover has also increased dramatically. In 2023, Seebus plc employed an average of 6000 employees. During 2023, 960 employees left Seebus plc, whilst only 720 new employees joined the company. Seebus plc had always taken pride in its excellent relationships with employees, paying wages well above those of its main rivals. Recently, competitors have significantly increased employee pay rates. Employees are also unhappy about changes to shift patterns and the way they are supervised. Ajinder, the Chief Executive, plans to address the findings of the employee surveys. The plans include implementing a new package including:

- personalised career development plans
- improved training.



11

0 2 . 1

Calculate the rate of labour turnover for Seebus plc in 2023.

[3 marks]

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3**0 2 . 2**Explain **one** reason why Seebus plc uses a 'Just in Time' system of inventory management.**[6 marks]**

6**Question 2 continues on the next page****Turn over ►**

IB/G/Jun25/7132/2



10

Section BAnswer **all** questions in this section.Do not write
outside the
box

The data below shows the weekly output and costs of a single-product firm and should be used for **Question 16**.

- Total costs = £80 000
- Profit = £20 000
- Labour costs = 42% of turnover
- Labour costs per unit = 84 pence
- Labour productivity = 25 units per employee

1 6

Calculate the weekly output of the firm in units.

[4 marks]

4

1 7

In 2007, a business had sales of £10 million in a market with a size of £125 million. In 2017 the business's sales were £12.6 million and its market share was 6%.

Calculate the percentage growth in the size of the market between 2007 and 2017.

[4 marks]

4



12

1 7

The data below relates to a factory.

- Capacity = 180 units per day
- Number of employees = 16
- Wages per day = £60 per employee
- Selling price of product = £15 per unit
- Capacity utilisation of factory = 80%

Assuming that all output is sold, calculate the factory's employee costs as a percentage of turnover.

[4 marks]

*Do not write
outside the
box*

4

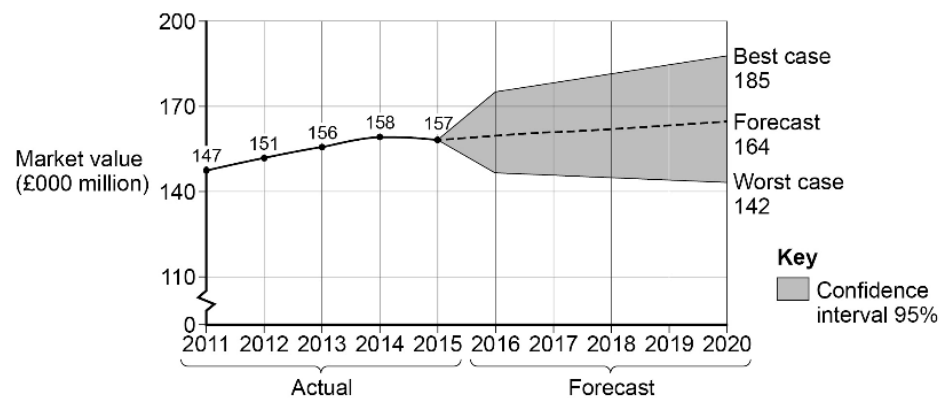
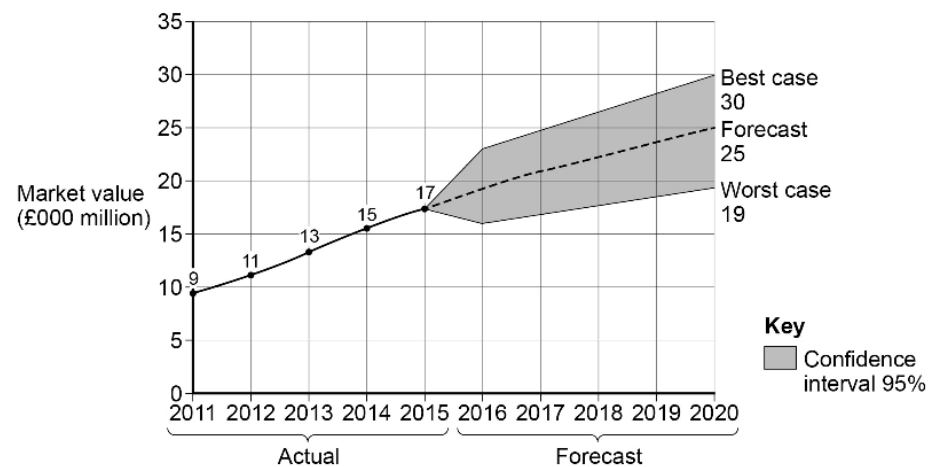
2

Do not write
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boxAnswer **all** questions in the spaces provided.

0 1

The rise of the discount food retailers

For many years four companies have dominated food retailing sales in the UK: Asda, Morrisons, Sainsbury's and Tesco. However, these 'big four' retailers have faced growing competition from discount retailers such as Aldi and Lidl.

Figure 1: Total UK food retail sales**Figure 2: UK food retail sales of discount food retailers**

0 2

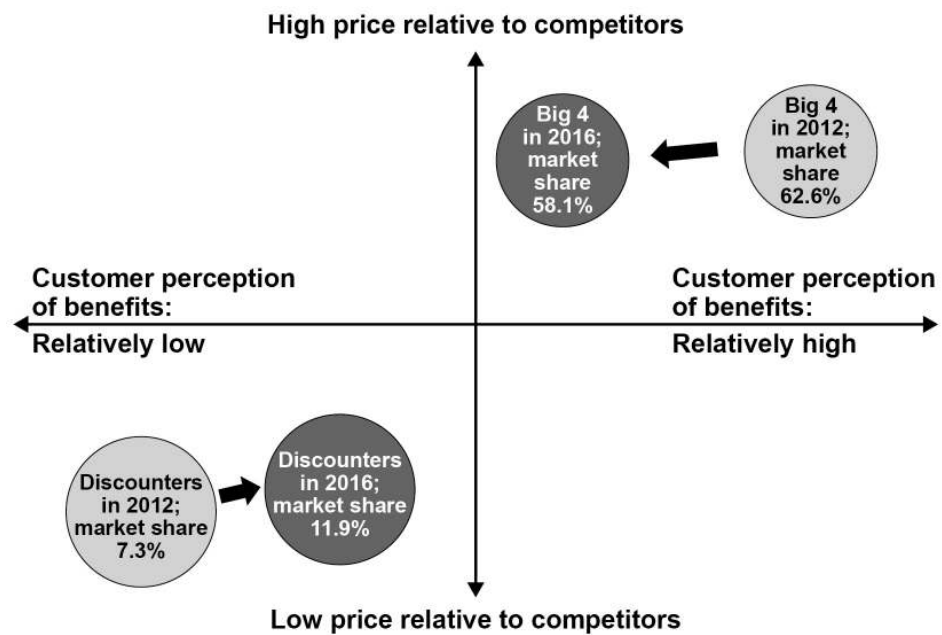
IB/G/Jun17/7132/2



3

Do not write
outside the
box**Figure 3:** A comparison of the 'big four' model with the discounter model

	The typical discounter model eg Aldi, Lidl	'big four' model eg Tesco, Sainsbury's
Product range in stores	Relatively small eg 800 items	Large eg 50 000 items
Brands	Large proportion of own label products traditionally targeting low to medium income earners	Large proportion of well-known brands traditionally targeting high to medium income earners
Sales of food compared to non-food items (eg clothing and health and beauty products)	80%:20%	60%:40%
Administration costs and overheads as percentage of turnover	15%	20%
Typical profit margin	3%	2%

Figure 4: Market map of the UK food retail sector**Figure 5:** Extract from consumer survey:

"What benefit is most important in determining where you shop?"

Benefit	% of replies
I can rely on what I need being in stock	16
It has a good range of non-food products	17
It has well trained, helpful staff readily available	18
The stores are well designed and maintained	14



0 3

Turn over ►

IB/G/Jun17/7132/2



4

Do not write
outside the
box**Figure 6:** Company and Human Resource Data

	Aldi Stores Ltd (discount retailer) 2014	Tesco (one of the 'big four') 2014
Turnover	£6 893 million	£ 54 443 million
Profit for the year	£250 million	£162 million
Average salary per employee	£21 272	£14 452
Total employee costs	£507 million	£6 968 million
Number of employees	23 858	482 152

0 1 . 1

Calculate the market share of the discount retailers in the UK food retail market in 2015.

[3 marks]

Market share _____

Workings _____

3

0 1 . 2

With reference to **Figure 1**, explain the meaning of 95% confidence interval in the forecast for UK food retail market in 2020.

[3 marks]

3



0 4

IB/G/Jun17/7132/2



5

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The discount retailers are said to manage their human resources very effectively. Explain how the data in **Figure 6** supports this view. Use calculations to support your answer.

[9 marks]

[illegible]

Extra space



Turn over ►

IB/G/Jun17/7132/2



6

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0	1	.	4
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To what extent do you think the 'big four' supermarkets should change their strategies and adopt the discounter model?

[20 marks]



0 6

IB/G/Jun17/7132/2



Extra space

19

Analyse how introducing intrapreneurship can improve the financial performance of a business.

9 marks

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outside the
box

9



Case study: Parkside Theatre (AS Paper 2, November 2020 insert)

The full case study for Q7 (16 marks), which follows on the next pages. Read it before answering.

Parkside Theatre

Parkside Theatre is a small independent cinema that shows films but also hosts music, comedy and drama events. It is based in a historically important town centre building built in the late 1890s. This building has been renovated using a government grant; a condition of the grant was that the style of the building was preserved. 1

The business has been owned by the Sanderson family for several generations. They are keen that the business is managed in such a way that the building's architecture is protected, but Parkside Theatre must generate a return on investment. 5

Lorna has been the general manager of the business for six years. She has full control of day-to-day management. Lorna has been working to improve the capacity utilisation of the cinema. The directors have set her a capacity utilisation target of 70%. 10

Figure 1: Average cinema attendances at Parkside Theatre 2019

	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Weekly total
Attendance	220	175	-	223	354	629	575	
Maximum capacity	400	400	-	400	400	800	800	

Note: the cinema is closed on Wednesday and has two shows on Saturday and Sunday.

The cinema is in an area that has a small tourism industry, causing increasing attendances during the summer. There are also peaks of demand at Christmas and Easter, linked to school holidays. Incomes in the area have risen faster than the national average over the last 10 years (as shown in **Figure 2**) and are forecast to continue to do so.

Lorna has used hunches, based on intuition, in order to decide on projects, such as introducing comedy events to make greater use of the facilities. Some of these projects have been successful. 15

Part of Lorna's role is managing cash inflows and outflows. She has a financial objective of maintaining a positive cash flow.

The core cinema business is staffed by a small team of permanent employees; most are part time and have been at the business for many years. Parkside Theatre has gained praise for its staff training, winning awards in 2017 and 2018. 20

'Our Place'

Rising demand for venues hired for business meetings and conferences led Lorna to believe this could be an opportunity for Parkside Theatre. A large, unused room could be developed to create several small meeting rooms, but required investment from the owners for modernisation. The work would remove some internal historical features. 25

The board of directors of Parkside Theatre were concerned that competition was well established in the local area. They insisted that they could only support the investment if Lorna adopted a scientific decision-making process and that she presented evidence to support the project. 30



Lorna completed a range of primary and secondary market research into the demand for meeting venues. She interviewed local business managers about services they would expect. She then completed detailed analysis to support her argument. A selection of the results is included in **Figures 2** and **3**.

After studying Lorna's evidence, the directors agreed to invest what they felt was a large amount of finance. 35

In April 2019, the meeting rooms launched under the brand name 'Our Place'. The historic exterior of the building is a unique selling point and Lorna chose to set the prices using price skimming. 'Our Place' was promoted to local and regional businesses offering helpful staff, comfortable seating, catering and state-of-the-art IT facilities. 40

To operate 'Our Place' flexibly, Lorna has been unable to offer guaranteed weekly hours of work for employees, although she would have liked to do so. Training is provided during the induction of staff members to achieve high standards of customer service. Staff retention has been low for the staff delivering the 'Our Place' services during the first year, though Lorna has managed to regularly recruit new staff by focusing on the local student population. 45

Lorna recognises that the future demand for Parkside Theatre services depends on changes in the external environment but thinks her decision-making has a greater impact. She realises this may not be true for managers in all businesses.

Figure 2: Selected data from secondary research

Annual growth in income (UK) 2009–2018	1.3%
Annual growth in income (locally) 2009–2018	2.3%
Annual growth in the market for meeting venues (UK 2015–2018)	4.5%

Figure 3: Selected data from Lorna's primary research

Research based on interviews with 20 local businesses that rent meeting rooms	
Do you rent rooms more than once a month?	45% yes
How satisfied are you with local meeting venues?	20% satisfied
If choosing a meeting room, what is the most important factor?	
• Price	55%
• IT facilities	20%
• Comfort/surroundings	20%
• Staff/customer service	5%

END OF SOURCE



This question is based on the case study: Parkside Theatre

< CASE STUDY

AS Paper 2, November 2020 insert. Printed in full on the pages just before this one (from page 44).

07

To what extent should the directors of Parkside Theatre be concerned about poor staff retention figures in the 'Our Place' section of the business? Justify your view. **[16 marks]**

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box



9

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16

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Case study: Play Equipment Ltd (AS Paper 2, June 2024 insert)
The full case study for Q7 (16 marks), which follows on the next pages. Read it before answering.

Play Equipment Ltd

Play Equipment Ltd (PE) is a UK-based manufacturer of playground equipment such as slides, swings and climbing frames. PE Ltd makes and sells the equipment to business customers such as theme parks, holiday parks and schools. PE Ltd uses a sales team to promote its products to these business customers. PE Ltd has been running for 14 years. Until recently it had high market share in this competitive market and was known for its excellent quality equipment. 1 5

The operations manager believes that the raw materials supplier PE Ltd uses is to blame for its recent loss of market share. PE Ltd has used the same supplier for the last 5 years. However, in the last 18 months, there have been many faults reported with the raw materials. This has resulted in complaints from some of the businesses that PE Ltd supplies. The operations manager has returned the last shipment of raw materials used for the equipment, due to poor quality. The costs of the raw materials have increased, and so have the storage costs. The current supplier has not been able to offer just-in-time delivery. The operations manager thinks PE Ltd needs to find a new supplier before the situation gets worse. 10

The marketing manager is worried about the brand image of PE Ltd. In the last 2 years, PE Ltd has lost some of its brand loyalty. PE Ltd has faced tough competition from well-known toy brands that operate with lower unit costs. The shareholders of PE Ltd have expressed a desire to expand the markets in which the company sells. The shareholders want PE Ltd to start targeting individual customers, such as families who are looking to put play equipment in their homes and gardens. They have asked the managers of PE Ltd to undertake market research into this potential market to gather relevant data. Many of the managers disagree with this suggestion. Their intuition is to remain with the current market. However, the shareholders have asked the managers to produce a decision tree to decide whether to target the new market. If PE Ltd does decide to target individual customers directly this will significantly increase the number of potential customers. The marketing manager will need to create a new promotional mix. The finance manager would need a £50 000 loan to pay for the new promotional mix. 15 20 25

PE Ltd uses a range of financial and non-financial methods of motivation. The employees complete training every year to ensure they are aware of updates to machinery and processes. PE Ltd offers all employees the opportunity to work in the different departments, and managers use delegation to avoid employees becoming bored in their roles. The employees are paid below the industry average wage, but they can earn bonuses for hitting monthly productivity targets. Despite these incentives, labour turnover has increased from 10% to 35%. Employees have left due to better wages and higher bonuses being offered by competitors. PE Ltd's employees have many skills which can be used in other industries and this makes them hard to retain. It is difficult to recruit skilled employees due to lots of competition for workers in this rapidly expanding market. 30 35

Figure 1: Selected annual productivity data for PE Ltd

	2021	2022
Number of employees	102	108
Number of products made	25 500	27 648
Labour productivity	250	256

Figure 2: Selected financial data for PE Ltd

	2021	2022	2023
Monthly fixed costs	£21 000	£27 000	£30 000
Selling price per unit	£280	£300	£342
Variable cost per unit	£102	£120	£142
Units sold per month	800	1 200	1 850
Overdraft balance	(£85 000)	(£100 000)	(£150 000)
Retained profit	£100 000	£50 000	£30 000
Receivables due	£20 000	£25 000	£70 000

END OF SOURCE

This question is based on the case study: Play Equipment Ltd

AS Paper 2, June 2024 insert. Printed in full on the pages just before this one (from page 48).

< CASE STUDY

07

PE Ltd has failed to achieve its human resource objective of having a low labour turnover.

To what extent are external factors, rather than internal factors, likely to be the main reason for this failure?

Justify your answer.

[16 marks]

Do not write
outside the
box



9

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outside the
box*

Extra space _____

16

Turn over ►



14

03

Read the information below and then answer the questions that follow.

Do not write
outside the
box**Chillax Ltd**

Chillax Ltd runs six luxury health spas in southern England. Health spas offer health and beauty treatments such as steam baths, exercise and massage. Chillax Ltd's customers expect high levels of service.

The business focuses on quality. It emphasises the importance of getting the customer experience right. It feels this is more about how employees interact with customers than the facilities in each health spa. The quality of customer experience is monitored through frequent customer surveys using the Chillax App. The business regularly has positive reviews online.

Chillax Ltd invests heavily in training, consults regularly and provides frequent feedback to staff. It feels that its high level of employee engagement has many benefits and ultimately ensures happy customers.

Chillax Ltd is unusual in the Health and Beauty sector in that many businesses in that sector have very high rates of labour turnover averaging over 30%.

Table 2 Selected employee data for Chillax Ltd for 2020 (31 December 2020)

Number of employees on 1 January 2020	180
Employees leaving during the year	24
Employees staying all year	162

03.1

Using **Table 2** calculate the employee retention rate for Chillax Ltd in 2020.**[2 marks]**

2



1 4

IB/G/Jun21/7132/2



0	3	.	4
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To what extent should **all** businesses be concerned if they have high rates of labour turnover?

[16 marks]

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box

Turn over ►



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box

Extra space



[illegible]

16



IMPROVING ORGANISATIONAL DESIGN AND MANAGING THE HUMAN RESOURCE FLOW

6

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07

According to Hackman and Oldham's job characteristics model, meaningfulness of work is obtained through some of the following factors.

Which of the factors does **not** fit in with Hackman and Oldham's model?

- A Financial reward ☐
- B Skill variety ☐
- C Task identity ☐
- D Task significance ☐

[1 mark]

08

The following data relates to the financial position of Whittaker plc for the 2015–2016 financial year.

- Revenue: £25 750 million
- Dividends paid: £2 655 million
- Gross profit margin: 24.5%
- Net profit margin: 5.6%

Whittaker plc's gross profit for the 2015–2016 financial year was:

- A £1 442.00 million ☐
- B £148.68 million ☐
- C £650.48 million ☐
- D £6 308.75 million ☐

[1 mark]

09

Actual output for a factory in April 2017 was 35 500 units and its maximum possible output was 46 500. What was its capacity utilisation?

- A 73.09% ☐
- B 76.34% ☐
- C 82.13% ☐
- D 83.25% ☐

[1 mark]



06

IB/G/Jun17/7131/1



5

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0 4

Which of the following statements is true?

A If sales volume is falling but sales revenue is increasing the price is falling.

☐

B If price increases and sales volume falls there is a negative correlation between price and sales volume.

☐

C A product life cycle diagram shows the sales of a product in relation to the price.

☐

D Selling a product on credit increases both revenue and cash immediately.

☐

[1 mark]

0 5

Statement 1: 'In a very centralised retail organisation, local shop managers decide on the store design.'

Statement 2: 'In a decentralised retail organisation, local shop managers decide on the items of inventory to be held.'

Read statements 1 and 2 and select the correct option from the following options:

A Statement 1 is true. Statement 2 is true.

☐

B Statement 1 is true. Statement 2 is false.

☐

C Statement 1 is false. Statement 2 is true.

☐

D Statement 1 is false. Statement 2 is false.

☐

[1 mark]

Turn over for the next question



0 5

Turn over ►

IB/M/Jun18/7131/1



3

0 3

Ordinary shares traded on the stock exchange are those issued by

- A private limited companies.
- B public limited companies.
- C public sector organisations.
- D sole traders.

☐☐☐☐

[1 mark]

0 4

A manager has a high concern for people and a low concern for production or task. According to Blake Mouton this manager is

- A a country club leader.
- B a middle of the road leader.
- C an impoverished leader.
- D a team leader.

☐☐☐☐

[1 mark]

0 5

Which **one** of these job characteristics is **not** a factor that will motivate employees, according to Hackman and Oldham's model? A high level of

- A autonomy
- B predictability
- C skill variety
- D task significance

☐☐☐☐

[1 mark]

Turn over for the next question

Turn over ►



0 3

IB/M/Jun19/7131/1



2

Section A

Answer **all** questions in this section.Do not write
outside the
boxOnly **one** answer per question is allowed.

For each question completely fill in the circle alongside the appropriate answer.

CORRECT METHOD



WRONG METHODS



If you want to change your answer you must cross out your original answer as shown.



If you wish to return to an answer previously crossed out, ring the answer you now wish to select as shown.



0 1

A business moves an employee to a different job.

This is known as

[1 mark]

A delaying

☐

B delegating

☐

C redeployment

☐

D redundancy

☐

0 2

A supplier asks 200 consumers to explain why they like its products. The supplier passes their responses on to a retailer.

For the retailer this is an example of

[1 mark]

A qualitative, primary market research.

☐

B qualitative, secondary market research.

☐

C quantitative, primary market research.

☐

D quantitative, secondary market research.

☐

0 2

IB/G/Jun20/7131/1



6

0 8

Statement 1: 'Introducing lean production can improve cash flow by reducing levels of inventory.'

Statement 2: 'Introducing lean production can improve profitability by reducing waste.'

Read statements 1 and 2 and select the correct option from the following:

[1 mark]

A Statement 1 is true. Statement 2 is true.

☐

B Statement 1 is true. Statement 2 is false.

☐

C Statement 1 is false. Statement 2 is true.

☐

D Statement 1 is false. Statement 2 is false.

☐

0 9

Which one of the following is **not** an extension strategy?

[1 mark]

A Attracting new market segments

☐

B Changing the image of a product

☐

C Increasing spending on promotions

☐

D Lowering unit costs

☐

1 0

Statement 1: 'Delegation can improve efficiency because it may allow decisions to be taken by the employee with the most relevant skills.'

Statement 2: 'Delegation helps to identify employees with the potential for promotion.'

Read statements 1 and 2 and select the correct option from the following:

[1 mark]

A Statement 1 is true. Statement 2 is true.

☐

B Statement 1 is true. Statement 2 is false.

☐

C Statement 1 is false. Statement 2 is true.

☐

D Statement 1 is false. Statement 2 is false.

☐

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10



0 6

IB/G/Jun23/7131/1



7

1 0

The two statements below refer to Hackman and Oldham's model of job design. According to this model, employee performance will be improved by:

Statement 1: 'constant feedback on performance.'

Statement 2: 'each employee focusing on the task in which they excel most.'

Read statements 1 and 2 and select the correct option from the following options.

[1 mark]

A Statement 1 is true. Statement 2 is true.

☐

B Statement 1 is true. Statement 2 is false.

☐

C Statement 1 is false. Statement 2 is true.

☐

D Statement 1 is false. Statement 2 is false.

☐

1 1

A business that trades abroad changes its strategy because:

1. The pressure for global integration changes from low to high.
2. The pressure for local responsiveness changes from low to high.

Based on Bartlett and Ghoshal's model, the business should change its strategy:

[1 mark]

A from a global strategy to a multi-domestic strategy.

☐

B from a global strategy to a transnational strategy.

☐

C from an international strategy to a multi-domestic strategy.

☐

D from an international strategy to a transnational strategy.

☐

Turn over for the next question

Turn over ►

0 7

IB/G/Jun21/7132/1



13

A business wants to become more efficient.

Explain **one** impact on the efficiency of this business if it increased the span of control of its managers.

[4 marks]

Do not write
outside the
box

4

14

The following data applies to a business on 31 December 2024 when it pays its annual dividend.

	£
Market capitalisation	23 552 000
Share price	9.20
Dividend per share	0.20

Calculate the value of the total dividend paid by the business on 31 December 2024.

[4 marks]

4

Turn over ►



1	5
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A restaurant chain decentralises **marketing** decisions to individual store managers.

Analyse **one** way in which this change may increase the **sales revenue** of the business.

[5 marks]

Do not write
outside the
box

Extra space

5



Section C

Answer **all** questions in this section.Do not write
outside the
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1 6

Zoo

Sue is managing director and the sole owner of Zoo Ltd, a luxury fashion handbag business. Sue has helped the company to grow over the last forty years, taking responsibility for the key decisions for the business as a whole. She does, however, think carefully about the design of her employees' jobs. She delegates many tasks to her team in areas such as marketing and operations and is good at praising her employees for their achievements. Zoo sells through independent fashion retailers in the UK. The average price of its handbags to all UK retailers is £250.

Last year Sue's son Mike joined the business. Sue wants him to take over the company in the future. Mike had just finished his business degree at university and is eager to prove himself. Mike wants to increase the annual profits of the business by at least 60% in the next few years and make returns on all future investments of at least 25%. Until now, sales of the business have typically grown by 2% a year.

Mike has been negotiating on his own to win a contract with a very large fashion retailer, Nexia, to sell Zoo handbags. Nexia has stores in the UK and throughout Europe. Nexia has told Mike that it refuses to discuss the contract further unless Zoo has the ability to produce on a much larger scale.

For Zoo this means it would need to invest £1 500 000 in new production capacity. This would increase fixed costs by £160 000 a year but would not affect its variable costs per unit.

Mike has told Sue that there is an 80% chance that the contract will go ahead if Zoo invests in more capacity. The decision whether to invest in more capacity remains with Sue.

The bags for Nexia will be produced in addition to its current output. If Nexia is happy with sales in the first few years, bigger contracts may follow.

Appendix A: The terms of the potential contract

- Nexia will pay Zoo £200 per handbag
- Nexia would buy 10 000 handbags a year

Appendix B: Other Zoo production and finance data

- Current output of Zoo: 12 000 bags a year
- Variable costs of producing a Zoo bag: £130
- Current annual fixed costs: £660 000

Appendix C: Zoo human resource performance data 2017–2018

- Labour retention rate (% of staff staying with the business more than 5 years): 85%. Industry average: 64%.
- Labour productivity index 120. Industry average 100.



15

16.1

Analyse how Sue's approach to job design might have affected Zoo's human resource performance as shown in **Appendix C**. Your answer should refer to **two** aspects of job design in Hackman and Oldham's model.

[9 marks]

Do not write
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box

Extra space

9



1 5

Turn over ►

IB/M/Jun18/7131/1



1 7

Charlotte's Sculptures

Charlotte is passionate about art and design. In 2014 she began producing and selling unique art sculptures. She was an art college student at the time with no business qualifications but did win a national art award. In 2016, Charlotte was offered a large contract from a national high street department store called Doyles. Charlotte has had to work long hours to meet the order but loves making the art. All of her sculptures are sold under the Doyles brand name.

To agree the contract, Charlotte met with a senior buyer from Doyles' head office. Doyles centralises all its decisions about purchases, prices and inventory. The company has 3000 employees and 52 stores in the UK, based in many locations from wealthy large cities to smaller market towns.

The contract that Charlotte has means that she must sell her pieces exclusively to Doyles. She only receives her payments once the sale occurs in store.

At the end of this year the contract between Doyles and Charlotte must be renewed or terminated. Doyles' senior management team is keen to renew on the same terms. The market for art sculptures is growing rapidly. Charlotte thinks there may be more money to be made by selling her products herself online. She has completed some estimates below:

	Current net profit margin %	Selling price £	Sales forecast per week for 2020 (units)
Selling to Doyles	10	200	40
Selling online	40	160	18

As part of her research, Charlotte spoke to a jewellery business who started selling independently in 2015 after cancelling a contract with Doyles. After the conversation Charlotte noted the following points from the jeweller:

- online advertising costs are rising rapidly
- social media pages help advertising if they engage audiences with content daily
- strong branding is important; the jeweller had a campaign backed by a celebrity which boosted sales in one year by 300%
- the jeweller's sales forecasts for the first year were far too optimistic
- four years later the jeweller's sales are higher than they were under the Doyles contract.

The jewellery business owner had a degree in marketing and assistance from friends.

Do not write
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box



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The decision-making at Doyles is centralised.

Do not write
outside the
box

Analyse **two** possible effects on Doyles of the centralisation of its decision-making.

[9 marks]

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Extra space

9

Turn over ►



19



Case study: Slow Fashion (AS Paper 2, June 2019 insert)

The full case study for Q5 (9 marks), which follows on the next pages. Read it before answering.

Slow Fashion

Many clothing companies succeed by using a 'fast fashion' business model: selling seasonal, cheap, low-quality items that are often manufactured in low-cost countries such as Bangladesh. This practice is used by retailers promoting the latest designs. 1

As a senior buyer for a high street clothing retailer, Claudia Bryant had responsibility for sourcing clothing and negotiating contracts with suppliers from many countries. She was successful in her work by securing low-cost deals. 5

On 24 April 2013, over 1,130 people were killed when the Rana Plaza factory complex collapsed in Dhaka, Bangladesh. 2,500 more were injured. The people crushed under those eight floors were working for familiar fashion brands in unsafe conditions.

Rana Fashion

In 2013 Claudia was shocked by the Rana Plaza disaster. She believed that it was the fault of the 'fast fashion' business model – something she no longer wanted to be a part of. 10

She resigned from her job to set up her own online clothing retail business, centred on ethical objectives. The business (Rana Fashion) is a private limited company with Claudia owning 60% of the shares. The remaining shares are owned by a Bangladeshi charity, ensuring that at least 40% of the annual profits support charitable projects in Bangladesh. 15

The clothes are traditional designs that do not go out of fashion. All are made to last and fabrics are ethically sourced, eg fair-trade cotton. They are manufactured by suppliers in Bangladesh – many with personal links to the Rana Plaza disaster. Each supplier is a small independent family-run business.

Claudia is keen to trade ethically, in contrast with leading retailers, as shown below. 20

Rana Fashion's approach:	'Fast fashion' approach:
• pay promptly to help the suppliers' cash flow	• delay payments to help their own cash flow
• buy and store extra inventory – this allows better capacity utilisation for suppliers	• buy only enough to meet projected demand as old inventory goes 'out of fashion'
• have long term contracts with suppliers – allowing suppliers to plan for their future.	• new contracts each season – in search of lower priced deals.

Rana Fashion garments are sold at a high price. If customers spend over £100 they can pay over 10 months without any interest. Last year 25% of sales were made this way.

Rana Fashion sells directly to consumers worldwide through e-commerce, removing the need for high street retailers. The UK is its biggest market. However, Claudia is pleased that sales in the USA and Europe have recently shown steady growth. 25

No budget is allocated to promotion. Claudia relies on media coverage to promote her brand. She has been interviewed by many newspapers, radio stations and online news providers when journalists have been reporting on ethical fashion. This has proved successful as the readers and audiences have views that are closely aligned with the business objectives.



Rana Fashion invested heavily in its website and is very active on social media, with increasing numbers of loyal customers sharing links which are often seen by hundreds of thousands of like-minded people. 30

The business has large levels of inventory and efficient warehousing is vital. The warehouse manager is a key member of staff and Claudia has designed this job role to have delegated responsibility for the day-to-day running of the warehouse. 35

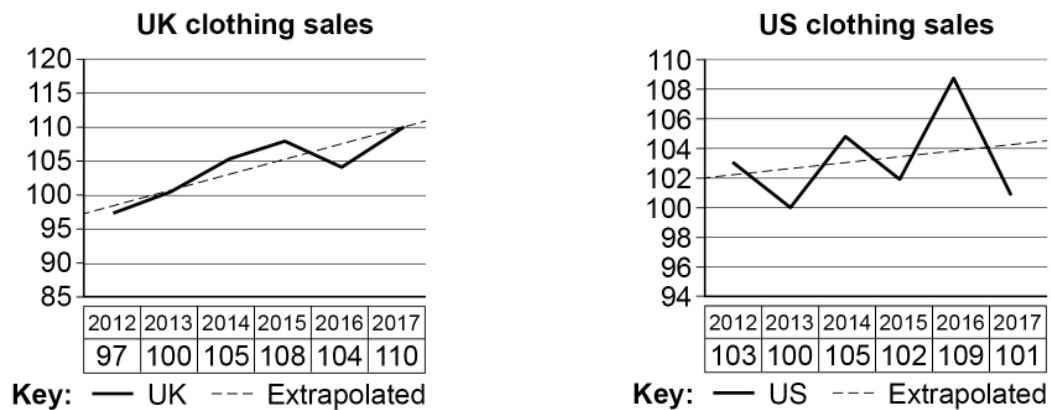
Rana Fashion outsources its increasingly wide and complex distribution function to international distribution companies such as UPS. These ongoing contracts have specific targets for customer service, based on delivery times such as 48 hours across the UK and Europe. UPS delivers to over 220 countries, including every address in North America and Europe.

Financially, Rana Fashion has been profitable with rising profit margins, but faces regular cash flow problems. A financial adviser believed that Rana Fashion's business model made the cash flow problems difficult to resolve and had two suggestions to help. 40

Suggestion A:	Suggestion B:
Delay payment to suppliers by paying invoices as late as possible.	Use debt factoring of customer credit.

Appendices continue on the next page



Figure 1: Overall UK and US clothing sales 2012–2017 (Index numbers, 2013 = 100)**Figure 2: Estimated elasticity data**

	'Fast fashion'	Ethical fashion
Income elasticity of demand	+0.6	+1.4
Price elasticity of demand	-1.3	-0.8

Figure 3: Predicted changes in income levels

	UK	USA	Europe
2019	+2.5%	+4.0%	+3.2%
2020	+2.0%	+3.5%	+3.0%

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This question is based on the case study: Slow Fashion

AS Paper 2, June 2019 insert. Printed in full on the pages just before this one (from page 68).

< CASE STUDY

5

0 5

Claudia is considering delegating more to her warehouse manager.

Analyse **two** benefits of this to Rana Fashion.**[9 marks]***Do not write
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9**Turn over ►**

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IB/M/Jun19/7131/2



Case study: VeganLife Ltd (AS Paper 2, June 2022 insert)

The full case study for Q5 (9 marks), which follows on the next pages. Read it before answering.

VeganLife Ltd

VeganLife Ltd (VL) is a manufacturer and online supplier that sells vegan female toiletries. 1
Vegan goods are made using no animal-based products. VL operates in a niche market. It
sells its products to other businesses such as supermarkets and department stores and also
directly to individual customers. As this niche market grows at a fast rate every year, VL faces a
growing threat to its market share from competitors, especially large businesses. 5

VL sources raw materials from countries around the world and it manufactures these into
products such as soap, shower gel and makeup. VL packages and then sells the products to its
customers who order through the website. VL tries to be ethical and environmentally
responsible. It uses Fairtrade suppliers often located a long way away. VL tries to keep its
waste and pollution as low as possible. 10

Figure 1 Market and VL Information

	2020
Market size	£50 million
VL market share	15%
Costs of sales for VL	£3.25 million

At the factory and warehouse there are currently two managers, two assistant managers and 30
full-time and part-time staff. The staff have their own specific job roles:

- machine operators
 - quality control supervisor
 - packaging staff
 - general cleaning and maintenance staff
 - office staff.
- 15

VL has high labour turnover compared to similar businesses. According to some staff this is
due to low pay and 'repetitive and boring' tasks. Factory and warehouse staff complain about
the high level of supervision, due to managers having narrow spans of control. Office staff say 20
they are frustrated at the lack of feedback they receive on their work, and feel under-valued.

VL has one staff member in charge of quality control. Recently there have been a large number
of quality issues with some products. The main problem is with the packaging of the products.
Some of it has split, causing products to leak. When this happens, VL has to refund customers
and/or replace its products. 25

The quality issues are causing VL to lose some loyal customers and are affecting its reputation.
The Operations Manager suggests that VL should introduce a quality assurance system to the
factory and warehouse. The system would initially cost £100 000 and would require all staff to
be trained to use it, with further training whenever the system is updated. VL knows that its
competitors use a similar system. The Operations Manager feels this is a good way to remain 30
competitive.

VL has grown quickly in a short time and has been a profitable company that has paid rising
dividends to its shareholders every year. The shareholders have made it clear they expect this
to continue. However, cash flow is a problem. Recently a large business stopped trading,



owing VL £350 000. VL often struggles to keep up with the increasing demand from customers. 35
It does not always have the cash to buy the raw materials to meet the orders, and not all of its
suppliers will sell to VL on credit. Additionally, some of its customers do not always pay on time.
VL often has to ask the bank to increase its overdraft. Currently VL is £550 000 overdrawn, and
the interest rate is set to increase.

Emma, the Managing Director, thinks the quality assurance system is a good idea, but feels 40
spending £100 000 of its profits is a risk. She believes the motivation issues amongst the staff
need addressing more urgently.

Due to changes in demographics, such as an increase in the population size of the UK and the
change in age structure, the markets for toiletries and vegan products are growing. New
products are being launched weekly and new competitors are entering the markets. Emma has 45
noticed through her own primary market research that there is a significant increase in the sales
of vegan male toiletries. She does not have any marketing qualifications but has been
collecting data from focus groups she has set up. She believes that targeting the vegan male
toiletries market is the best way to make a profit and help VL's cash flow position. From her
research she estimates that it would need a large investment for a new online advertising 50
campaign for a vegan male shower gel.

Figure 2 Financial forecast data for vegan male shower gel

Fixed costs	£15 000
Total variable costs for 1000 units	£750
Selling price	£6.75

Figure 3 Focus group responses (sample size 20) vegan male toiletries

	2017	2018
Amount spent on toiletries in last shop visit	£21	£23
Would you consider buying vegan toiletries?	Yes	Yes
How much would you be willing to spend on vegan toiletries?	£8 per item	£9 per item

END OF SOURCE



This question is based on the case study: VeganLife Ltd

AS Paper 2, June 2022 insert. Printed in full on the pages just before this one (from page 72).

< CASE STUDY

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Analyse how VeganLife Ltd could make use of Hackman and Oldham's model of job design to improve the motivation of its workforce.

[9 marks]

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Refurb-iture Ltd

Veronica is CEO of Refurb-iture Ltd, which makes and sells luxury home furniture to high income groups. Currently all of its furniture is made from reclaimed and recycled materials. The business has grown rapidly in the last two years. The number of staff in the sales department has increased from 15 to 75. As a result, many staff are inexperienced. In the sales department, there are currently 5 managers and 10 deputy managers. Each deputy manager is in charge of 6 assistants.

Some new staff have reported they do not feel very well supported. There have been some complaints from customers about slow service times as staff check information with deputy managers. The business' staffing costs are double that of its main competitor.

Veronica recognises that good customer service and eco-friendly products are the main reasons customers buy from Refurb-iture Ltd. The shareholders of Refurb-iture Ltd have set Veronica the following objectives:

- expand the product portfolio from just home furniture to achieve rapid sales growth
- maintain its exclusive and unique brand image
- increase profitability in the long term.

Veronica is determined to meet these objectives by increasing the product portfolio with one new type of product. She has researched two options for the new type of product: garden furniture or office furniture. Her research is shown below.

	Garden furniture option	Office furniture option
Market value in UK	£12 million	£650 million
Growth in the market in last 10 years	10%	25%
Average price per unit	£1500	£150
Initial investment cost for machinery	£2.5 million	£1.2 million
Variable cost per unit	£120	£22
Discounts offered by suppliers for bulk purchases	Not offered	15%
Materials used	100% eco-friendly	40% eco-friendly
Number of competitors with similar products	1	8



17

17.1

Veronica has decided to make the deputy managers redundant.

Analyse the possible impact of this decision on Refurb-iture Ltd's performance.

[9 marks]

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2

Answer **all** questions in the spaces provided.Do not write
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Read the information below and then answer the questions that follow.

Drake Hotels PLC owns 20 budget hotels in the UK. Each one is located in a different city. The industry is very competitive and Drake's managers all have an objective to help the business to be as efficient as possible.

Drake Hotels PLC's operating profit for the financial year 2019–20 was £18 million. Last month the company appointed a new Chief Executive, Mary Myers, to increase the profitability of the business. Mary was previously the Marketing Manager of an upmarket hotel chain.

Mary is already considering an investment proposal for a luxury hotel in Oxford. This hotel would target overseas visitors who might want to visit the city. Drake Hotels has found a suitable building but needs to invest to develop it.

Appendix A Investment appraisal results for the proposed investment into a new hotel in Oxford (based on net inflows for first eight years).

Average rate of return	12% per year
Net Present Value	£25 million

Source: Chief Executive

Appendix B Sensitivity analysis for the new Oxford hotel investment proposal

Two possible changes in the economy that might affect the investment appraisal results in Appendix A	Estimated probability of this change happening
The value of the pound against other currencies is 10% higher than originally forecasted.	20%
The average GDP growth in overseas countries is 1.5% higher than originally forecasted.	30%

Source: Chief Executive

Appendix C Selected financial data for Drake Hotels PLC

	£ million as at 1 May 2020
Current assets	15
Current liabilities	18
Total equity	170
Non-current liabilities	280



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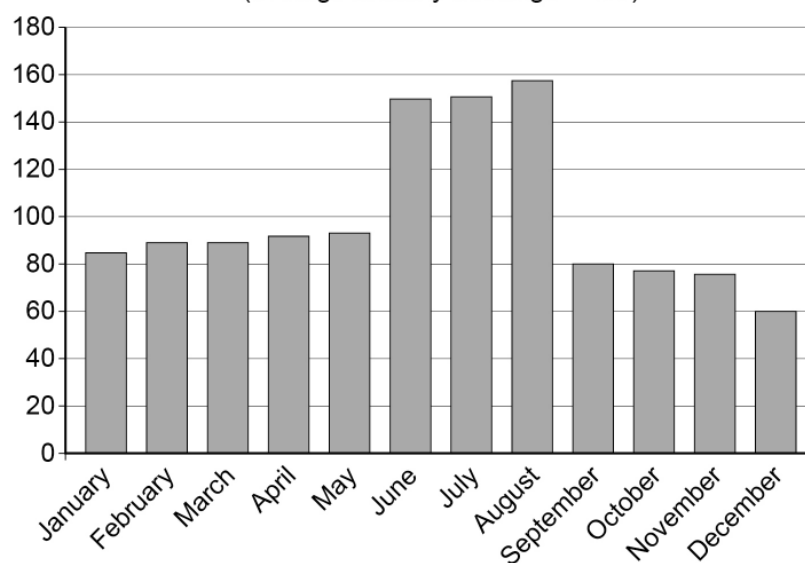
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Appendix D Forecasted data for Drake Hotels PLC's new Oxford hotel investment proposal

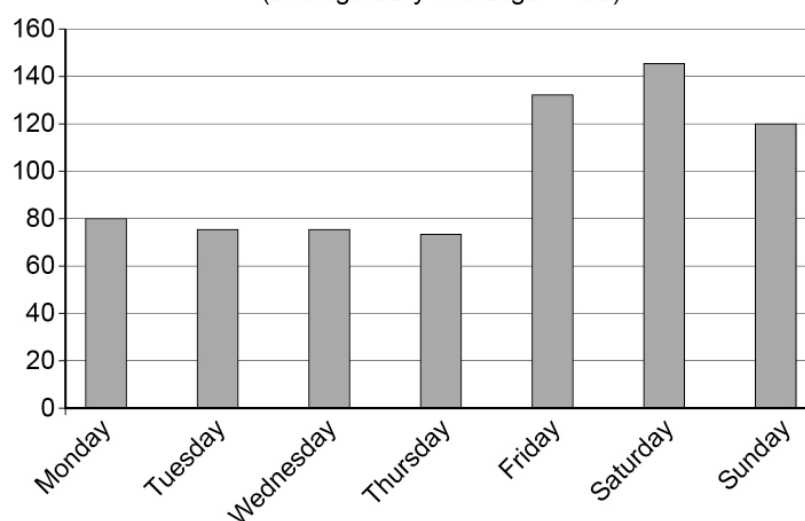
Initial investment required	£20 million
Estimated income elasticity of demand	+2
Percentage of customers visiting from overseas	70%
Estimated cost of borrowing for this investment	8% per annum

Appendix E Room bookings by month and day of the week in Drake Hotels PLC's budget hotels 2019

Index of sales of rooms booked per month
(average monthly bookings = 100)



Index of rooms booked by day of the week
(average daily bookings = 100)



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5

01.3

Analyse the challenges the Human Resource manager faces as a result of the patterns of room bookings in **Appendix E**.

[9 marks]

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Analyse how widening a manager's span of control might affect labour productivity within the department she manages.

[9 marks]

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Section C

Answer **all** questions in this section.

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Horizons Ltd

In 2010, Yusuf set up his own accountancy business, Horizons Ltd. Yusuf had previously been a successful manager in a large accountancy company.

Currently, Yusuf has 18 employees, all of whom report directly to him. Yusuf tells his staff to check all important decisions with him; he says this is because one wrong decision could be costly for the business both financially and in terms of its reputation.

As the business has grown, Yusuf has had to work longer hours. He is finding this workload a strain and recently had time off with stress. This delayed the completion of some jobs and Horizons Ltd had to charge some of its clients less for this accounting work as a result.

To try to increase revenue, Yusuf has recently decreased prices. Horizons Ltd now charges around 10% less than rivals. The business also spent £45 000 for the year on the promotional mix; £35 000 of this was on print advertising such as newspapers and £10 000 a year on social media advertising.

Yusuf's team is made up of newly qualified accountants. Staff morale is very low. The productivity of the staff is lower than at several rival businesses despite the fact that they are paid 8% more than the industry average. Many staff feel they are unable to use their initiative and that they have little responsibility. Labour turnover is high at the business.

Yusuf has recently hired a management consultant to look at how he can improve the performance at Horizons Ltd.

The consultant:

- has produced some analysis of the forecasted effectiveness of print and social media advertising for Horizons Ltd (see **Figure 2** and **Figure 3**)
- has estimated that the price elasticity of demand for Horizons Ltd work is -0.3 .

The consultant has also produced a plan for a new organisational design in which she recommends that Yusuf:

- a) recruits three new managers from outside of the business to manage six staff each
- b) delegates to these new managers much of his day-to-day work.



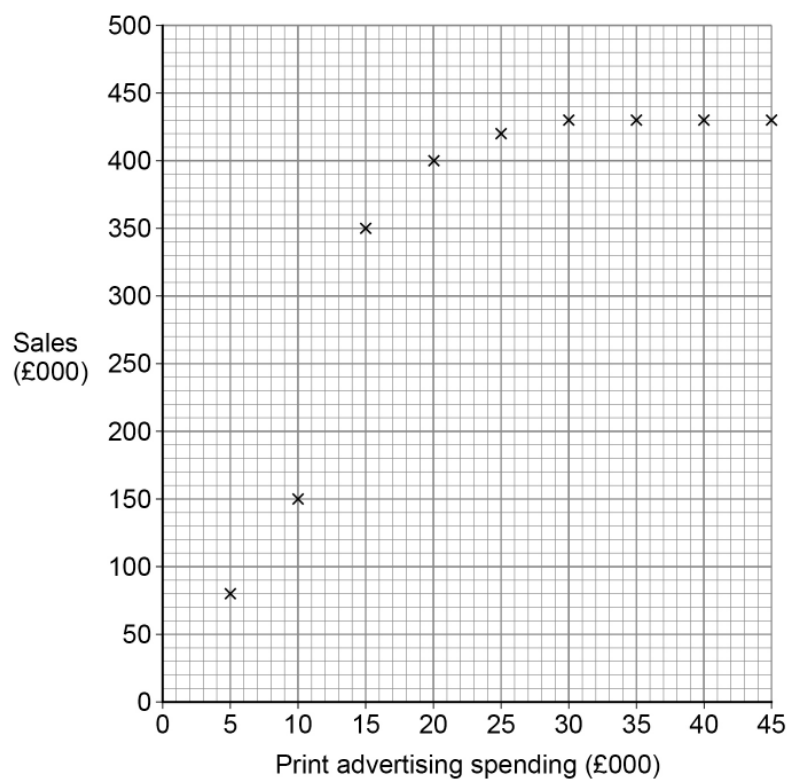
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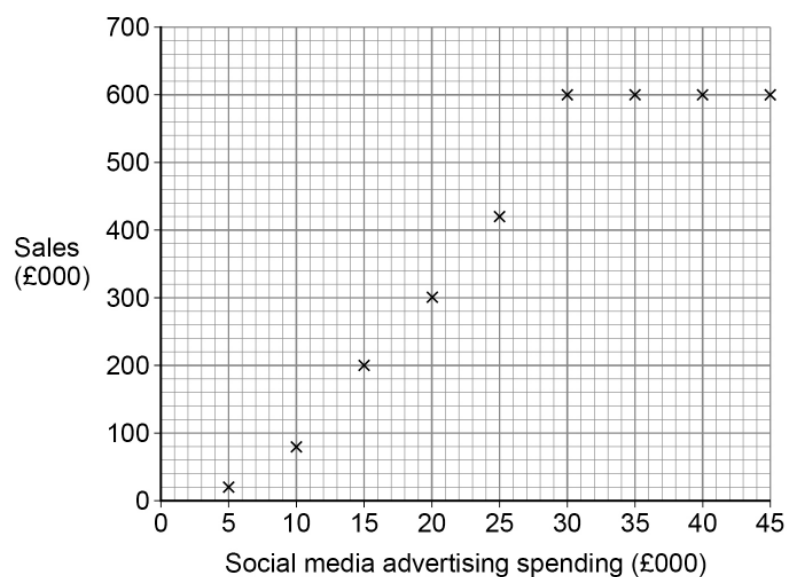
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Figure 2



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Figure 3



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Yusuf is considering the consultant's plan for a new organisational design at Horizons Ltd. Do you think it would be a good idea for Yusuf to adopt this plan? Justify your answer.

[16 marks]

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Case study: Vignal Babbel Motors (VBM) (A Level Paper 3, June 2025 insert)

The full case study for Q4 (16 marks), which follows on the next pages. Read it before answering.

Vignal Babbel Motors (VBM)

Background information

Vignal Babbel Motors (VBM) is a car manufacturer based in Europe, with roots dating back over 100 years.

The car industry has changed rapidly in the last 20 years and the business has struggled to keep up with the pace of external change. VBM's previous success was based on a core competence of designing and building extremely efficient, reliable and long-lasting diesel engines. 5

Over 100 European cities have now introduced legislation creating low emission zones. This means that most diesel-powered vehicles' owners have to pay a daily fee to enter these zones. In addition, several European countries have announced that sales of new petrol- and diesel-powered vehicles will be banned in the future (see **Appendix A**). As a result, sales of diesel-powered vehicles have begun to fall rapidly in VBM's traditional European markets (see **Appendix B**). 10

VBM only began work on developing electric vehicles five years ago. The company does not expect to launch an electric-powered vehicle until next year. Many competitors are already selling large volumes of electric vehicles. 15

VBM's sales in Europe have fallen due to increased environmental concerns. However, demand for VBM's traditional diesel-powered vehicles has been rising in some parts of South-East Asia, particularly Vietnam. The directors have started to discuss plans to build and operate a new factory in Vietnam to meet the rising demand in its South-East Asian markets. 20

Internal conflict

Meetings of the Board of Directors have been difficult for the last few years. Several directors have argued that the company must fight hard to maintain its share of the European market. They argue for the need to show loyalty to the company's employees and traditional customer base in Europe. They hope this will avoid the bad publicity caused by factory closures and the related redundancies. 25

However, another group of directors has stressed the need to better match capacity to changing global patterns of demand. This group proposes a strategy of retrenchment – closing three of VBM's four European factories. These closures would mean around 5000 redundancies. VBM would maintain just one European factory that would concentrate on producing electric vehicles for the European market. The capital released could be used to fund the construction of the proposed factory in Vietnam. 30

Major changes agreed

The proposals to retrench VBM's European operations and build the factory in Vietnam were approved at last month's annual shareholders' meeting. Since then, plans have been developed for the opening of the Vietnamese factory (see **Appendix C**). VBM's Operations Director is leading the project. He has drawn up a network diagram showing that the factory could be opened in a year. 35



The HR Director has warned that the diagram is based on some optimistic assumptions: 40

‘We have no experience of operating in Vietnam. We will need to understand recruitment systems and legislation plus train staff to operate the technology that we plan to use in the factory.’

The HR Director has advised that:

- the time allowed for recruitment should be increased by one month 45
- training the new workforce will take two months longer than initially predicted.

Retrenchment in Europe

Meanwhile, a retrenchment plan has been developed. This plan deals with:

- the process of closing three European factories
- adjusting VBM's marketing strategy to selling electric vehicles instead of petrol- and diesel-powered vehicles in Europe. 50

The plan also:

- outlines how and when announcements of factory closures plus 5000 redundancies will be made
- includes details of the redundancy settlements required for staff 55
- details the HR department's role in consulting with stakeholder groups on how to reduce the effects of the factory closures.

Appendix A

Table 1 Selected places where legislation has been passed, banning sales of new petrol- and diesel-powered vehicles, showing date when ban starts

Place	Start of ban
Norway	2025
UK	2030
EU	2035
California (USA)	2035
Quebec (Canada)	2035
China	2035

Turn over for Appendices B and C

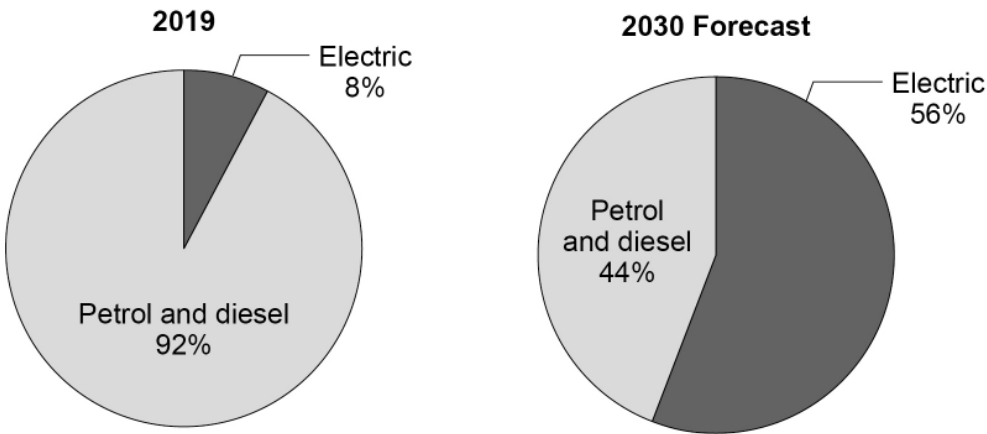


Appendix B Total car sales by power source

Table 2 Percentage of total car sales in the EU that use diesel engines

Year	Diesel-powered vehicles' share of European Union car market
2015	52%
2019	32%
2025 (forecast)	17%

Figure 1 Global car sales market share by power source

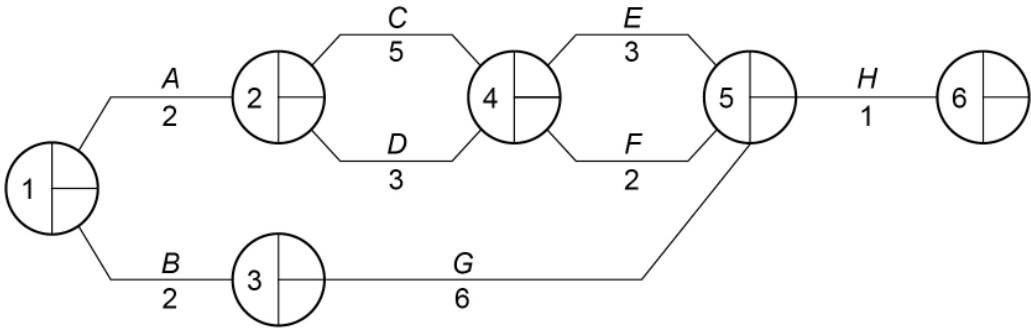


Appendix C

Table 3 Data used to construct network diagram in Figure 2

Activity		Operations Director's expected duration (Months)
A	Prepare site	2
B	Recruit workforce	2
C	Build factory building	5
D	Purchase production equipment	3
E	Find and contract suppliers	3
F	Install equipment	2
G	Train workforce	6
H	Test production line	1

Figure 2 Network diagram for new factory opening



END OF SOURCES

This question is based on the case study: Vignal Babel Motors (VBM)

A Level Paper 3, June 2025 insert. Printed in full on the pages just before this one (from page 86).

< CASE STUDY

11

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VBM has major Human Resource challenges such as:

- recruitment and training for the factory in Vietnam
- managing redundancies in Europe.

Which of these **two** challenges is likely to be harder to manage effectively?

Justify your view.

[16 marks]

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16

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16

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Section C

Answer **either** Question 22 **or** Question 23.

Shade the lozenge below to indicate which optional question(s) you have answered.

Question 22

Question **2** **3** ☐

CORRECT METHOD



WRONG METHODS



2	2
---	---

A business wants to increase the productivity of its workforce.

To what extent is the greater use of delegation likely to be an effective way for the business to achieve this?

[25 marks]

OR

2	3
---	---

A business has recently started to use Elkington's Triple Bottom Line to assess its overall performance.

To what extent do you think the business is likely to have lower profits as a result of this?

[25 marks]

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16

Section C

Answer **either** Question 21 **or** Question 22.Do not write
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Shade the lozenge below to indicate which optional question you have answered.

Question **2 1** ☐Question **2 2** ☐CORRECT METHOD ☒

WRONG METHODS

**2 1**

'Limited liability benefits all stakeholders of a public limited company.'

Do you agree? Justify your view.

[25 marks]**OR****2 2**

'The growth stage is the most challenging stage of the product life cycle for a business when managing its human resource flow.'

Do you agree? Justify your view.

[25 marks]

[illegible]

Extra space

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25

SUB-TOPIC 3.6.4 · 21 questions · 160 marks · lowest tariff first
IMPROVING MOTIVATION AND ENGAGEMENT

6

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In 2016, a business had 120 employees. Its total labour costs were £2.7 million. In 2017 its labour costs increased by 3%. The number of employees remained the same. Its labour costs per employee in 2017 were

A £21 845☐**B** £22 500☐**C** £23 175☐**D** £29 250☐**[1 mark]****0 7**

A manager aims to improve the motivation of an individual who has satisfied her esteem (or ego) needs. The manager should focus on the individual's

A physiological needs.☐**B** security needs.☐**C** self-actualisation needs.☐**D** social needs.☐**[1 mark]**

0 6

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7

0 8

	Budget £000	Actual £000
Revenue	26	28
Material costs	8	9
Labour costs	12	10

With reference to the table above which of the following statements is true?

- A** The revenue has an adverse variance. ☐
- B** The material costs have a favourable variance. ☐
- C** The profits have a favourable variance. ☐
- D** The difference between the budgeted and actual profit is £15 000. ☐

[1 mark]

0 9

In 2016 a business had 12 employees and produced 60 units of output. Its capacity utilisation was 75%. In 2017 it achieved 100% capacity output with the same labour force. Labour productivity per employee in 2017 was

- A** 6.67 units. ☐
- B** 6 units. ☐
- C** 5 units. ☐
- D** 3.75 units. ☐

[1 mark]

Turn over for the next question

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0 7

Turn over ►

IB/M/Jun18/7131/1



2

Section A

Answer **all** questions in this section.Do not write
outside the
boxOnly **one** answer per question is allowed.

For each answer completely fill in the circle alongside the appropriate answer.

CORRECT METHOD



WRONG METHODS



If you want to change your answer you must cross out your original answer as shown.



If you wish to return to an answer previously crossed out, ring the answer you now wish to select as shown.



0 1

According to Herzberg's 'two factor' theory of motivation, which **one** of the following is a hygiene factor?

A Greater responsibility

☐

B Higher pay

☐

C More interesting tasks

☐

D Opportunities for promotion

☐

[1 mark]

0 2

The data below is taken from the accounts of Abacus plc for 2018 – 2019.

Revenue	£15 million
Cost of sales	£7 million
Other expenses	£9 million
Taxation	£2 million

The gross profit for Abacus plc in £ (millions) is

A 4

☐

B 6

☐

C 8

☐

D 13

☐

[1 mark]



0 2

IB/M/Jun19/7131/1



6

1 0

According to Herzberg, which of the following is a hygiene factor?

[1 mark]

- A** Company policy
- B** Promotion prospects
- C** Sense of achievement
- D** The nature of the work

☐☐☐☐*Do not write
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box***10**

0 6

IB/G/Jun22/7131/1



4

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0 5

Think about Maslow's hierarchy of needs. Which **one** of the following statements does Maslow say is true?

[1 mark]

- A Security/safety needs must be satisfied before physiological needs can be used to motivate employees.
- B Self-actualisation needs must be satisfied before ego/esteem needs can be used to motivate employees.
- C Social/belonging needs must be satisfied before ego/esteem needs can be used to motivate employees.
- D Social/belonging needs must be satisfied before security/safety needs can be used to motivate employees.

☐☐☐☐

0 6

Statement 1: 'Market mapping is often used to calculate the market share of a business.'

Statement 2: 'Market mapping shows the geographical location of a business on a map.'

Read statements 1 and 2 and select the correct option from the following:

[1 mark]

- A Statement 1 is true. Statement 2 is true.
- B Statement 1 is true. Statement 2 is false.
- C Statement 1 is false. Statement 2 is true.
- D Statement 1 is false. Statement 2 is false.

☐☐☐☐

0 7

A business has an opening balance of £5000 on 1 July.

In the month of July, there is a cash outflow of £14 000. The net cash flow for July is £22 000.

The business' closing balance on 31 July is:

[1 mark]

A -£9000

☐

B £8000

☐

C £13 000

☐

D £27 000

☐

0 4

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5

0 8

Which of the following actions is most likely to improve profits in the **short-term**?

[1 mark]

- A Increasing capital expenditure
- B Increasing spending on marketing research
- C Increasing the price of a good which has price inelastic demand
- D Increasing training for employees in new production methods

☐☐☐☐

0 9

Which **one** of the following is most likely to be the result of successful employee engagement?

[1 mark]

- A Higher labour costs per unit
- B Higher trade union membership
- C Lower labour productivity
- D Lower labour turnover

☐☐☐☐

1 0

Company X has a 40% market share. The market size declines by 20%. There are no other changes. Company X's market share now is:

[1 mark]

- A 32%
- B 48%
- C 50%
- D 60%

☐☐☐☐

10

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Figure 2 below contains data on the costs of producing a given product.

Figure 2

Output (units)	Total costs (£)
0	40
1	80
2	110
3	150

Calculate the total variable costs of producing 3 units of output.

A £30

☐

B £40

☐

C £100

☐

D £110

☐

[1 mark]

1 1

Statement 1: 'According to Taylor, piece rate payments will **usually** motivate workers.'

Statement 2: 'According to Herzberg, piece rate payments will **usually** motivate workers.'

Read statements 1 and 2 and select the correct option from the following options:

A Statement 1 is true. Statement 2 is true

☐

B Statement 1 is true. Statement 2 is false

☐

C Statement 1 is false. Statement 2 is true

☐

D Statement 1 is false. Statement 2 is false

☐

[1 mark]



0 6

IB/G/Jun17/7132/1



7

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1 2

According to Lewin's force field analysis

- A** change will occur if driving forces are stronger than restraining forces.
- B** change will occur if negative forces equal positive forces.
- C** a company will grow if its strengths and opportunities outweigh its weaknesses and threats.
- D** a company will grow if horizontal forces and vertical forces are balanced.

☐☐☐☐

[1 mark]

1 3

Statement 1: 'Penetration pricing is more likely to be used if demand is price inelastic.'

Statement 2: 'Price skimming is more likely to be used if demand is price elastic.'

Read statements 1 and 2 and select the correct option from the following options:

- A** Statement 1 is true. Statement 2 is true
- B** Statement 1 is true. Statement 2 is false
- C** Statement 1 is false. Statement 2 is true
- D** Statement 1 is false. Statement 2 is false

☐☐☐☐

[1 mark]

1 4

In a business each employee has a job with clear rules and procedures. Which of Handy's cultures does this description most closely correspond to?

- A** Person culture
- B** Power culture
- C** Role culture
- D** Task culture

☐☐☐☐

[1 mark]



0 7

Turn over ►

IB/G/Jun17/7132/1



8

1 4

Which one of the following methods of payment to employees would **not** be seen as a method of financial motivation by Taylor?

A Commission

☐

B Performance-related pay

☐

C Piece rate

☐

D Salary

☐

[1 mark]

1 5

A to D (below) apply to the market leader of a particular industry. Which **one** of these is **not** a barrier to entry for a business seeking to enter this industry?

The market leader

A is vertically integrated with its suppliers.

☐

B experiences diseconomies of scale.

☐

C has high brand loyalty.

☐

D owns a patent.

☐

[1 mark]

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0 8

IB/G/Jun19/7132/1



11

The success of a firm's employee engagement may be shown through all of the following outcomes **except**:

[1 mark]

- A

higher labour productivity.

☐
- B

higher labour retention rates.

☐
- C

higher labour turnover.

☐
- D

lower absence rates.

☐

12

Which **one** of the following situations is most likely to cause strategic drift?

[1 mark]

	External change	Strategic change	
A	High	High	☐
B	High	Low	☐
C	Low	High	☐
D	Low	Low	☐

Turn over for the next question

Turn over ►



11

1 3

A retailer has decided to pay salaries to its employees instead of commission on the sales they make. Explain one benefit to the retailer **and** one benefit to the employees of making this change.

[4 marks]

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4**Turn over for the next question**

1 1

Turn over ►

IB/M/Jun18/7131/1



7

Section BAnswer **all** questions in this section.Do not write
outside the
box**1 1**

A business with a reputation for manufacturing a high-quality product has introduced piece-rate pay for its factory workers.

Explain **one** possible disadvantage to this business of using piece-rate pay.

[4 marks]

4

1 2

The following data applies to a business:

Fixed costs	£1.5 million
Total costs	£6 million
Output	2 million units
Profit	£3 million

Calculate the selling price per unit.

[3 marks]

3

Turn over ►

1 6

Richer Sounds

Richer Sounds is a highly successful hi-fi, home cinema and TV retail specialist based in the UK. It sells through its 53 stores and online. It has won several awards for its high level of sales and for its levels of customer service. Its sales are influenced by the external environment; for example, demand is said to be income elastic. Trading conditions have been difficult in recent years as consumers have been uncertain about their jobs and incomes. The increased use of digital technology in marketing and its impact on the way customers search for information and shop is a serious threat to Richer Sounds' growth. It faces competition from rivals such as Amazon and Argos who offer a much wider range of products and are investing heavily in their online operations.

Richer Sounds' mission is 'Experience Better'. Staff aim to beat its competitors by providing customers with superior:

- knowledge and expertise
- products and pricing
- customer service.

The company recruits employees based on their natural friendliness and their passion for its products. Staff are trained regularly to keep them up to date with new products. The company is committed to providing employees with secure, well-paid jobs and a stimulating working environment. Employees receive an excellent salary, good career opportunities and a number of additional benefits linked to customer satisfaction such as free massages and facials. The company's suggestion scheme offers a cash bonus of at least £5 for each idea and incentives for the best ones. It has been remarkably successful, producing on average 20 suggestions a year from each employee.

Richer Sounds has a low price strategy. If a customer finds any product cheaper elsewhere for up to seven days after purchase, Richer Sounds will charge £100 less. To enable it to pursue this approach Richer Sounds deliberately chooses 'out of the way' locations for its shops; this means its rents are lower than its competitors. It has spent nearly 40 years building relationships with suppliers, meaning it can negotiate lower prices and pass these savings on to customers.



Do not write
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1 6 . **1** Analyse why the Richer Sounds approach to managing its human resources is successful in motivating its employees. You should support your answer with reference to Herzberg's hygiene **and** motivator factors.

[9 marks]

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Extra space



1 9

Turn over ►

IB/G/Jun17/7131/1



20

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9

1 6 . **2** To what extent do you think the level of demand for Richer Sounds' products is determined by its external environment? Justify your view.

[16 marks]

2 0

IB/G/Jun17/7131/1



Section CAnswer **all** questions in this section.*Do not write
outside the
box***1 6****Colbeck Toys Ltd**

Colbeck's is a UK based toy distributor. It has around 100 warehouse staff who unload, sort and pack toys into boxes to be sold onto retailers. These employees are on zero hours' contracts and worry as this means they are not guaranteed work each week. Labour productivity at the warehouse is low.

In the business head office there are 20 employees. All of these staff are well qualified and experienced. They are highly paid. However, staff feedback shows nearly all these staff feel demotivated.

The business has been owned by the Colbeck family since its establishment 100 years ago. Chris Colbeck, 65, is the current chief executive and his daughter, also a director, is expected to take over when he retires. The family has always prided itself on investing for the future. Chris is fiercely protective of the business. He has a tell style of management which is often commented on by the head office employees.

The business has strong profit figures in the growing market that it operates in; however it has poor levels of cash as lots of it is tied up in the inventory.

Chris has a plan to expand Colbeck's which requires £20 million. He has approached a bank for a loan. Based on its forecasted profit figures the business can currently pay the expected monthly repayments of the new loan. However, last year Colbeck's took out another sizeable loan and experts are predicting interest rates may rise.

Chris has recently had an investment offer from a venture capitalist, Mark Newton. Mark has a strong record of increasing short term profits but often at the expense of employees' jobs. Mark has offered £20 million for a 51% share of Colbeck's. Chris estimates if the business became a public limited company its market capitalisation would be £30 million.



1 2

IB/M/Jun19/7131/1



13

16.1

With reference to Maslow's hierarchy of needs analyse:

- **one** way Colbeck's can motivate warehouse employees and
- **one** way Colbeck's can motivate head office employees.

[9 marks]*Do not write
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box*

Extra space

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Turn over ►

1 3

IB/M/Jun19/7131/1



17

Diggin' It garden care

Nita set up a gardening business, Diggin' It, in 2020. She now has 10 gardeners working full-time for the business. Nita employs her gardeners on permanent contracts, unlike most of her rivals. She pays competitive salaries and offers benefits such as paid annual holiday and sickness pay.

Nita's customers demand a variety of services, such as mowing lawns, weeding and advising on garden design. Nita provides regular training for her gardeners to learn new skills. Each gardener agrees the work to be done and the fee to be charged with the customers.

Each month, there is an award for the gardener with the highest customer satisfaction rating. Nita likes to visit each of her gardeners at work to meet with them face to face once a week to provide any support needed. Nita describes her team of gardeners as 'family' and is very proud that labour turnover at Diggin' It is low.

Nita would like to pay herself more. Her accountant has suggested a new approach to the business which he believes would increase its profits. Nita would need to change to a hard human resource management (HRM) approach. Gardeners would only be paid for the hours they actually work for a customer rather than an annual salary. They would not receive paid annual holiday and sickness pay.

The accountant has produced a forecast comparing the expected figures for Diggin' It in 2026 using the existing and new approach. These are shown in **Table 2**.

Table 2 Expected figures for Diggin' It's existing and new approach, 2026

	Existing approach	New approach
Sales revenue (£)	245 000	245 000
Total labour costs (£)	187 500	157 500
All other costs (£)	31 500	31 500
Labour turnover (%)	10	40
Customer satisfaction rating out of 100	92	70

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1 8

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Using Herzberg's theory of motivation, analyse why labour turnover at Diggin' It is low.

[9 marks]

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Extra space

c

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14

03

Read the information below and then answer the questions that follow.

Do not write
outside the
box**Chillax Ltd**

Chillax Ltd runs six luxury health spas in southern England. Health spas offer health and beauty treatments such as steam baths, exercise and massage. Chillax Ltd's customers expect high levels of service.

The business focuses on quality. It emphasises the importance of getting the customer experience right. It feels this is more about how employees interact with customers than the facilities in each health spa. The quality of customer experience is monitored through frequent customer surveys using the Chillax App. The business regularly has positive reviews online.

Chillax Ltd invests heavily in training, consults regularly and provides frequent feedback to staff. It feels that its high level of employee engagement has many benefits and ultimately ensures happy customers.

Chillax Ltd is unusual in the Health and Beauty sector in that many businesses in that sector have very high rates of labour turnover averaging over 30%.

Table 2 Selected employee data for Chillax Ltd for 2020 (31 December 2020)

Number of employees on 1 January 2020	180
Employees leaving during the year	24
Employees staying all year	162

03.1

Using **Table 2** calculate the employee retention rate for Chillax Ltd in 2020.**[2 marks]**

2



14

IB/G/Jun21/7132/2



9

0 2

Read the information below and then answer the questions that follow.

Do not write
outside the
box**Ocado venture with M&S**

Marks & Spencer (M&S) started to sell its popular food range online for the first time in September 2020, by forming a venture (also known as a joint venture) with Ocado. Ocado is a solely online supermarket that has well-established distribution networks and market-leading advanced technology.

M&S funded its part of the £1.5bn venture by selling £600m of shares to existing shareholders and by cutting shareholder dividends by 40%.

M&S stated that it had always believed M&S branded food should be available online and combining with Ocado was a 'win-win' situation that would drive long-term growth of both businesses.

Following the announcement of the venture, Ocado's share price rose by 3%.

The launch of the venture followed over a year of hard work and required senior managers from both businesses to work together to make it happen.

0 2 . 1

What is meant by the term shareholder dividend?

[2 marks]

2

0 2 . 2

Explain why the Ocado share price rose following the announcement of the venture.

[4 marks]

Turn over ►

10

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02.3

With reference to Maslow’s theory, analyse the possible impact of this venture on the motivation of senior managers of the two businesses.

[9 marks]

9



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A business has recently experienced a decline in its level of sales. This led to some redundancies.

Analyse how an understanding of Maslow's hierarchy of needs might help this business to motivate its remaining employees.

[9 marks]

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9



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Read the information below and then answer the questions that follow.

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Seebus plc

Seebus plc is a food retailer that has used organic growth to expand. It now has 110 stores spread across the UK. The company competes with larger supermarkets by positioning itself as offering higher quality products and better customer service.

To differentiate itself, Seebus plc offers:

- a luxury range of 'own-brand' goods
- some branded goods which are market leaders in their particular categories.

The company focuses on a smaller range of products than its largest rivals and relies on being able to achieve higher gross profit margins. Seebus plc is aware that it cannot compete purely on price with much larger rivals in the mass market. Seebus plc operates a 'Just in Time' system of inventory management, as do all major competitors in the market. It recently introduced software which integrates inventory management with marketing, production, transport logistics and the supply chain.

Recently, the results of employee satisfaction surveys have shown rising levels of unhappiness with pay and working conditions. Labour turnover has also increased dramatically. In 2023, Seebus plc employed an average of 6000 employees. During 2023, 960 employees left Seebus plc, whilst only 720 new employees joined the company. Seebus plc had always taken pride in its excellent relationships with employees, paying wages well above those of its main rivals. Recently, competitors have significantly increased employee pay rates. Employees are also unhappy about changes to shift patterns and the way they are supervised. Ajinder, the Chief Executive, plans to address the findings of the employee surveys. The plans include implementing a new package including:

- personalised career development plans
- improved training.



0	2	.	3
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Use Herzberg's theory to analyse why Ajinder's plan may **not** improve motivation levels at Seebus plc.

[9 marks]

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[illegible]

Extra space _____

9



0 2

Read the information below and then answer the questions that follow.

Do not write
outside the
box**Nari**

Nari is a mobile phone manufacturer based in Asia. Although its brand name is not as strong as the Apple iPhone, Nari's phones sell at much lower prices which make them competitive. Nari adds new features to its phones and develops new models every few months. The company has an objective of 95% of sales from products launched in the last year. It has relatively low profit margins but high sales volumes.

To win business, Nari promises the retailers that sell its phones a lead time of 48 hours; any delay results in a major discount for the retailers on the products they have ordered.

To achieve low prices and still be profitable, the company focuses on being more efficient than its rivals. The company has a 'Just in Time' approach to manufacturing. It has a global supply chain with hundreds of different suppliers of components based in more than 50 countries. These components are delivered using a variety of transportation methods every few hours from all over the world to its assembly factories in China.

Some of Nari's suppliers have factories based in emerging economies. The managers of a number of these suppliers use Taylor's motivation theory to motivate their employees.

The company invests heavily in projects to help local communities where it is based. It contributes some of its profits every year to charities and provides significant finance for initiatives to protect the environment.

Nari has recently experienced protectionism in its European markets as governments have limited the number of phones it can sell in their countries.

Regional breakdown of Nari's global sales in 2019

	%
USA	5
Asia	55
Europe	30
Rest of the world	10



0 8

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The managers of a number of Nari's suppliers use Taylor's motivation theory when motivating their employees.

To what extent do you think using Taylor's theory would be a good way for **all businesses** to motivate their employees?

[16 marks]

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16



Case study: The Hostel Society (AS Paper 2, June 2018 insert)

The full case study for Q8 (20 marks), which follows on the next pages. Read it before answering.

The Hostel Society

The Hostel Society (HS) is a charity which owns and runs 23 hostels in some of the most beautiful and remote parts of the UK countryside. A hostel is an affordable place to stay – providing basic self-catering facilities, communal areas and cycle storage. Guests are typically keen to walk and cycle in the countryside. 1

The Hostel Society's mission is:

'To promote a love of the countryside, particularly to people who have a limited income.'

HS is owned by its members who support the aims of the organisation and who pay an annual fee. Over half of the members of HS are under 25 years old but it is the older members who are the most actively involved in the running of the organisation. Many of the guests at the hostels are also members. Members elect the board of directors (called trustees) at HS. As a charity, the income and assets of HS cannot be paid out as dividends or bonuses to trustees or members. 5

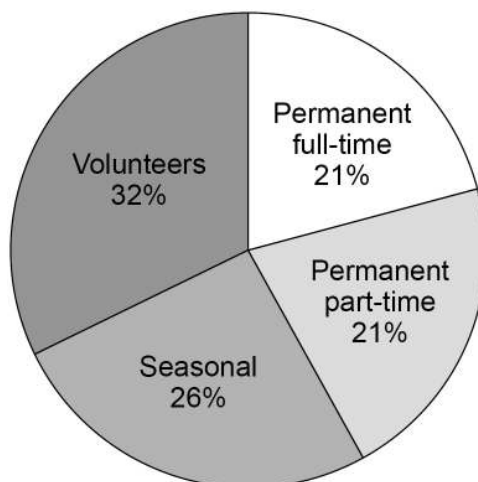
The board of trustees at HS governs the organisation and sets its strategic direction – each trustee gives his or her time and expertise voluntarily. Other enthusiastic members volunteer to help manage hostels, maintain the grounds, carry out administration tasks and organise events. These volunteers share the values of HS, and gain personal satisfaction from their roles and from encouraging others to share their love of the countryside. They have often been involved with HS for several years. 10 15

HS has a flexible staffing structure with a mixture of unpaid volunteers and paid seasonal, full-time and part-time staff (**Figure 1**). This flexibility is seen as key to the success of HS.

Seasonal staff are typically students on low hourly pay rates. They cover busy periods in the summer months when many hostels operate at or near to full capacity. In winter some hostels are closed, and others operate with limited opening times. 20

As well as seasonal demand, hostels have busy periods each day when guests leave in the morning and arrive in the late afternoon. The hostels will often be closed in between these times.

Figure 1: Overall staffing structure of HS



Staff at HS's head office in Lancaster, take responsibility for membership services, marketing and finance. Staff turnover in Lancaster has been high as employees have been attracted by higher salaries offered for similar roles in other organisations.

25

The revenue for HS is generated from guests' stays at the hostels, membership fees and payments for advertising on its website and in its newsletters. The trustees were concerned about the losses in 2015 and 2016 as they always prioritise the long-term financial stability of the organisation. Assets which had been built up over many years from donations from members, had to be used to meet these losses.

30

In 2016 the trustees decided to sell three small hostels in fairly remote parts of the Scottish Highlands, claiming that the low occupancy rate (capacity utilisation) of these properties was unsustainable. This was not popular with some members and attracted bad publicity in the media, as these hostels gave access to remote areas of outstanding natural beauty. The hostels were sold to a property developer who planned to use the land to build new housing developments. The sale of these assets raised £1.5m which funded the upgrade of other hostels, together with a promotional campaign aimed at boosting the demand for both people staying at hostels and becoming members of HS.

35

Overall demand for hostels in the UK has been declining as people now expect more facilities when booking accommodation and many prefer budget hotels. Other hostel organisations have changed what they offer, borrowing large amounts to fund expansion into city-centre hostels. The occupancy rate of these city-centre hostels has been high as the demand is less seasonal.

40

HS has decided to open a city-centre hostel in Edinburgh in 2018. This will:

- be funded by borrowing £3 million
- be aimed at people wanting to stay in the city at any time of the year
- offer more facilities than the existing hostels (such as TVs) in en-suite rooms
- be priced from £60 per night for a room for two people.

45

A number of HS stakeholders oppose this decision to open its first city-centre hostel.

Figure 2: Selected financial and performance data for HS

	2017	2016	2015
Number of hostels	23	26	26
Maximum capacity (overnight stays)	112 000	142 000	142 000
Number of overnights stays	74 000	75 000	76 100
Occupancy rate (capacity utilisation)	66.1%	52.8%	53.6%
Average price per overnight stay	£25.00	£23.50	£23.50
Variable cost per overnight stay	£5.50	£5.50	£5.00
Annual fixed costs for hostels	£1 300 000	£1 525 000	£1 450 000
Profit from hostels		(£175 000)	(£42 150)

END OF SOURCE



This question is based on the case study: The Hostel Society

AS Paper 2, June 2018 insert. Printed in full on the pages just before this one (from page 130).

< CASE STUDY

10

08

HS and other charities have suggested that money is not a motivator for staff in this sector. How important do you think money is as a motivator for employees in businesses generally? Justify your view.

[20 marks]

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Case study: Play Equipment Ltd (AS Paper 2, June 2024 insert)
The full case study for Q8 (20 marks), which follows on the next pages. Read it before answering.

Play Equipment Ltd

Play Equipment Ltd (PE) is a UK-based manufacturer of playground equipment such as slides, swings and climbing frames. PE Ltd makes and sells the equipment to business customers such as theme parks, holiday parks and schools. PE Ltd uses a sales team to promote its products to these business customers. PE Ltd has been running for 14 years. Until recently it had high market share in this competitive market and was known for its excellent quality equipment.

The operations manager believes that the raw materials supplier PE Ltd uses is to blame for its recent loss of market share. PE Ltd has used the same supplier for the last 5 years. However, in the last 18 months, there have been many faults reported with the raw materials. This has resulted in complaints from some of the businesses that PE Ltd supplies. The operations manager has returned the last shipment of raw materials used for the equipment, due to poor quality. The costs of the raw materials have increased, and so have the storage costs. The current supplier has not been able to offer just-in-time delivery. The operations manager thinks PE Ltd needs to find a new supplier before the situation gets worse.

The marketing manager is worried about the brand image of PE Ltd. In the last 2 years, PE Ltd has lost some of its brand loyalty. PE Ltd has faced tough competition from well-known toy brands that operate with lower unit costs. The shareholders of PE Ltd have expressed a desire to expand the markets in which the company sells. The shareholders want PE Ltd to start targeting individual customers, such as families who are looking to put play equipment in their homes and gardens. They have asked the managers of PE Ltd to undertake market research into this potential market to gather relevant data. Many of the managers disagree with this suggestion. Their intuition is to remain with the current market. However, the shareholders have asked the managers to produce a decision tree to decide whether to target the new market. If PE Ltd does decide to target individual customers directly this will significantly increase the number of potential customers. The marketing manager will need to create a new promotional mix. The finance manager would need a £50 000 loan to pay for the new promotional mix.

PE Ltd uses a range of financial and non-financial methods of motivation. The employees complete training every year to ensure they are aware of updates to machinery and processes. PE Ltd offers all employees the opportunity to work in the different departments, and managers use delegation to avoid employees becoming bored in their roles. The employees are paid below the industry average wage, but they can earn bonuses for hitting monthly productivity targets. Despite these incentives, labour turnover has increased from 10% to 35%. Employees have left due to better wages and higher bonuses being offered by competitors. PE Ltd's employees have many skills which can be used in other industries and this makes them hard to retain. It is difficult to recruit skilled employees due to lots of competition for workers in this rapidly expanding market.



Figure 1: Selected annual productivity data for PE Ltd

	2021	2022
Number of employees	102	108
Number of products made	25 500	27 648
Labour productivity	250	256

Figure 2: Selected financial data for PE Ltd

	2021	2022	2023
Monthly fixed costs	£21 000	£27 000	£30 000
Selling price per unit	£280	£300	£342
Variable cost per unit	£102	£120	£142
Units sold per month	800	1 200	1 850
Overdraft balance	(£85 000)	(£100 000)	(£150 000)
Retained profit	£100 000	£50 000	£30 000
Receivables due	£20 000	£25 000	£70 000

END OF SOURCE

This question is based on the case study: Play Equipment Ltd

AS Paper 2, June 2024 insert. Printed in full on the pages just before this one (from page 134).

< CASE STUDY

10

0	8
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'To increase labour productivity, **all** businesses should use financial methods of motivation, rather than non-financial methods of motivation.'

Do not write
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box

To what extent do you agree with this statement?

[20 marks]

[illegible]

11

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12

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END OF QUESTIONS

20



16

Section CAnswer **either** Question 21 **or** Question 22.*Do not write
outside the
box*

Shade the lozenge below to indicate which optional question you have answered.

Question **2 1** ☐Question **2 2** ☐CORRECT METHOD ☐WRONG METHODS ☐ ☐ ☐ ☐**Either****2 1**

Will the use of non-financial methods to motivate a workforce always be more successful than the use of financial methods?

Justify your view.

[25 marks]**or****2 2**

An understanding of Hofstede's model of national cultures is vital to the success of a business that is entering an overseas market.

Do you agree? Justify your view.

[25 marks]

1 6

IB/G/Jun21/7132/1



SUB-TOPIC 3.6.5 · 5 questions · 49 marks · lowest tariff first

IMPROVING EMPLOYER-EMPLOYEE RELATIONS

3

0 3

An organised association of workers, formed to protect and further their rights and interests, is known as a

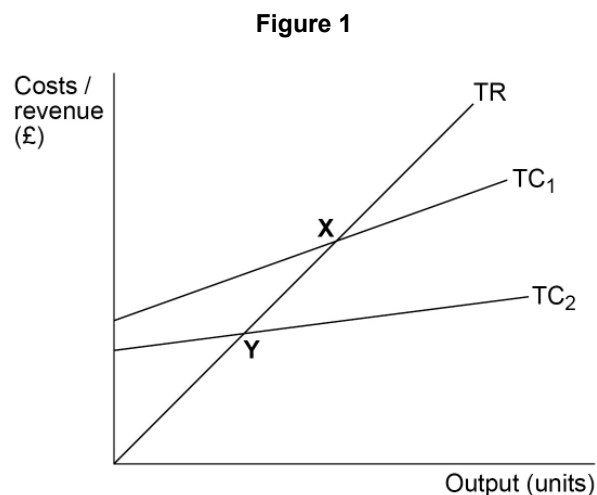
[1 mark]

- A Human resources department
- B Kaizen group
- C Trade union
- D Works council

☐☐☐☐

0 4

Figure 1 shows a situation in which there is a change in the break-even point of a product from point **X** to point **Y**.



The change in break-even point from **X** to **Y** has been caused by

[1 mark]

- A a fall in fixed costs and a fall in variable costs per unit.
- B a fall in fixed costs only.
- C a fall in the selling price and fall in fixed costs.
- D a fall in variable costs per unit only.

☐☐☐☐

Turn over ►



0 3

IB/G/Jun20/7131/1



7

Section BAnswer **all** questions in this section.Do not write
outside the
box**1 1** A business has a high level of trade union membership among its employees.Explain **one** benefit of this to the business.**[4 marks]**

4**1 2** A business had 30 000 employees in 2019. Its staff numbers increased by 25% in 2020. In 2020, 3000 employees left the business.

Calculate the labour turnover for this business in 2020.

[3 marks]

3

Turn over ►



Case study: DWS Ltd (A Level Paper 3, June 2019 insert)

The full case study for Q2 (12 marks), which follows on the next pages. Read it before answering.

The business

DWS Ltd was founded in 1989 by Mike Chappell, who, after five years as an apprentice metalworker, set up his own business making metal tubing. The tubing is used in the manufacture of products as diverse as furniture, cars and buildings. The operations process involves buying in sheet metal and, at extremely high temperatures, shaping and joining the metal to create the shapes required by customers. DWS Ltd has always focused on producing the very highest quality products, adding significant value and charging relatively high prices.

5

Building a profitable business 1989–1994

DWS Ltd really struggled to attract customers in its first few years. Mike spent much of his time visiting potential clients, to try to build a loyal customer base. He often did not see his two deputy managers, in charge of operations and marketing, for several weeks – which left them waiting for advice from Mike on how he wanted their departments to operate. Money was scarce – most of the start-up capital was used to purchase expensive machinery and equipment. Mike struggled to track what was happening with the finances and often had to use an overdraft. In 1991, Mike introduced a budgeting system to help with managing the company finances. By 1994, Mike had inspired his workforce, developed a motivated and committed management team and found enough customers to create a profitable business.

10

15

Ongoing success 1994–2009

DWS Ltd grew to employ 120 staff. The business gained an outstanding record of customer satisfaction and extremely high levels of repeat business. Financial performance was excellent, allowing growth to be financed using retained profits. Mike's approach to Human Resource Management remained clear. He always expected 100% commitment from his staff. In return, staff were paid salaries above the national averages for the industry. The company invested heavily in training and at the beginning of 2008, Mike persuaded his fellow Directors to introduce a works council. Since its introduction the works council has met monthly and discusses major strategic issues facing the business. Mike has been described as a charismatic and inspirational leader whose staff are fiercely loyal to him and the business. The Human Resource data provided in **Appendix A** seems to support this view.

20

25

Responding to challenges 2009–now

Since 2009 DWS Ltd has been experiencing increased competitive pressures.

Problems have been caused by foreign rivals:

- improving their quality so that it is now much closer to DWS Ltd's levels
- charging lower prices.

30

In response, DWS Ltd has worked to boost its operational efficiency. In 2010 Mike introduced a new approach to operations. This new approach involved three elements:

- Just in Time production with smaller, more frequent deliveries of inventory
- a 'right first time' approach to quality assurance which involved extensive training for staff
- The creation of kaizen groups to discuss how to make improvements to the business's systems and processes.

35



Mike estimated that introducing lean production cost around £3 million.

40

An investment decision

The company aims to set objectives that balance profit and Corporate Social Responsibility. Its environmental performance is of particular interest to Mike. Prompted by increasing energy costs, the business is currently considering whether to invest £1 million in a project to fit solar panels to the roof of its factory in order to generate most of its own power from renewable sources. This is expected to lead to lower annual energy costs, although there will be some running costs – see **Appendix D**.

45

The future

Mike is under pressure from several Directors to adjust the corporate strategy for the next five years. Foreign rivals are becoming ever more competitive and most of Mike's attempts to cut costs have only seen limited success. Mike's proposal for the new strategy is to produce only the very highest value added, technically difficult items. This would involve stopping attempts to keep prices competitive by cutting costs. Some Directors would prefer the business to move downmarket instead. They want to target a wider market segment by reducing labour costs and levels of customer service as well as some expensive elements of being a socially responsible business.

50

55

The agenda for next week's Board meeting will feature discussion of:

- the proposed investment in solar panels
- corporate strategy for the next 5 years.

The group of unhappy Directors plan to present a SWOT analysis of DWS Ltd to Mike at the meeting.

60

Appendix A Human Resource performance data for DWS Ltd versus Industry average

	2003		2008	
	DWS Ltd	Industry average	DWS Ltd	Industry average
Labour turnover (%)	5	15	2	10
Employee costs as a % of turnover	60	48	65	50



Appendix B Operations data for DWS Ltd versus Industry average

	2008		2013	
	DWS Ltd	Industry average	DWS Ltd	Industry average
Faults per 1000 units made	5	12	1.5	8
Cost of 1 tonne of sheet metal (£) (DWS Ltd's raw material)	1100	1000	1350	1050
Average value of finished goods inventory (£m)	4	5	0.1	3

Appendix C Selected financial data for DWS Ltd

	2008	2013	2018
Number of customers placing orders	2400	2000	1500
Revenue (£m)	36	40	33
Profit for the year (£m)	3	2	0.2

Appendix D Investment appraisal data on fitting solar panels to reduce energy costs

Initial investment = £1m

Year	Reduction in energy costs (£m)	Running costs to maintain solar panels (£m)
1	0.3	0.2
2	0.7	0.3
3	1.0	0.3
4	1.3	0.3

END OF SOURCES



This question is based on the case study: DWS Ltd

A Level Paper 3, June 2019 insert. Printed in full on the pages just before this one (from page 142).

< CASE STUDY

02

Analyse how setting up the works council may have led to the changes in Human Resource performance data shown in **Appendix A**.

[12 marks]

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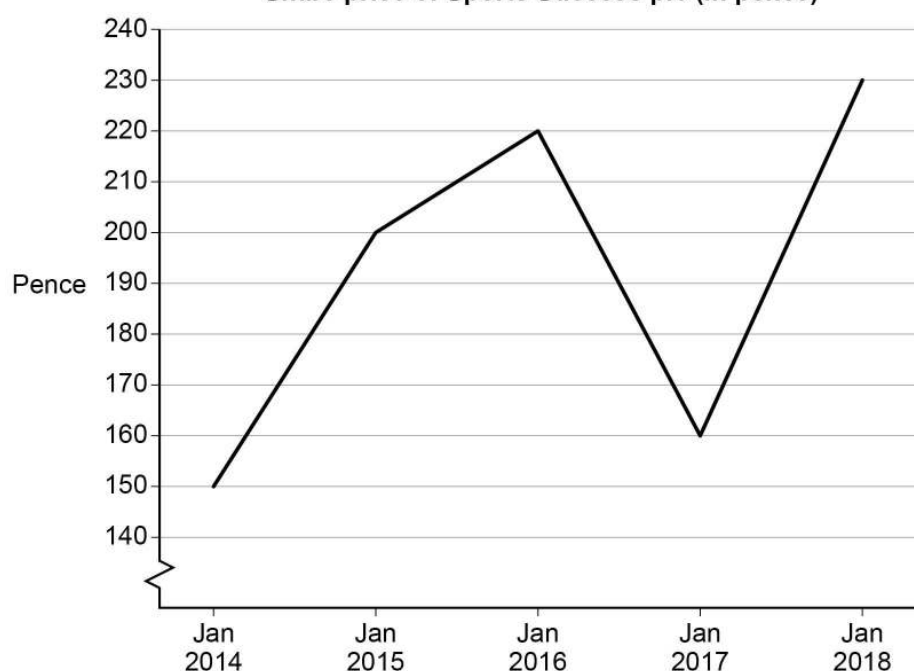
Sports Success

Sports Success plc is a well-known sports goods retailer operating in the UK and abroad. It employs over 20 000 people. In 2016, Sports Success was heavily criticised in the media for its treatment of staff in terms of their working conditions and pay. These announcements worried some shareholders because of the amount of negative publicity the company was receiving.

Sports Success responded to the media coverage by producing a report in January 2017 on its treatment of staff. This was seen as a positive move by the company. Although the company still does not negotiate with any trade union, it now:

- has one employee representative on the Board of Directors who is chosen by Board members. There are 11 other Directors, most of whom are senior managers
- has set up a feedback system called 'Be heard' for all staff, where they can email any issues of concern and make suggestions for improvements for staff. Senior managers have promised to read all the emails and said they will take action where they feel it is needed. Improvements that have occurred so far include free wi-fi and some improvements to the food in the canteens.

Over 20% of Sport Success' sales are online; the rest are through its stores. The company has recently invested over £200m developing its major stores. These new stores have better designs and more space for well-known brands such as Nike and Adidas. They are situated in prime retail shopping areas or out of town destinations.

Share price of Sports Success plc (in pence)

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IB/M/Jun18/7131/1



21

17.2

The managers of Sports Success have introduced more employee representation in the business since 2017. To what extent do you think this is likely to benefit the company's stakeholders?

[16 marks]

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END OF QUESTIONS



1 7

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Napara plc is a large mass market manufacturer of cars. Currently it produces four models of cars. Napara plc's reputation had previously been for reliability. This reputation has declined in recent years. Napara plc carried out some market research. This research highlighted that customers want:

- reliable cars
- cars supplied without waiting times.

Table 3 Operational data for 2021

Operational data	Napara plc	Industry average
Average cars produced per 100 employees in 2021	3150	5500
Percentage of cars requiring recall for faults	2.4%	0.8%
Average time from customer order to delivery	1 month	3 months

The employees in the Napara plc factory are highly skilled but have low motivation. There is high trade union membership amongst the employees. The union members took industrial action last year when they felt management bought incorrect safety equipment that put employees at risk. The action caused negative news headlines. The employees distrust management as a result. None of Napara plc's management have experience working on the production line. Employees worry their jobs are not being done safely and efficiently. This distrust has led to poor employee performance.

In 2023, the business has made the decision to move into the rapidly growing and highly profitable electric car market. Two of the company's current models will be replaced with electric models. The move would require the high-end skills of many of the workers. However, some jobs may be lost.

Customers in the electric car market:

- expect high-quality cars
- are very concerned with the ethics of the brand
- are willing to pay high prices.

Napara plc knows the market for these cars is rapidly changing. Napara plc's shareholders want the company to launch its first electric car as quickly as possible. The business is considering involving employees in the planning for the new production line.



18

17.2

Napara plc is considering involving employees in the planning for the new production line for the electric cars.

To what extent do you believe Napara plc should involve the employees in these planning decisions?

[16 marks]

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END OF QUESTIONS



MARK SCHEME – A-LEVEL BUSINESS STUDIES – 7132/2 – JUNE 2018

0	1	.	4	Using Appendix E , explain two potential benefits to Marks and Spencer plc of the diversity of its Board of Directors.
[6 marks]				

Level	The student will typically demonstrate:	Marks
3	A good response overall that focuses on many of the demands of the question. Provides a good explanation of relevant factors using knowledge and understanding applied to the context.	5-6
2	A reasonable response overall that focuses on some of the demands of the question. Provides a reasonable explanation of relevant factors using knowledge and understanding with some application to context.	3-4
1	A limited response overall with little focus on the demands of the question. Demonstrate some knowledge and understanding and identifies relevant factors with little application to context.	1-2

Demands of the question focus on:

- explaining the benefits of diversity
- Marks and Spencer's Board of Directors.

Answers may include:

- benefit of different perspectives – able to challenge thinking and look at issues in different ways, eg because of understanding of different regions of the world. Important for business such as Marks and Spencer plc that operates in many different markets
- benefit of experiences and skills by trying to ensure all people have access to senior management levels, this may attract good staff and encourage them to stay because they know there are promotion possibilities
- benefit of different sector experience, eg e-commerce when this is a growth part of the business.

Approaches likely to be

Level 3: two benefits explained in context

Level 2: one benefit explained in context or two benefits explained with no context

Level 1: relevant benefits identified

Credit other valid lines of explanation.

MARK SCHEME – A-LEVEL BUSINESS – 7132/1 – JUNE 2020

1	8	Analyse how employing a more diverse workforce might increase the profit of a business.
[9 marks]		

Marks for this question: AO1 = 2, AO2 = 3 and AO3 = 4

Level	The student will typically demonstrate:	Marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis which is well developed and is applied effectively to the context.	7–9
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: • demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question • demonstrates analysis which is developed and is applied to the context.	4–6
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development and with mainly descriptive application to the context.	1–3

The demands of this question are on:

- to understand the meaning of diversity in the context of human resources
- to explain how greater diversity might increase profit by reducing costs and/or to explain how greater diversity might increase profit by increasing revenue.

Indicative content:

- analysing how diversity should increase the number of applicants to jobs and thus enable a business to employ a more skilled workforce, leading to higher labour productivity and greater levels of innovation
- analysing how diversity might improve morale and thus reduce inefficiency and costs relating to high labour turnover
- analysing how a more diverse workforce might enhance revenue through the quality of the finished product or better customer service
- analysing how greater diversity can lead to a greater willingness for employees to supply their labour and thus enable a business to pay lower wages as supply may exceed demand
- showing how a more diverse workforce might have a better understanding of the diverse needs of the customer base, enabling the business to widen its customer base.

Note: the indicative content above may well be presented in the context of a particular example of diversity, such as the benefits of employing more people from different backgrounds or having more female managers.



MARK SCHEME – A-LEVEL BUSINESS – 7132/2 – JUNE 2025

0	3	1	Analyse why Dodo sets HR objectives in relation to the number of employees and employee engagement.
			[9 marks]

Marks for this question: AO1 = 2, AO2 = 3, AO3 = 4

Level	The student will typically demonstrate:	Marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding of issues in the question - demonstrates analysis which is well-developed and is applied effectively to the context.	7–9
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: - demonstrates a reasonable knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question - demonstrates analysis which is developed and is applied to the context.	4–6
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: - demonstrates a limited range and depth of knowledge and understanding of issues in the question - demonstrates analysis with little development and with mainly descriptive application to the context.	1–3

The demands of the question are:

- to show understanding of why setting HR objectives can be valuable for an organisation
- to analyse why setting these objectives may be valuable in the context of a growing, low-cost airline.

Arguments may include:

- well thought out HR objectives will enable the business to match workforce to future business needs for example having the right number of employees to facilitate growth (but not too many so that costs are too high)
- some job roles such as pilots or engineers are highly skilled so anticipating future numbers needed (and maybe providing training if gaps are spotted) means Dodo can continue to grow even if there are shortages of particular skills across the industry
- targets for engagement means the business is listening to staff and can notice any changes, thus anticipating when productivity is likely to decline or absenteeism likely to rise – important when many staff are not office based so the ‘temperature’ of the workforce is not easy to read unless its formally measured
- engagement – knowing the ‘temperature’ of the workforce enables Dodo to take steps to motivate staff when necessary and keep quality high
- Engaged employees take more interest in their work and provide a better service.

Accept all relevant arguments.



MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2025

17	.	2	To what extent do you think Nita should adopt the new approach suggested by her accountant?
			[16 marks]

Marks for this question: AO1 = 4, AO2 = 2, AO3 = 4 and AO4 = 6

Level	The candidate will typically demonstrate:	Marks
4	An excellent response overall that is fully focused on the demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question - demonstrates analysis throughout which is well-developed, is applied effectively to the context and considers a balanced range of the issues in the question - makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole throughout.	13–16
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding of issues in the question - demonstrates analysis that is well-developed, applied effectively to the context and considers a range of issues in the question - makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole.	9–12
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: - demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question - demonstrate analysis which is developed, applied to the context and considers some of the issues in the question - makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole.	5–8
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: - demonstrates a limited range and depth of knowledge and understanding of issues in the question - demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question - makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole.	1–4



MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2025

The demands of the question are:

- to analyse the arguments for and against the new approach
- in the context of Diggin' It
- and make a judgement on whether to adopt the new approach.

Indicative content:**Adopting the new approach**

- Nita would like to pay herself more. Therefore, this might make the new approach appealing to her.
- The new approach will be more profitable. Profits are forecast to rise by £30 000 (as a result of forecast fall in labour costs) to £56 000 in 2026 under the new approach compared to £26 000 if the existing approach is continued.

However

- Nita is proud of the family feel at Diggin' It and the lower labour turnover; she may not want to take a different approach. She is currently adopting a soft HRM approach and may not wish to change to hard HRM.
- Her current employees may not wish to switch to the new approach because they will not receive a salary and will only be paid for the hours they work. This means she is likely to lose the skills and experience of her existing staff. This may impact customer relationships and the loyalty of existing customers, reducing profits over time.
- Customer satisfaction ratings are lower with the new approach which suggests that repeat business and word of mouth recommendations may worsen. This could lead to lower revenues (forecast based on assumption that sales revenue will remain unchanged) and profit in the long term.

Evaluation:

The new approach is likely to be significantly more profitable than her existing approach. However, Nita's focus on the family nature of the business and support for her employees, as well as the potential negative long-term impact on revenue and profits, suggest she might not go ahead. Nita would like to pay herself more but may seek alternative ways to do this rather than the new approach suggested by the accountant.

This indicative content is not exhaustive; other creditworthy material should be awarded marks as appropriate.

0	3	KMH plc uses a soft approach to Human Resource Management. Using the information provided, assess whether KMH plc should change its approach to Human Resource Management to help boost its profit.
		[16 marks]

Marks for this question: AO1=2, AO2 =3, A03=4 and AO4 =7

Level	The student will typically demonstrate:	Marks
4	An excellent response overall that is fully focused on the key demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question • demonstrates analysis throughout which is well developed, is applied effectively to the context and considers a balanced range of the issues in the question • makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole throughout.	13-16 marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis which is well developed, applied effectively to the context and considers a range of issues in the question • makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole.	9-12 marks
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: • demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question • demonstrates analysis which is developed, applied to the context and considers some of the issues in the question • makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole.	5-8 marks
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question • makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole.	1-4 marks



The focus of the question is on:

- HR management approach – how the company attempts to make best use of its people
- The impact of changing KHM's HR approach on profit – notably the ability for KMH to boost profit
- A judgement on whether a change in HR approach would boost profit

Indicative content:

HR approach can be considered in a broad sense, as actions taken by the business with a direct effect on their people, which can include, payment, structure, training

Keep current (soft) approach:

- Low labour turnover – especially important with such highly skilled work, following substantial investment in training. Shifting to a harder approach may lead to increased use of temporary staff and worsening conditions of employment resulting in staff leaving the business
- This may be the key to a better service for customers who buy the support package. There is a risk that changing the strategy could lead to a loss of trained technicians would be hard to replace should they leave – threatening KMH's ability to fulfil the promises made to customers who buy their support package
- The excellence of staff is considered to be a major source of competitive advantage – removing a major source of advantage may be a strategic disaster in a competitive market

Change approach:

- Poor financial performance – are staff remuneration ('generous salaries') and training too high. With £48.5m spent on training staff in 2016 – the equivalent of around 10% of operating profit.
- Planned redundancies would help to boost profit

Evaluation may consider:

- the likely impact on profitability of a shift in the approach to HR
- the short-term impact on cost reduction and the increased likelihood of negative impacts in the long-term.
- the major significance of the role of highly skilled staff in the performance of the business and the risk if any change is made

MARK SCHEME – A-LEVEL BUSINESS – 7132/1 – JUNE 2024

2	2	A business changes its human resource management (HRM) approach from hard HRM to soft HRM.
		To what extent is this change guaranteed to increase the motivation of all employees? [25 marks]

25-mark evaluative questions: AO1 = 5, AO2 = 4, AO3 = 6 and AO4 = 10

Level	The student will typically demonstrate:	Marks
5	An excellent response overall that is fully focused on the key demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question • demonstrates analysis throughout which is well developed, is applied effectively to the context and considers a balanced range of the issues in the question • makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole throughout.	21–25
4	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis which is well developed, applied effectively to the context and considers a range of issues in the question • makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole.	16–20
3	A reasonable response overall that focuses on some demands of the question. Provides an answer to the question set that: • demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question • demonstrates analysis which is developed, applied to the context and considers some of the issues in the question • makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole.	11–15
2	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question • makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole.	6–10



MARK SCHEME – A-LEVEL BUSINESS – 7132/1 – JUNE 2024

1	A weak response overall lacking focus on the demands of the question. Provides an answer to the question set that: • demonstrates isolated or imprecise knowledge and understanding • demonstrates undeveloped analysis with descriptive application to the context and lacking focus on the question • makes judgements or proposes solutions based on assertions.	1–5
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The demands of the question are:

- understanding the difference between hard HRM and soft HRM
- understanding the meaning of motivation
- analysing how hard HRM and how soft HRM might influence the motivation of employees
- analysing and evaluating how the change from hard HRM to soft HRM might impact on employees' levels of motivation
- assessing the extent to which this change will guarantee improved motivation for all employees.

Indicative content may include:

- a hard approach to HRM which sees employees simply as another resource may rely on financial methods of motivation
- a soft approach to HRM treats employees as a potential source of competitive advantage to be nurtured and developed
- analysis of how different theorists would view the impact of shifting from hard HRM to soft HRM on worker motivation. For example:
 - Taylor assumes that typical workers wish to avoid autonomy and responsibility and so, excluding managers, the workforce would not be motivated by this change
 - Maslow would regard more autonomy and responsibility as a motivator IF workers were at the esteem or self-actualisation levels of the hierarchy of needs. However, at lower levels other factors would be needed to motivate workers
 - Herzberg regards 'autonomy and responsibility' as motivating factors as they are elements of the job itself, rather than the environment. Therefore, it would act as a motivator
 - according to Hackman and Oldham, this change would help motivation, because job characteristics would be likely to have more skill variety under a soft HRM approach. There is also likely to be more task identity and task significance. Greater autonomy is a key element of soft HRM and, with greater feedback from managers, a soft HRM approach would meet all five of Hackman and Oldham's five core job characteristics, which lead to greater motivation
- recognising that the extent to which soft HRM can improve/reduce motivation can be influenced by factors such as:
 - the nature of the workforce and their roles – is greater responsibility feasible for all employees
 - the actual role of the individual – subordinates may feel empowered by greater responsibility
 - attitudes of individuals – autocratic managers may resent their loss of control/power
 - the nature of the task – employees undertaking repetitive tasks may see no difference to their individual roles
 - the culture of the business – does it lend itself to greater worker responsibility
 - external factors, such as the economy, legislation, desire for ethical/socially responsible behaviour. These factors might help or hinder the impact of soft HRM on motivation.

Evaluation

The arguments above indicate that Taylor would judge the change to soft HRM to be unsuccessful, whilst Herzberg would be the most optimistic about its potential as a motivator.

The analysis would suggest that the success depends on a number of different factors. Consequently, greater responsibility is unlikely to guarantee higher levels of motivation for all of the workforce. Evaluation could focus on the factors/ideas that are most likely to predict a significant increase in



MARK SCHEME – A-LEVEL BUSINESS – 7132/1 – JUNE 2024

motivation in contrast to those factors/ideas that suggest that greater responsibility will be relatively unsuccessful.

There is no definitive conclusion – credit will be given to students who recognise the contexts that will be likely/unlikely to enable the change from hard HRM to soft HRM to lead to higher levels of motivation.

There is no specific approach needed to answer this question. For example, students may base their answer on the different roles of a business' employees rather than the different theories of motivation. Credit should be given to answers on the basis of whether or not they have answered the question set.



Question 06 · Section A objective test question

Correct answer: C

(1 mark for the correct answer) · Source: AQA mark scheme, Section A answer key



Question 05 · Section A objective test question

Correct answer: A

(1 mark for the correct answer) · Source: AQA mark scheme, Section A answer key



Question 06 · Section A objective test question

Correct answer: D

3 only

(1 mark for the correct answer) · Source: AQA mark scheme, Section A answer key



Question 12 · Section A objective test question

Correct answer: A

Outcome A (Decreased/Decreased)

(1 mark for the correct answer) · Source: AQA mark scheme, Section A answer key



Question 13 · Section A objective test question

Correct answer: D

Outcome D (Increased/Increased)

(1 mark for the correct answer) · Source: AQA mark scheme, Section A answer key



MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2019

Section B

Total for this section: 20 marks

1	1	A business had a labour turnover of 15% in 2017 and 25% in 2018. Explain the likely impact of this change in its labour turnover on its recruitment costs.
		[2 marks]

Marks for this question: AO1 = 1 and AO2 = 1

Level	The candidate will typically	Marks
2	Provide a response that is explained using knowledge and understanding and is applied to the context.	2
1	Demonstrates some knowledge and understanding but the explanation is limited and lacking application to the context.	1

Examples of how assessment objectives might be met in this question include:

- demonstrate knowledge and understanding of increase in labour turnover (AO1)
- be applied to the context of recruitment costs (AO2).

Possible responses:

If the labour turnover increases by 10% this means there is a greater proportion of staff leaving the firm. This in turn is likely to lead to an increase in its need to recruit more staff and increase the recruitment costs.

Further guidance

Level 1 will show understanding of labour turnover increase and Level 2 responses will show understanding and explain link(s) to recruitment costs.



MARK SCHEME – A-LEVEL BUSINESS – 7132/2 – JUNE 2021

0	3	1	Using Table 2 calculate the employee retention rate for Chillax Ltd in 2020.	[2 marks]
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Marks for this question: AO1 = 1 AO2 = 1

Correct answer: 90% (**2 marks**)

$$\frac{\text{Employees staying all year}}{\text{Number of employees at the start of the year}} \times 100$$

$$\frac{162}{180} \times 100 = 90\%$$

2 marks for correct answer

1 mark for formulae or definition, demonstrating understanding of employee retention

0	3	2	Analyse how Chillax Ltd benefits from its focus on quality.	[6 marks]
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Marks for this question: AO1 = 2, AO2 = 2, AO3 = 2

Level	The student will typically demonstrate:	Marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: • demonstrates a good knowledge and understanding of issues in the question • demonstrates analysis which is well-developed and is applied effectively to the context.	5–6
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: • demonstrates a reasonable knowledge and understanding of issues in the question • demonstrates analysis which is developed and is applied to the context.	3–4
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited knowledge and understanding of issues in the question • demonstrates analysis with little development and with mainly descriptive application to the context.	1–2

The demands of the question:

- How Chillax benefits from focus on quality
- in a service sector context provided by the case of Chillax.



MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2022

1	2	A business had 30 000 employees in 2019. Its staff numbers increased by 25% in 2020. In 2020, 3000 employees left the business. Calculate the labour turnover for this business in 2020. [3 marks]
---	---	--

Marks for this question: AO1 = 1 and AO2 = 2

The demands of the question are:

- calculate the labour turnover for the given example.

Indicative content:

Answer = 8% (**3 marks**)

Broken down as follows:

2020 number of employees = $30\,000 \times 1.25 = 37\,500$ (**1 mark**)

Labour turnover in 2020 = $\left(\frac{3\,000}{37\,500}\right) \times 100$ (**1 mark**) = 8% (**1 mark**)

NB// if no valid calculation(s): award a maximum of 1 mark for K/U of labour turnover

Alternative methods can be credited.



MARK SCHEME – A-LEVEL BUSINESS – 7132/2 – JUNE 2025

0	2	.	1
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 Calculate the rate of labour turnover for Seebus plc in 2023.**[3 marks]****Marks for this question: AO1 = 3**

Rate of labour turnover =

$$\frac{\text{number of employees leaving during 2023}}{\text{average number of employees during 2023}} \times 100$$

$$\frac{960}{6000} \times 100 = 16\%$$

(1 mark)**(1 mark)****(1 mark as a %)**

MARK SCHEME – A-LEVEL BUSINESS – 7132/1 – JUNE 2018

1	6	Calculate the weekly output of the firm in units.	[4 marks]
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Marks for this question: AO1 = 2 and AO2 = 2

Answer = 50 000 units (4 marks)

Broken down as follows:

Turnover (or Total Revenue) = Total Costs + Profit = £80 000 + £20 000 = £100 000 **(1 mark)**

Labour costs = 42% of £100 000 = £42 000 **(1 mark)**

Labour costs per unit = 84 pence.

Therefore weekly output = £42 000/ 84 pence **(1 mark)**

= 50 000 units of output **(1 mark)**

Alternative approach:

Labour costs per unit = 25 * 84 pence = £21 **(1 mark)**

Labour costs = 42% of £100,000 = £42,000 **(1 mark)**

£42,000/£21= 2000 employees **(1 mark)**

2000 * 25 = 50,000 units **(1 mark)**

Markers notes:

Answer of £50000 = **3 marks** (wrong units)

Answer of 40,000 **with working** (42% of £80,000 = £33,600 = 1 mark ; £33,600/84 pence =

40,000 units = second mark) (i.e.based on labour costs as % of total costs not turnover) **2 marks**

Credit other relevant approaches.



MARK SCHEME – A-LEVEL BUSINESS – 7132/1 – JUNE 2020

1	7	Assuming that all output is sold, calculate the factory's employee costs as a percentage of turnover.
		[4 marks]

Marks for this question: AO1 = 2 and AO2 = 3

Answer = 44.4% (4 marks)

Accept 44% or 44.44%

Employee costs per day = £60 x 16 = £960 (1 mark)

Daily output = 0.8 x 180 = 144 units (1 mark)

Turnover = Output x Selling price = 144 x £15 = £2 160 (1 mark)

Employee costs as a percentage of turnover = £960/£2 160 x 100 = 44.4% (1 mark)

OFR if output of 180 used

OFR answer = 35.6% (3 marks)

Accept 35.5% or 35.55%

Employee costs per day = £60 x 16 = £960 (1 mark)

Daily output = 180 units (No marks)

Turnover = Output x Selling price = 180 x £15 = £2 700 (1 mark) OFR

Employee costs as a percentage of turnover = £960/£2 700 x 100 = 35.6%% (1 mark) OFR

Credit other relevant approaches.



0	1	3	The discount retailers are said to manage their human resources very effectively. Explain how the data in Figure 6 supports this view. Use calculations to support your answer. [9 marks]
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Marks for this question: AO1 = 3, AO2 = 3, and AO3 = 3

Level	The student will typically demonstrate:	marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that : • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis which is well-developed and is applied effectively to the context.	7–9 marks
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that : • demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question • demonstrates analysis which is developed and is applied to the context.	4–6 marks
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that : • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development and with mainly descriptive application to the context.	1–3 marks

The focus of the question is on:

- Demonstrating how the data would support the argument that the discount retailers are effective in managing their human resources, this requires some calculation to support the answer.

Indicative content may include:

	ALDI	TESCO
Employee costs as % of turnover	7%	12.80%
Sales per employee	£288917.76	£112916.67
Profit per employee	£10478.66	£335.99

Or any other calculations that support relevant lines of argument

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1

8

The table below shows the changes in the average annual labour turnover rates for BBB plc and its competitors.

Time period	Annual labour turnover (%) (average for BBB plc)	Annual labour turnover (%) (average for competitors)
1978 – 1987	15	15
1988 – 1997	12	18
1998 – 2007	10	18
2008 – 2017	8	23

Analyse how the changes in these data over time might have affected the ability of BBB plc to provide higher-quality products than its competitors.

9 marks

Marks for this question: AO1 = 3, AO2 = 3 and AO3 = 3

Level	The student will typically demonstrate:	Marks
3	A good response overall that focuses on many of the demands of the question Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding of issues in the question - demonstrates analysis which is well developed and is applied effectively to the context.	7–9
2	A reasonable response overall that focuses on some of the demands of the question Provides an answer to the question set that: - demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question - demonstrates analysis which is developed and is applied to the context.	4–6
1	A limited response overall with little focus on the demands of the question Provides an answer to the question set that: - demonstrates a limited range and depth of knowledge and understanding of issues in the question - demonstrates analysis with little development and with mainly descriptive application to the context.	1–3



MARK SCHEME – A-LEVEL BUSINESS – 7132/1 – JUNE 2018

The demands of this question are:

- to examine changes in the data
- to analyse the ability of BBB to provide higher quality products than its competitors.

Indicative content

- identifying the fact that BBB plc's labour turnover has fallen over time whilst the labour turnover of competitors has risen
- explaining different ways in which a relatively low/falling level of labour turnover can impact on a business's ability to produce high quality products (positively or negatively)
- an experienced workforce is likely to maintain consistent levels of quality because everyone understands their role
low labour turnover can mean that new ideas are not coming into the business and so methods of production may be less suited to customers' changing views of quality than its competitors; the lack of new idea may limit the scope for new, innovative and high quality products
low labour turnover can reduce recruitment costs and thus reduce unit costs, providing more resources for other activities such as quality improvement.

Markers notes:

- accept arguments based only on 2008-2017 data
- candidates may relate to positive or negative impacts on quality
- arguments developed but without link to quality: mid L2 maximum;
- if no sense of trend, competitors or quality (i.e. general arguments about labour turnover); L1



MARK SCHEME – AS BUSINESS – 7131/2 – JUNE 2020

0	7	To what extent should the directors of Parkside Theatre be concerned about poor staff retention figures in the 'Our Place' section of the business? Justify your view.
		[16 marks]

Marks for this question: AO1 = 4, AO2 = 2, AO3 = 4, AO4 = 6

Level	The candidate will typically demonstrate	Marks
4	An excellent response overall that is fully focused on the key demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question - demonstrates analysis throughout which is well developed, is applied effectively to the context and considers a balanced range of the issues in the question - makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as whole throughout.	13–16
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding of issues in the question - demonstrates analysis which is well developed, applied effectively to the context and considers a range of issues in the question - makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole.	9–12
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: - demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question - demonstrates analysis which is developed, applied to the context and considers some of the issues in the question - makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole.	5–8
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: - demonstrates a limited range and depth of knowledge and understanding of issues in the question - demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question - makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole.	1–4



MARK SCHEME – AS BUSINESS – 7131/2 – JUNE 2020

The demands of the question are

- analysis of the impact of low staff retention
- to make a supported judgement on the extent to which the directors should be concerned about this in these circumstances.

Indicative content may include:

- analysis of the impact of staff retention.
- all the staff in this section of the business ('Our Place') are trained during induction, this is potentially expensive and wasted if retention is low and trained staff are leaving
- low retention will mean regular need to recruit replacement staff - this is time consuming and costly
- staff are casual and many on zero hours contracts, this is likely to contribute to higher labour turnover – so less need to worry simply something to manage
- will it depend on situation, eg are there enough available people to replace leavers? Not been a problem as Lorna focused on students
- strong competition, first impressions count – low staff retention may weaken customer service though customer service only important to 5% of respondents in survey
- the wider business has long term loyal and established staff – managers may be more used to managing staff in these circumstances.
- Supported judgement of the extent to which the business should be concerned with the staff retention.



MARK SCHEME – AS BUSINESS – 7131/2 – JUNE 2024

0	7	PE Ltd has failed to achieve its human resource objective of having a low labour turnover.
		To what extent should the directors of PE Ltd be concerned about increasing labour turnover? [16 marks]

Marks for this question: AO1 = 4, AO2 = 2, AO3 = 4, AO4 = 6

Level	The candidate will typically demonstrate	Marks
4	An excellent response overall that is fully focused on the key demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question • demonstrates analysis throughout which is well developed, is applied effectively to the context and considers a balanced range of the issues in the question • makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole.	13–16
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis which is well developed and is applied effectively to the context and considers a range of issues in the question • makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole.	9–12
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: • demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question • demonstrates analysis which is developed and is applied to the context and considers some of the issues in the question • makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole.	5–8



MARK SCHEME – AS BUSINESS – 7131/2 – JUNE 2024

1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development and with mainly descriptive application to the context and considers a limited number of issues in the question • makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole.	1–4
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The demands of the question focus on:

- the impact of increasing labour turnover on PE Ltd and the extent to which the business should be worried about this in these circumstances. The judgement on the extent will need to be supported to be seen as effective.

Indicative content may include:

- all the staff in this section of the business are trained every year, this is potentially expensive and wasted if labour turnover increases and trained staff are leaving. Also the experience gained from working in different departments will also be lost once leaving the business.
- increasing labour turnover will mean there is a regular need to recruit replacement staff - this is time consuming and costly
- it is difficult to recruit skilled workers due to lots of competition so this could make it difficult for PE to find new people
- it may be willing to accept high labour turnover if it can replace people at lower wages.

Potential points of judgement may include:

- will it depend on situation, eg are there enough available people to replace leavers? Whilst making it difficult to retain staff the required skill set of employees means that replacements could be tempted from other industries
- strong competition, first impressions count increasing labour turnover may weaken customer service, this might be important should PE Ltd sell directly to individual customers
- it is not clear which departments are losing staff, there maybe some variation in which staff are replaceable, with PE Ltd staff rotation there maybe skilled individuals with the expertise to fill gaps across the business in the short term
- new staff might bring new skills and experience to the business.



MARK SCHEME – A-LEVEL BUSINESS – 7132/2 – JUNE 2021

0	3	4	To what extent should all businesses be concerned if they have high rates of labour turnover?
			[16 marks]

Marks for this question: AO1 = 2, AO2 = 3, AO3 = 4, AO4 = 7

Level	The student will typically demonstrate:	Marks
4	An excellent response overall that is fully focused on the key demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding that is precise and well-selected in relation to issues in the question - demonstrates analysis throughout which is well-developed, is applied effectively to the context and considers a balanced range of the issues in the question - makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole throughout.	13–16
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding of issues in the question - demonstrates analysis which is well-developed, applied effectively to the context and considers a range of issues in the question - makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole throughout.	9–12
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: - demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question - demonstrates analysis which is developed, applied to the context and considers some of the issues in the question - makes judgements or provides solutions which are built on analysis, but lack balance and not fully focused on the question as a whole.	5–8
1	A limited response overall with little focus on the demands of the question Provides an answer to the question set that: - demonstrates a limited range and depth of knowledge and understanding of issues in the question - demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question - makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole.	1–4



MARK SCHEME – A-LEVEL BUSINESS – 7132/2 – JUNE 2021

The demands of the question are:

- to judge the extent to which high labour turnover could be a problem (or not)
- for **all businesses**.

Answers may include:

Labour turnover is the proportion of employees that leave a business in a given year.

High labour turnover can be problematic:

- increasing the costs associated with recruitment and selection and induction and training as staff leave and are needing to be replaced
- there is a loss of corporate knowledge and personal contacts with clients
- there can be disruption to teams and the social aspects of work as colleagues leave (Maslow)
- in some sectors there are skills shortages and staff may be harder to replace.

May be less of an issue:

- bringing in new ideas to the business
- some businesses may have a seasonal/transient workforce e.g. leisure industry where labour turnover will always be high – and is possibly an irrelevant measure
- businesses that require skills that are plentiful may not have an issue with turnover – lower skilled e.g. roles that students have; summer work etc.

The effect to which labour turnover will be an issue will depend on:

- the situation in the sector/the labour market – the skills available
- the nature of the business/industry
- the way the business manages the staff and the replacement process.

Judgement should be supported with prior arguments.



Question 07 · Section A objective test question

Correct answer: A

(1 mark for the correct answer) · Source: AQA mark scheme, Section A answer key



Question 05 · Section A objective test question

Correct answer: C

(1 mark for the correct answer) · Source: AQA mark scheme, Section A answer key



Question 05 · Section A objective test question

Correct answer: B

(1 mark for the correct answer) · Source: AQA mark scheme, Section A answer key



Question 01 · Section A objective test question

Correct answer: C

(1 mark for the correct answer) · Source: AQA mark scheme, Section A answer key



Question 10 · Section A objective test question

Correct answer: A

Statement 1 is true. Statement 2 is true.

(1 mark for the correct answer) · Source: AQA mark scheme, Section A answer key



Question 10 · Section A objective test question

Correct answer: B

Statement 1 is true. Statement 2 is false.

(1 mark for the correct answer) · Source: AQA mark scheme, Section A answer key



MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2025

1	3	A business wants to become more efficient.
		Explain one impact on the efficiency of this business if it increased the span of control of its managers.
		[4 marks]

Marks for this question: AO1 = 2 and AO2 = 2

Level	The candidate will typically:	Marks
3	Provide a response that is well explained using knowledge and understanding and is applied to the context.	4
2	Provide a reasonable explanation using knowledge and understanding and with some application to the context.	2–3
1	Demonstrates some knowledge and understanding but the explanation is limited and lacking application to the context.	1

The demands of the question are:

- understand what is meant by an increased span of control
- explain how this could impact efficiency of the business.

Indicative content:

- the span of control measures the number of subordinates directly reporting to a superior
- an increased span of control means more subordinates are reporting to a manager
- managers may be overworked as they have more subordinates to manage. This can lead to poor decision making and inefficiency
- with a larger span, fewer managers are needed, saving on salaries and reducing costs
- subordinates may be motivated by greater responsibility and more independence. This may increase productivity and efficiency.

This indicative content is not exhaustive; other creditworthy material should be awarded marks as appropriate.

MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2022

1	5	A restaurant chain decentralises marketing decisions to individual store managers.
		Analyse one way in which this change may increase the sales revenue of the business.
		[5 marks]

Marks for this question: AO1 = 1, AO2 = 2 and AO3 = 2

Level	The student will typically demonstrate:	Marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: • demonstrates a good knowledge and understanding of issues in the question • demonstrates analysis which is well-developed and is applied effectively to the context.	5
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: • demonstrates a reasonable knowledge and understanding of issues in the question • demonstrates analysis which is developed and is applied to the context.	3–4
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited knowledge and understanding of issues in the question • demonstrates analysis with little development and with mainly descriptive application to the context.	1–2

The demands of the question are:

Analyse **one** way in which decentralising a restaurant chain's marketing decisions may **increase** sales revenue.

Indicative content:

- The more decentralised decisions may allow local outlets to decide on menus and other product choices which better suit customer needs. This in turn will meet customer expectations better and may allow sales to rise.
- The more decentralised decision making may allow prices to reflect the needs of local people better. This may in turn lead to sales rising as demand in the local area is more accurately matched.
- The more decentralised decision making may allow for promotion to be more accurately targeted at the local customer base. This in turn may lead to more customers in local areas being reached with advertising and sales rising.

This indicative content is not exhaustive; other creditworthy material should be awarded marks as appropriate.



MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2018

Section C: Data Response**Total for this section = 50 marks**

1	6	1	Analyse how Sue's approach to job design might have affected Zoo's human resource performance as shown in Appendix C . Your answer should refer to two aspects of job design in Hackman and Oldhams' model.	[9 marks]
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9 mark analytical questions: AO1 = 3, AO2 = 3 and AO3 = 3

Level	the student will typically demonstrate:	Marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: - demonstrates a good knowledge and understanding of issues in the question - demonstrates analysis which is well-developed and is applied effectively to the context.	7–9
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: - demonstrates a reasonable knowledge and understanding of issues in the question - demonstrates analysis which is developed and is applied to the context.	4–6
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: - demonstrates a limited knowledge and understanding of issues in the question - demonstrates analysis with little development and with mainly descriptive application to the context.	1–3



MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2018

The demands of the question focus on:

- linking Sue's approach to the human resource performance in Appendix C
- with reference to Hackman and Oldham's model.

Indicative content:

- Sue praises her staff which means that feedback is good. They feel their work is noticed and this is likely to make the job motivating
- Sue delegates many tasks so they have autonomy, ie they have the ability to decide things for themselves. This again should mean the job is motivating
- the motivation created by her approach means that people, once employed, want to stay (labour retention is relatively high), and they may also be inclined to try harder (leading to greater productivity than the industry average)

Approaches likely to be:

- good response: selects two relevant aspects of the Hackman and Oldham model relates them to Sue's actions and links clearly to appendix C
- reasonable response: some understanding of the model in relation to Sue's actions but not well linked to impact on employee performance or focuses on one aspect
- limited response: some understanding of job design and/or the employee performance indicators but links not made.

further guidance:

- level 3 requires use of terms from the model to be related to Sue's actions and a clear link to appendix C
- with no reference to appendix C the maximum that can be awarded would be level 2

MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2019

17	.	1	The decision making at Doyles is centralised. Analyse two possible effects on Doyles of the centralisation of its decision-making. [9 marks]
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Marks for this question: AO1 = 3, AO2 = 3 and AO3 = 3

Level	The student will typically demonstrate:	Marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding of issues in the question - demonstrates analysis which is well-developed and is applied effectively to the context.	7-9
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: - demonstrates a limited knowledge and understanding of issues in the question or a good knowledge and understanding of relatively few issues in the question - demonstrates analysis which is developed and is applied to the context.	4-6
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: - demonstrates a limited range and depth of knowledge and understanding of issues in the question - demonstrates analysis with little development and with mainly descriptive application to the context.	1-3

Examples of how assessment objectives might be met in this question include:

- demonstrate knowledge and understanding of relevant issues such as centralisation (AO1)
- to be in the context of Doyles (AO2)
- to analyse the possible effects of centralisation to Doyles (AO3).

Possible responses:

- there could be a significant control over budgets and spending allowing Doyles to be more successful and make higher profit margins
- negotiations in teams centrally might gain better deals and economies of scale
- common decisions can be made throughout the chain so central distribution, for example, can allow decisions to be more effective and consistent
- there may be a lack of autonomy for local stores to set their own prices or decide on targeting in poor areas



MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2019

Further guidance

level 3 responses will consider **two** effects of centralisation specifically related to the context of Doyles

a student is likely to achieve level 2 if they have applied one effect well to Doyles or explained the effects of centralisation without a link to the context of Doyles

level 1 responses are likely to show some general understanding of centralisation without context

this indicative content is not exhaustive and other creditworthy material should be awarded marks as appropriate



MARK SCHEME – AS BUSINESS – 7131/2 – JUNE 2019

0	5	<i>Claudia is considering delegating more to her warehouse manager.</i>
		<i>Analyse two benefits of this to Rana Fashion.</i>
		[9 marks]

Marks for this question: AO1 = 3, AO2 = 3, AO3 = 3

Level	The candidate will typically demonstrate:	Marks
3	A good response overall that focuses on many of the demands of the question Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding of issues in the question - demonstrates analysis which is well developed and is applied effectively to the context.	7–9
2	A reasonable response overall that focuses on some of the demands of the question Provides an answer to the question set that: - demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question - demonstrates analysis which is developed and is applied to the context.	4–6
1	A limited response overall with little focus on the demands of the question Provides an answer to the question set that: - demonstrates a limited range and depth of knowledge and understanding of issues in the question - demonstrates analysis with little development and with - mainly descriptive application to the context.	1–3

The focus of the question is on:

The benefits to Rana Fashion of delegating authority, e.g. for warehousing and associated functions.

Indicative content may include:

A good answer will make a specific reference to one or more relevant points that are analysed in the context of the case.

- allowing Claudia to focus on her strengths; warehousing being a specialist skill set that is important in e-commerce
- delegating authority will help reward the manager and utilise their skills to a fuller extent
- the responsibility may be a motivator for the manager and possibly their team
- the responsibility may help recruit and retain a key member of staff

A reasonable response may be less focused on the question – less clear understanding of the benefit(s) of delegation or less securely applied to the case material.

Question asks for two benefits – one in context would be Level 2.



MARK SCHEME – AS BUSINESS – 7131/2 – JUNE 2022

0	5	Analyse how VeganLife Ltd could make use of Hackman and Oldham's model of job design to improve the motivation of its workforce.
		[9 marks]

Marks for this question: AO1 = 3, AO2 = 3, AO3 = 3

Level	The candidate will typically demonstrate	Marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding of issues in the question - demonstrates analysis which is well developed and is applied effectively to the context.	7–9
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: - demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question - demonstrates analysis which is developed and is applied to the context.	4–6
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: - demonstrates a limited range and depth of knowledge and understanding of issues in the question - demonstrates analysis with little development and with mainly descriptive application to the context.	1–3

The demands of the question focus on:

- analysing the different characteristics of the Hackman and Oldham model to motivate workers at VL
- Only one characteristic is required for analysis in the discussion – Skill variety, Task variety, Task significance, Autonomy, Feedback.

Indicative content may include:

- Specific reference to the different workers at VL and how its workers may respond to a certain characteristic/s.
- Staff have made comments that they are bored and find the work repetitive, skill variety could help with this.
- Skill variety – this is likely to vary the different skills that the workers learn and use, making their work more meaningful therefore improving motivation. Giving workers different tasks leads to less boredom and therefore more motivation. The new quality assurance system will offer the chance to learn new skills for example.
- Task Significance – Ensuring staff know why they are doing a task and that it is important/ necessary to the business. Identifying that effective checking of the products may help reduce the quality issues.



MARK SCHEME – AS BUSINESS – 7131/2 – JUNE 2022

Implementing the new quality assurance system could allow for more task identity. The office staff at VL feel undervalued for example.

- Autonomy – being trusted to work independently and without much/any supervision can improve motivation for some workers. Having responsibility for your work can improve motivation.
- Feedback – valid and constructive feedback can give workers something to focus on and can validate that they are doing a good job. The office staff have said they do not get feedback. Do any of the staff get feedback from their managers? How effective is this?
- All of the characteristics from the model can potentially improve motivation, performance, output, satisfaction of workers, and can reduce stress and absenteeism and labour turnover.
- Using the data and information from the case to highlight the need for motivation to improve.
- For example; VL experiences high labour turnover compared to similar businesses.

This indicative content is not exhaustive; other creditworthy material should be awarded marks as appropriate.

MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2024

17	.	1	Veronica has decided to make the deputy managers redundant.
			Analyse the possible impact of this decision on Refurb-iture Ltd's performance.
			[9 marks]

Marks for this question: AO1 = 3, AO2 = 3 and AO3 = 3

Level	The student will typically demonstrate:	Marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: - demonstrates a good knowledge and understanding of issues in the question - demonstrates analysis which is well-developed and is applied effectively to the context.	7–9
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: - demonstrates a reasonable knowledge and understanding of issues in the question - demonstrates analysis which is developed and is applied to the context.	4–6
1	A limited response overall with limited focus on the demands of the question. Provides an answer to the question set that: - demonstrates a limited knowledge and understanding of issues in the question - demonstrates analysis with little development and with mainly descriptive application to the context.	1–3

The demands of the question are:

- analyse how Veronica's decision to make deputy managers redundant
- might affect Refurb-iture's performance.

Indicative content:

- making the deputy managers redundant (and increasing the span of control) will mean they look after more staff so will have less time to support the staff, who are inexperienced (and already do 'not feel very well supported'). This may lead to further delays and less support which could lead to staff being less motivated. In this exclusive business this may also worsen the service offered and the image of this luxury brand will suffer
- increasing span of control should mean Veronica can cut costs. As staff costs are currently double their rivals this might help the business improve competitiveness for the brand and may allow them to reduce costs, perhaps contributing to achieving the third objective set by the shareholders of increasing profitability in the long term.

This indicative content is not exhaustive; other creditworthy material should be awarded marks as appropriate.



MARK SCHEME – A-LEVEL BUSINESS – 7132/2 – JUNE 2020

0	1	3	Analyse the challenges the Human Resource manager faces as a result of the patterns of room bookings in Appendix E .
			[9 marks]

Marks for this question: AO1 = 2, AO2 = 3, AO3 = 4

Level	The student will typically demonstrate:	Marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis which is well-developed and is applied effectively to the context.	7–9
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: • demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question • demonstrates analysis which is developed and is applied to the context.	4–6
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development and with mainly descriptive application to the context.	1–3

The demands of the question are:

- to analyse challenges the Human Resources manager might face
- as a result of the patterns of room bookings in Appendix E.

Indicative content:

- the data in Appendix E shows that room bookings vary throughout the year; the business is seasonal as you might expect for a hotel
- this seasonality will affect the HR manager because staffing levels will need to vary. HR may want to employ people on temporary contracts (eg only over summer) so that the hotel is not committed to salaries when staff are not needed. The challenge will be to recruit people at certain times of the year
- the data also shows variation during a week. To match demand requirements the challenges for the HR manager will be to vary the labour requirement; in this case wanting part time staff on Friday and Saturdays
- challenges might include getting well trained staff for short periods of time; getting employee engagement if only there for part of the week or part of the year.

Allow other relevant arguments.

MARK SCHEME – A-LEVEL BUSINESS – 7132/1 – JUNE 2022

2	0	Analyse how widening a manager's span of control might affect labour productivity within the department she manages.
		[9 marks]

Marks for this question: AO1 = 2, AO2 = 3, AO3 = 4

Level	The student will typically demonstrate:	Marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis which is well developed and is applied effectively to the context.	7–9
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: • demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question • demonstrates analysis which is developed and is applied to the context.	4–6
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development and with mainly descriptive application to the context.	1–3

The demands of this question are:

- showing an understanding of span of control
- showing an understanding of labour productivity
- analysing how an increase in span of control can affect the labour productivity of the department.

Indicative content:

- analysing how an increase in the span of control can reduce the ability of managers to monitor and support subordinates or lower morale and thus lead to lower labour productivity
- analysing how an increase in the span of control can lead to increased delegation and greater responsibility for subordinates. This will lead to higher labour productivity because subordinates are motivated by responsibility and because tasks are carried out by people with relevant skills
- analysing that a greater span of control will lead to fewer levels of hierarchy, which can improve the speed of communication (but which can lead to some subordinates being less likely to receive communications). Developing this idea to show the impact on the department's labour productivity.

Accept all relevant arguments.



MARK SCHEME – A-LEVEL BUSINESS – 7132/1 – JUNE 2022

Additional guidance

Credit should be given to students who use logical arguments to show the impact on labour productivity. Arguments that focus on levels of hierarchy should be rewarded, BUT only if the connection between increased spans of control and reduced levels of hierarchy has been established.



MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2020

16	2	Yusuf is considering the consultant's plan for a new organisational design at Horizons Ltd. Do you think it would be a good idea for Yusuf to adopt this plan? Justify your answer.
[16 marks]		

Marks for this question: AO1 = 4, AO2 = 2, AO3 = 4 and AO4 = 6

Level	The candidate will typically demonstrate:	Marks
4	An excellent response overall that is fully focused on the demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question - demonstrates analysis throughout which is well-developed, is applied effectively to the context and considers a balanced range of the issues in the question - makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole throughout.	13–16
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding of issues in the question - demonstrates analysis that is well-developed, applied effectively to the context and considers a range of issues in the question - makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole.	9–12
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: - demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question - demonstrate analysis which is developed, applied to the context and considers some of the issues in the question - makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole.	5–8
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: - demonstrates a limited range and depth of knowledge and understanding of issues in the question - demonstrate analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question - makes judgements or proposes solutions which have limited links to analysis or limited focused on the question as a whole.	1–4



MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2020

The demands of the question are:

- making a decision about whether the consultant's plan would be a good decision for the business.

Indicative content:

- there is evidence that Yusuf is working too hard and needs support. Line managers would assist him in reducing the number of decisions he has to make and reduce his working hours which could be very important. This would reduce the health concerns he has and allow the business to continue to grow
- Yusuf is very talented in his role and believes his decisions have made the business more successful. It may be that line managers may not be able to make similar decisions so it would be high risk. The decisions can be costly as profit margins are squeezed so Yusuf may be protective over handing these over
- the current workers are highly experienced but generally quite under utilised. It is likely that they have the necessary skills to at least make some of these decisions which Yusuf can allow to lighten his burden. It may not be useful to Yusuf to recruit externally given the cost this would have
- the morale and productivity rate is concerning and Yusuf appears to not be handing his staff any responsibility – he needs this rate to rise and giving more responsibility would ultimately help this so internal recruitment rather than external may be more useful
- the cost of recruiting external staff is high and Yusuf does not want to spend on this given his margins are already tight so internal recruitment may make more sense.

Evaluation:

Factors identified as above but also other factors that may play a part too like the need for very experienced staff to feel valued and the fact that Yusuf needs to consider his health and workload. He cannot continue to make all decisions if he wants to expand and if he promotes good, well qualified staff to line manage then the business will be able to continue to expand and he can have a work-life balance. The plan makes some sense but the external recruitment does not. The business could cease altogether if he pushes himself too much.

This indicative content is not exhaustive; other creditworthy material should be awarded marks as appropriate.

MARK SCHEME – A-LEVEL BUSINESS – 7132/3 – JUNE 2025

0 4	VBM has major Human Resource challenges such as: - recruitment and training for the factory in Vietnam - managing redundancies in Europe. Which of these two challenges is likely to be harder to manage effectively? Justify your view. [16 marks]
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Marks for this question: AO1 = 2, AO2 = 3, AO3 = 4, AO4 = 7

Level	The student will typically demonstrate:	Marks
4	An excellent response overall that is fully focused on the key demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question - demonstrates analysis throughout which is well developed, is applied effectively to the context and considers a balanced range of the issues in the question - makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole throughout.	13–16
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding of issues in the question - demonstrates analysis which is well developed, applied effectively to the context and considers a range of issues in the question - makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole.	9–12
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: - demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question - demonstrates analysis which is developed, applied to the context and considers some of the issues in the question - makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole.	5–8



MARK SCHEME – A-LEVEL BUSINESS – 7132/3 – JUNE 2025

1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question • makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole.	1–4
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The demands of this question are:

- shows understanding of the terms ‘recruitment and training’ and ‘redundancies’
- shows understanding of the nature of the challenge of recruitment and training in Vietnam and the managing of redundancies in Europe
- analyses the challenges of recruitment and training in a new continent for VBM
- analyses the challenges of handling mass redundancies for VBM
- offers a justified judgement on which challenges will be harder for VBM to manage.

Indicative content:

Redundancies:

- unpopular – there will be major resistance within the business – Kotter and Schlesinger's self-interest etc
- expensive due to redundancy payments
- bad PR for the business – reputational damage
- emotionally difficult
- those still employed may retain concerns over the future security of their jobs.

Recruitment and training in Vietnam:

- no experience in the country, so management capability, infrastructure, supply chain and legislation and ‘the way things are done’ can be a challenge
- the whole process will cost a significant sum
- time pressure to get the factory up and running
- possible cultural issues with training staff to do things the VBM way
- VBM could enlist the help of local experts (recruitment or training professionals).

Accept other relevant arguments.

Evaluation

VBM have a plan for the redundancies, settlement and consultation and so this will make it easier to manage whereas the recruitment/training is looking like it will be rushed. Recruiting and training new staff brings a greater positivity to the role of HR than a series of mass redundancies – which may make the European aspect a greater challenge. However, time pressure is greatest in Vietnam which may tip the balance.

MARK SCHEME – A-LEVEL BUSINESS – 7132/1 – JUNE 2017

2	2	A business wants to increase the productivity of its workforce.
		To what extent is the greater use of delegation likely to be an effective way for the business to achieve this?
[25 marks]		

25 mark evaluative questions: AO1 = 5, AO2 = 4, AO3 = 6 and AO4 = 10

Level	The student will typically demonstrate	Marks
5	An excellent response overall that is fully focused on the key demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question - demonstrates analysis throughout which is well developed, is applied effectively to the context and considers a balanced range of the issues in the question - makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole throughout	21–25
4	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding of issues in the question - demonstrates analysis which is well developed, applied effectively to the context and considers a range of issues in the question - makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole	16–20
3	A reasonable response overall that focuses on some demands of the question. Provides an answer to the question set that: - demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question - demonstrates analysis which is developed, applied to the context and considers some of the issues in the question - makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole	11–15



2	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question • makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole	6–10
1	A weak response overall lacking focus on the demands of the question. Provides an answer to the question set that: • demonstrates isolated or imprecise knowledge and understanding • demonstrates undeveloped analysis with descriptive application to the context and lacking focus on the question • makes judgements or proposes solutions based on assertions	1–5

The focus of the question is on:

the extent to which delegation is likely to be an effective way for a business of increasing productivity.

Indicative content may include:

Delegation is the process of passing authority down the hierarchy from a manager to a subordinate.

Labour productivity measures output per worker; for example, Output/Number of employees

Credit relevant theory/models where applied correctly to the question.

Delegation can improve labour productivity because:

- delegation empowers employees leading to greater motivation. This can lead to greater labour productivity:
- delegation develops staff by giving them more experience. This increases their skills and improves their capability to take on more senior positions in the business
- delegation enables managers to focus on the most crucial aspects of their role, thus improving their efficiency/productivity
- subordinates often have a more detailed understanding of certain roles and so delegation can improve the productivity of the business
- delegation improves flexibility and customer service because employees will have more authority to resolve complaints or queries by customers, without referring them to their line manager. This can speed up production, particularly in service industries

Although delegation may be a very effective way to increase labour productivity, it may be less effective if:

- subordinates lack the necessary skills to undertake a delegated task
- subordinates lack the authority necessary to undertake a delegated task
- customers expect to have direct access to managers rather than subordinates

Evaluation may consider:

- it may depend on the employees and how the delegation is done
- there are many other factors that can have an impact on labour productivity and so delegation may not be an effective way. Delegation may not be the underlying issue eg it may be due to a lack of investment in technology

MARK SCHEME – A-LEVEL BUSINESS – 7132/1 – JUNE 2020

2	2	'The growth stage is the most challenging stage of the product life cycle for a business when managing its human resource flow.' Do you agree? Justify your view. [25 marks]
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25 mark evaluative questions: AO1 = 5, AO2 = 4, AO3 = 6 and AO4 = 10

Level	The student will typically demonstrate:	Marks
5	An excellent response overall that is fully focused on the key demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question • demonstrates analysis throughout which is well developed, is applied effectively to the context and considers a balanced range of the issues in the question • makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole throughout.	21–25
4	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis which is well developed, applied effectively to the context and considers a range of issues in the question • makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole.	16–20
3	A reasonable response overall that focuses on some demands of the question. Provides an answer to the question set that: • demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question • demonstrates analysis which is developed, applied to the context and considers some of the issues in the question • makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole.	11–15
2	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question • makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole.	6–10



MARK SCHEME – A-LEVEL BUSINESS – 7132/1 – JUNE 2020

1	A weak response overall lacking focus on the demands of the question. Provides an answer to the question set that: • demonstrates isolated or imprecise knowledge and understanding • demonstrates undeveloped analysis with descriptive application to the context and lacking focus on the question • makes judgements or proposes solutions based on assertions.	1–5
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The demands of the question are on:

- recognising the key features of the product life cycle
- understanding the different elements of the human resource flow
- analysing how the growth stage of the product life cycle places different demands on human resources in the context of the HR flow
- evaluating the level of challenge involved in managing HR flow at other stages of the product life cycle and comparing this challenge to the challenge of managing HR flow during the growth stage.

Indicative content may include:

- the growth stage will cause challenges to recruitment because it is likely to require significant increases in numbers of employees (and exact numbers of employees needed may be less certain than in other stages)
- training will be a possible challenge, although this will depend on whether the product requires new skills or high skill levels
- in itself, growth should have little impact on redeployment, but if the product is replacing a declining product then it is likely to be a challenge
- redundancy is unlikely to be an issue during growth.

Evaluation

The challenges above should be contrasted with those occurring during one or more of the other stages of the product life cycle:

- the introduction stage of the life cycle is likely to be challenging for the HR flow through the need to recruit, induct and train new staff, unless the new product is replacing an existing product which required similar skills and staff numbers
- in maturity the challenges will be arguably less than the other stages, unless sales volume is quite volatile in this stage. Extension strategies may lead to a requirement for retraining and possibly some redeployment
- decline is likely to provide the greatest challenge as it will probably require redundancy, a facet of HR flow that can be more challenging than the other elements. To limit redundancy, there may be redeployment and thus more training.

(Students may present their arguments by focusing on the different elements of HR flow – recruitment, induction and training, redeployment and redundancy and then linking each of these elements to the different stages of the product life cycle. This approach is also acceptable).



MARK SCHEME – A-LEVEL BUSINESS – 7132/1 – JUNE 2020

Overall evaluation

Logically, the growth stage is likely to create the greatest challenge for recruitment and training but the decline stage is likely to be the most serious single challenge, with the possibility of major redundancies. However, decline may be less problematic if the maturity stage has generated sufficient profit to finance changes such as redundancy. Financially, introduction may present the greatest HR flow challenges because the business will need to acquire finance from other products or external sources.

The degree of challenge will also be influenced by other factors, such as:

- the actions of competitors
- the external environment
- the profitability of the product
- the level of skills required by the labour force and the existing skills levels of the employees and local labour force.



Question 07 · Section A objective test question

Correct answer: C

(1 mark for the correct answer) · Source: AQA mark scheme, Section A answer key



Question 01 · Section A objective test question

Correct answer: B

(1 mark for the correct answer) · Source: AQA mark scheme, Section A answer key



Question 10 · Section A objective test question

Correct answer: A

Company policy

(1 mark for the correct answer) · Source: AQA mark scheme, Section A answer key



Question 05 · Section A objective test question

Correct answer: C

Social/belonging needs must be satisfied before ego/esteem needs can

(1 mark for the correct answer) · Source: AQA mark scheme, Section A answer key



Question 09 · Section A objective test question

Correct answer: D

Lower labour turnover

(1 mark for the correct answer) · Source: AQA mark scheme, Section A answer key



Question 11 · Section A objective test question

Correct answer: B

(1 mark for the correct answer) · Source: AQA mark scheme, Section A answer key



Question 14 · Section A objective test question

Correct answer: D

(1 mark for the correct answer) · Source: AQA mark scheme, Section A answer key



Question 11 · Section A objective test question

Correct answer: C

higher labour turnover.

(1 mark for the correct answer) · Source: AQA mark scheme, Section A answer key



MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2018

1	3	<i>A retailer has decided to pay salaries to its employees instead of commission on the sales they make. Explain one benefit to the retailer and one benefit to the employees of making this change.</i>
		[4 marks]

AO1 = 2 and AO2 = 2

Level	The candidate will typically:	Marks
3	Provide a response that is well explained using knowledge and understanding and is applied to the context.	4
2	Provide a reasonable explanation using knowledge and understanding and with some application to the context.	3-2
1	Demonstrates some knowledge and understanding but the explanation is limited and lacking application to the context.	1

The demands of the question focus on:

- explaining one benefit of paying salaries not commission to retailers
- explaining one benefit of paying salaries not commission to employees.

Indicative content:

- for the retailer this may reduce focus on “sales”; danger of commission is staff sell customers items even if they don't actually want them or they are not the appropriate items but generate higher commission. By moving to salaries staff may feel able to give the right advice even if it does not generate any immediate sales; this may lead to longer term brand loyalty for the retailer
- helps retailer with financial planning as the outlay per month is known
- may make earnings more certain for employees; this may make the job more attractive
- may make it easier for employees to plan as they have regular monthly income rather than relying on sales which may be out of their control. A known income means they can plan more effectively financially, eg if want to take out a loan.

further guidance:

- identifies one relevant **benefit** to either = L1 (1)
- identifies two relevant **benefits** (1 to each) = L2 (2)
- identifies one + explanation = L2 (2)
- identifies two (1 to each) + explains only one = L2 (3)
- identifies two relevant **benefits** (1 to each) + explains both = L3 (4)



MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2020

Section B

Total for this section: 20 marks

1	1	A business with a reputation for manufacturing a high-quality product has introduced piece-rate pay for its factory workers.
		Explain one possible disadvantage to this business of using piece-rate pay.
		[4 marks]

Marks for this question: AO1 = 2 and AO2 = 2

Level	The candidate will typically	Marks
3	Provide a response that is well explained using knowledge and understanding and is applied to the context.	4
2	Provide a response that is explained using knowledge and understanding and is applied to the context.	2–3
1	Demonstrates some knowledge and understanding but the explanation is limited and lacking application to the context.	1

The demands of the question are:

- explain one disadvantage of piece-rate pay to a manufacturing business producing high quality products.

Indicative content:

If piece-rate pay is used it will lead to workers being focused more on the amount of production they can manage. This in turn is likely to lead to an increase in speed of manufacturer rather than a focus on quality, this could harm the reputation of the luxury product if more faults occur and in turn lead to loss of reputation or sales.

This indicative content is not exhaustive; other creditworthy material should be awarded marks as appropriate.



1	6	.	1	Analyse why the Richer Sounds approach to managing its human resources is successful in motivating its employees. You should support your answer with reference to Herzberg's hygiene and motivation factors.
[9 marks]				

Level	the student will typically demonstrate:	marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: - demonstrates a good knowledge and understanding of issues in the question - demonstrates analysis which is well-developed and is applied effectively to the context.	7–9
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: - demonstrates a reasonable knowledge and understanding of issues in the question - demonstrates analysis which is developed and is applied to the context.	4–6
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: - demonstrates a limited knowledge and understanding of issues in the question - demonstrates analysis with little development and with mainly descriptive application to the context.	1–3

The focus / demands of the question:

- Why the approach that Richer Sounds takes to its Human Resources is successful in motivating employees – with reference to Herzberg's Hygiene **and** Motivation factors
Identifying a reason or reasons and developing logical chain(s) of reasoning as to why **this** approach to managing Human Resources is successful for RD in motivating employees



further guidance...

- L1: likely to just identify aspects of RSs' approach to managing human resources and make no / limited reference to Herzberg
- L2: likely to offer some argument based on either hygiene and / or motivation factors but not establishing a clear link to the success of RS in motivating employees or analyses why RSs' approach is successful in motivating employees with no reference to Herzberg (such a response might be addressing some of the demands of the question)
- L3: argument(s) based on both (hygiene and motivation) factors establishing a clear link to the success of RS in motivating employees

Indicative content may include:

- Motivators include the opportunity for advancement - staff are given regular training offering employees the opportunity to develop
- Hygiene factors prevent dissatisfaction and are evident and well developed in the business as (e.g. secure, well-paid jobs and an excellent salary)
- It is possible that the 'stimulating working environment' might be used in more than one way, depending on whether the argument focuses on the 'stimulating' aspect or the 'working environment' aspect

1	6	.	2	To what extent do you think the level of demand for Richer Sounds' products is determined by its external environment? Justify your view.
				[16 marks]

Level	the student will typically demonstrate:	marks
4	An excellent response overall that is fully focused on the demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question • demonstrates analysis throughout which is well developed, is applied effectively to the context and considers a balanced range of the issues in the question • makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole throughout.	13–16
3	A good response overall that focuses on many of the demands of the	9–12



MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2019

Section C

Total for this section: 50 marks

16	.	1	With reference to Maslow's hierarchy of needs analyse:
			• one way Colbecks can motivate warehouse employees and • one way Colbecks can motivate head office employees.
			[9 marks]

Marks for this question: AO1 = 3, AO2 = 3 and AO3 = 3

level	the student will typically demonstrate:	Marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: • demonstrates a good knowledge and understanding of issues in the question • demonstrates analysis which is well-developed and is applied effectively to the context.	7-9
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: • demonstrates a reasonable knowledge and understanding of issues in the question • demonstrates analysis which is developed and is applied to the context.	4-6
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited knowledge and understanding of issues in the question • demonstrates analysis with little development and with mainly descriptive application to the context.	1-3

MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2019

Examples of how assessment objectives might be met in this question include:

- demonstrate knowledge and understanding of relevant issues such as motivators within Maslow's hierarchy and key terms of the tiers (AO1)
- be in the context of Colbecks with warehouse staff requiring safety/physiological and head office requiring self-esteem/self-actualization (AO2)
- analyse how the motivators may be used to increase motivation (AO3).

Possible responses:

- for those workers who are in the warehouse job security, through long term contracts or fixed work may meet safety needs that leads to high productivity
- increased pay for those in the warehouse may work as a means of providing further lower level needs, such as better housing and food
- pay may not be effective with head office staff as they are already well rewarded but the tell style of management is unlikely to build on their higher order skills of self-esteem through praise and responsibility. These improvements are likely to have more effect on productivity
- more advanced tiers, such self-esteem, would allow motivation to be higher for those in the head office and may be easy to achieve in a family run business through genuine praise and awards
- decision making and a sense of achievement for those in head office positions is likely to motivate if Chris does not currently allow many decisions to be made outside the team (due to his tell style of management).

Further guidance

good response: likely to demonstrate a clear link between relevant aspects of theory and the needs of BOTH warehouse staff and head office employees and to analyse how Colbeck's might motivate BOTH types of staff as a consequence

NB: L3 requires use of valid terms from the model

reasonable response might:

- focus on just one type of staff
- link relevant aspects of theory to the needs of BOTH warehouse staff and head office employees
- link the needs of BOTH warehouse staff and head office employees to ways in which Colbeck's might motivate BOTH types of staff (but with no reference to the model)

limited response: might demonstrate some understanding of the issues (theory / context / ways to motivate) but fail to make links

NB: this indicative content is not exhaustive and other creditworthy material should be awarded marks as appropriate

MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2025

17	.	1	Using Herzberg's theory of motivation, analyse why labour turnover at Diggin' It is low.
			[9 marks]

Marks for this question: AO1 = 3, AO2 = 3 and AO3 = 3

Level	The student will typically demonstrate:	Marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: • demonstrates a good knowledge and understanding of issues in the question • demonstrates analysis which is well-developed and is applied effectively to the context.	7–9
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: • demonstrates a reasonable knowledge and understanding of issues in the question • demonstrates analysis which is developed and is applied to the context.	4–6
1	A limited response overall with limited focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited knowledge and understanding of issues in the question • demonstrates analysis with little development and with mainly descriptive application to the context.	1–3



MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2025

The demands of the question are:

- to show understanding of Herzberg's theory of motivation and labour turnover
- to analyse how the theory suggests why Diggin' It's labour turnover is low.

Indicative content:

- Herzberg's theory suggests that certain hygiene factors must be met in order to avoid dissatisfying staff, i.e. to prevent dissatisfaction
- motivators such as responsibility, sense of achievement, recognition and the nature of the work itself are required for employees to be motivated
- labour turnover measures the proportion of employees who leave a business in a given period.

In the case of Diggin' It the hygiene factors are:

job security is provided in that:

- employees are full time and permanent (whereas this is not the case with most rivals)
- salary is competitive and additional benefits are offered

This means hygiene factors are in place meaning labour turnover will remain low.

Meanwhile in relation to motivator factors:

- recognition: staff are recognised through awards such as customer service
- the work itself: there are a range of tasks and skills needed
- responsibility: employees work directly with customers and make decisions for themselves, e.g to agree work and fees
- advancement: training opportunities are provided.
- sense of belonging (team as 'family' and support through weekly face to face meetings)

The presence of motivator factors means that workers will find work fulfilling and should reduce labour turnover.

Overall, this means that at Diggin' It, hygiene factors prevent demotivation and the motivators provide fulfilling work. This explains why labour turnover is low because employees are motivated to stay with the business.

This indicative content is not exhaustive; other creditworthy material should be awarded marks as appropriate.

MARK SCHEME – A-LEVEL BUSINESS – 7132/2 – JUNE 2021

0	3	3	Analyse why employee engagement at Chillax Ltd is high.	[9 marks]
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Marks for this question: AO1 = 2, AO2 = 3 and AO3 = 4

Level	The student will typically demonstrate:	Marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding of issues in the question - demonstrates analysis which is well-developed and is applied effectively to the context.	7–9
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: - demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question - demonstrates analysis which is developed and is applied to the context.	4–6
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: - demonstrates a limited range and depth of knowledge and understanding of issues in the question - demonstrates analysis with little development and with mainly descriptive application to the context.	1–3

The demands of the question are:

- to demonstrate an understanding of employee engagement
- to analyse reason(s) why employee engagement is high specifically at Chillax Ltd.

Indicative content:

- Employee engagement is the extent to which employees feel passionate about their jobs, are committed to the organization.
- Chillax has a focus on quality – achieved through employee/customer interaction this will be rewarding for staff and possibly help staff be engaged.
- Chillax's customers expect high levels of service this is supported through processes of feedback etc a culture that may increase employee engagement.
- This business is one where employee interaction with customers is vital – staff being key to success.
- The business has employee engagement as a priority – this shows a particularly inclusive culture/soft HR/consultation etc. This could help motivate staff, potentially improving effort (productivity) and reducing unit costs, linking through to profitability.
- There seems to a deliberate policy to engage and consult and therefore employees are likely to feel more engaged with the business.

Accept other relevant arguments.



MARK SCHEME – A-LEVEL BUSINESS – 7132/2 – JUNE 2022

0	2	3	With reference to Maslow's theory, analyse the possible impact of this venture on the motivation of senior managers of the two businesses.
			[9 marks]

Marks for this question: AO1 = 2, AO2 = 3, AO3 = 4

Level	The student will typically demonstrate:	Marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding of issues in the question - demonstrates analysis which is well-developed and is applied effectively to the context.	7–9
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: - demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question - demonstrates analysis which is developed and is applied to the context.	4–6
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: - demonstrates a limited range and depth of knowledge and understanding of issues in the question - demonstrates analysis with little development and with mainly descriptive application to the context.	1–3

The demands of the question are:

- to show understanding of selected elements from Maslow's motivation theory
- to relate this to the context of senior managers cooperating on a challenging venture.

Indicative content:

- the venture is a high profile and important project for both businesses and should give the managers pride (esteem)
- if successful – managers will be proud of their part in it and this can help higher level needs (esteem or even self-actualisation)
- cooperation with new people in different organisations will be interesting and may motivate through social level ie teamwork
- the whole venture is a massive investment showing the importance (esteem) but also if successful will secure the future of both businesses (security).
- If the senior managers of one of the companies feels the venture is a threat to their business, it could have a negative effect on motivation – making them feel undermined reducing their motivation (security).
- If the senior managers of one of the companies feels the venture is a threat to their position, it could have a negative effect on motivation – reducing their motivation (esteem).

Allow other relevant arguments.



MARK SCHEME – A-LEVEL BUSINESS – 7132/1 – JUNE 2023

2	0	A business has recently experienced a decline in its level of sales. This led to some redundancies. Analyse how an understanding of Maslow's hierarchy of needs might help this business to motivate its remaining employees. [9 marks]
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Marks for this question: AO1 = 2, AO2 = 3 and AO3 = 4

Level	The student will typically demonstrate:	Marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis which is well developed and is applied effectively to the context.	7–9
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: • demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question • demonstrates analysis which is developed and is applied to the context.	4–6
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development and with mainly descriptive application to the context.	1–3

The demands of the question are:

- understanding elements of Maslow's hierarchy of needs
- analysing how a business/manager might use the hierarchy in order to motivate employees in this context.

Indicative content:

- understanding that redundancies may have impacted negatively on security and social needs, and perhaps restricted opportunities for satisfying esteem needs
- recognising that only unsatisfied needs will help to motivate employees
- understanding that lower level needs must be satisfied in order to enable higher level needs to act as motivators
- analysing how an understanding of an individual employee's situation will allow a manager to motivate an employee. For example:
 - offering financial rewards to motivate an employee who is at the lowest level of the hierarchy of needs



MARK SCHEME – A-LEVEL BUSINESS – 7132/1 – JUNE 2023

- providing job security or improved pension rights to employees in the 2 level of the hierarchy, using praise or promotion for employees in the 4 level (esteem needs), and so on.



MARK SCHEME – A-LEVEL BUSINESS – 7132/2 – JUNE 2025

0	2	3	Use Herzberg's theory to analyse why Ajinder's plan may not improve motivation levels at Seebus plc.
[9 marks]			

Marks for this question: AO1 = 2, AO2 = 3, AO3 = 4

Level	The student will typically demonstrate:	Marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding of issues in the question - demonstrates analysis which is well-developed and is applied effectively to the context.	7–9
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: - demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question - demonstrates analysis which is developed and is applied to the context.	4–6
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: - demonstrates a limited range and depth of knowledge and understanding of issues in the question - demonstrates analysis with little development and with mainly descriptive application to the context.	1–3

The demands of the question are:

- to analyse reasons that Ajinder's plan may **not** improve motivation levels
- by applying Herzberg's theory to Seebus plc.

Indicative content:

- pay is likely to be seen as a hygiene factor and so reductions in the wage differential compared to competitors may lead to dissatisfaction shown in the survey findings
- working conditions are also a hygiene factor and staff unhappy with changes to shift patterns are unlikely to be motivated by Ajinder's plan
- staff unhappy with methods of supervision may well not want to engage
- the career development plans and training might be seen as potential motivators by Herzberg but are unlikely to be effective if hygiene factors are not satisfied
- the plan does not seem to address some of the key issues relating to motivation and therefore may not be successful.

Further guidance

The question tells students to use Herzberg's theory to analyse the plan, therefore responses which do not refer to this specific theory are likely to be very limited ones. Other motivation theories can be referenced where they make a point that is relevant to Herzberg's theory but they will not, in themselves, answer the question.

MARK SCHEME – A-LEVEL BUSINESS – 7132/2 – JUNE 2020

0	2	4	The managers of a number of Nari's suppliers use Taylor's motivation theory when motivating their employees. To what extent do you think Taylor's theory would be a good way for all businesses to motivate their employees? [16 marks]
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Marks for this question: AO1 = 2, AO2 = 3, AO3 = 4, AO4 = 7

Level	The student will typically demonstrate:	Marks
4	An excellent response overall that is fully focused on the key demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding that is precise and well-selected in relation to issues in the question • demonstrates analysis throughout which is well-developed, is applied effectively to the context and considers a balanced range of the issues in the question • makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole throughout.	13–16
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis which is well-developed, applied effectively to the context and considers a range of issues in the question • makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole throughout.	9–12
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: • demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question • demonstrates analysis which is developed, applied to the context and considers some of the issues in the question • makes judgements or provides solutions which are built on analysis, but lack balance and not fully focused on the question as a whole.	5–8
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question • makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole.	1–4



MARK SCHEME – A-LEVEL BUSINESS – 7132/2 – JUNE 2020

The demands of the question are:

- to judge whether using Taylor's theory is a good way of motivating employees
- for **all** businesses.

Indicative content:

Taylor was the founder of Scientific Management and the economic man approach. This approach assumed people were motivated by money.

Whether this approach would be appropriate would depend on:

- whether people are motivated by money, eg what stage of Maslow's hierarchy are they at?
- whether the business can clearly link payment to output; is a piece rate system feasible and desirable?

This approach will be more appropriate when employees have certain needs, eg basic physiological v higher level self-actualisation needs, but will not be a good way for all businesses. In some situations different types of reward such as effective job design will be better motivators.

Further guidance

- There is no need for a response to refer to any specific businesses. The evaluation can make a judgement on the conditions under which Taylor's approach may be a good way to motivate employees.
- This question asks whether Taylor's approach is a good way not whether it is the best way. A response can focus on Taylor's approach; it does not need to compare with alternative approaches. A response that focuses on other approaches to motivation without linking back to whether Taylor's approach is good, is not focused on this question. However, it would be valid to consider situations when Taylor's approach would not work and others might.

MARK SCHEME – AS BUSINESS – 7131/2 – JUNE 2018

0	8	HS and other charities have suggested that money is not a motivator for staff in this sector. How important do you think money is as a motivator for employees in businesses generally? Justify your view.
		[20 marks]

Marks for this question: AO1 = 4, AO2 = 3, AO3 = 5, AO4 = 8

Level	The candidate will typically demonstrate:	Marks
5	An excellent response overall that is fully focused on the key demands of the question Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question - demonstrates analysis throughout which is well developed, is applied effectively to the context and considers a balanced range of the issues in the question - makes judgments or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as whole throughout.	17–20
4	A good response overall that focuses on many of the demands of the question Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding of issues in the question - demonstrates analysis which is well developed, applied effectively to the context and considers a range of issues in the question - makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole.	13–16
3	A reasonable response overall that focuses on some of the demands of the question Provides an answer to the question set that: - demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question - demonstrates analysis which is developed, applied to the context and considers some of the issues in the question - makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole.	9–12
2	A limited response overall with little focus on the demands of the question Provides an answer to the question set that: - demonstrates a limited range and depth of knowledge and understanding of issues in the question - demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question - makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole.	5–8
1	A weak response overall lacking focus on the demands of the question Provides an answer to the question set that: - demonstrates isolated or imprecise knowledge and understanding - demonstrates undeveloped analysis with descriptive application to the context and lacking focus on the question - makes judgements or proposes solutions based on assertions.	1–4



MARK SCHEME – AS BUSINESS – 7131/2 – JUNE 2018

The demands of the question focus on:

- the importance of money as a motivator of employees compared to other factors
- in businesses generally rather than just HS
- in businesses generally rather than just the charity sector.

Indicative content may include:

- demonstrates knowledge and understanding of relevant issues including the motives of employees (and how this might differ)
- the role of money for employees in different situations; different businesses etc.
- coverage of relevant theorists is relevant in developing arguments – including the role of money in theories such as the basic needs in Maslow or as a hygiene factor in Herzberg. (note: there is no specific requirement to use these theories)

Approaches likely to be:

- an excellent response will have formed a balanced argument as to the (relative) role of money in motivation (if any)
- a range of points will be developed in depth to form a well-focused analysis of the question set. The argument should relate to the context of the question and consider the aspect of **all** businesses, eg looking at the motivation of employees in different circumstances
- the context of HS can be used in the response set but an excellent response must consider the relative importance of money for business generally; it must have a sense of overview.

Responses may consider other factors that motivate employees but the focus of the question is the **relative importance** of money.

MARK SCHEME – AS BUSINESS – 7131/2 – JUNE 2024

0	8	'To increase labour productivity, all businesses should use financial methods of motivation, rather than non-financial methods of motivation.' To what extent do you agree with this statement? [20 marks]
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Marks for this question: AO1 = 4, AO2 = 3, AO3 = 5, AO4 = 8

Level	The candidate will typically demonstrate	Marks
5	An excellent response overall that is fully focused on the key demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question - demonstrates analysis throughout which is well developed, is applied effectively to the context and considers a balanced range of the issues in the question - makes judgments or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole.	17–20
4	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding of issues in the question - demonstrates analysis which is well developed, applied effectively to the context and considers a range of issues in the question - makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole.	13–16
3	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: - demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question - demonstrates analysis which is developed, applied to the context and considers some of the issues in the question - makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole.	9–12
2	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: - demonstrates a limited range and depth of knowledge and understanding of issues in the question - demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question - makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole.	5–8



MARK SCHEME – AS BUSINESS – 7131/2 – JUNE 2024

1	A weak response overall lacking focus on the demands of the question. Provides an answer to the question set that: • demonstrates isolated or imprecise knowledge and understanding • demonstrates undeveloped analysis with descriptive application to the context and lacking focus on the question • makes judgements or proposes solutions based on assertions.	1–4
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The demands of the question focus on:

- analysing the impact of financial methods of motivation on improving labour productivity
- analysing the impact of non-financial methods of motivation on improving labour productivity
- providing a judgement that focuses on whether or not all businesses should focus on financial methods of motivation over non-financial methods to improve labour productivity

Note: the question focuses on businesses/industry generally not just PE Ltd.

Indicative content may include:

- whether this is true for all businesses will depend on the financial method of motivation being offered; may consider commission, piece rate pay, bonuses, increases in salary
- motivation theory may be discussed in terms of financial motivation; Taylor and Herzberg
- motivation theory may be discussed in terms of non-financial motivation; Maslow and Herzberg
- employees have lots of different reasons for wanting to work and to increase their labour productivity
- Hackman and Oldham model of job design may be discussed as being a tool for motivation and increasing labour productivity
- whether labour productivity increases may depend on the work that the employees are doing as to what they will be motivated by
- relationships with managers may be significant, employees may increase productivity for some managers and not others
- objectives of the different employees and their reasons to work and increase labour productivity in the first place
- ultimately, it depends on what the financial rewards are and whether they are enough to make labour productivity increase
- Overall, it could be argued that almost all employees are financially motivated to a certain extent to increase labour productivity, it all depends on the individual objectives of the employees. It may depend on other factors that may also motivate employees and how far they are motivated by these factors, compared to financial motivation methods.

Other valid ideas may be credited.



MARK SCHEME – A-LEVEL BUSINESS – 7132/1 – JUNE 2021

Section C

2	1	Will the use of non-financial methods to motivate a workforce always be more successful than the use of financial methods?
		Justify your view.
		[25 marks]

25-mark evaluative questions: AO1 = 5, AO2 = 4, AO3 = 6 and AO4 = 10

Level	The student will typically demonstrate:	Marks
5	An excellent response overall that is fully focused on the key demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question • demonstrates analysis throughout which is well developed, is applied effectively to the context and considers a balanced range of the issues in the question • makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole throughout.	21–25
4	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis which is well developed, applied effectively to the context and considers a range of issues in the question • makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole.	16–20
3	A reasonable response overall that focuses on some demands of the question. Provides an answer to the question set that: • demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question • demonstrates analysis which is developed, applied to the context and considers some of the issues in the question • makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole.	11–15
2	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question	6–10



MARK SCHEME – A-LEVEL BUSINESS – 7132/1 – JUNE 2021

	• makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole.	
1	A weak response overall lacking focus on the demands of the question. Provides an answer to the question set that: • demonstrates isolated or imprecise knowledge and understanding • demonstrates undeveloped analysis with descriptive application to the context and lacking focus on the question • makes judgements or proposes solutions based on assertions.	1–5

The demands of the question are:

- showing understanding of motivation – the reasons one has for behaving in a particular way
- understanding the meaning of financial and non-financial incentives
- analysing how non-financial incentives can influence motivation
- analysing how financial incentives can influence motivation
- evaluating situations which impact on the relative success of the two types of incentives and using this to draw a reasoned conclusion.

Indicative content may include:

- Using Taylor's theory to explain the view that workers are motivated by financial rewards that can be linked to performance, such as piece rate or commission.
- Recognising situations in which Taylor's theory may apply, such as agricultural workers motivated by the quantity of production or an organisation that uses hard HRM. In such situations, financial incentives are more effective.
- Using Herzberg's two-factor theory to argue that 'motivators' are non-financial incentives, such as the work itself, recognition and a sense of achievement. Herzberg believed that non-financial factors were more likely to create motivation.
- Analysing methods that a business can use to ensure that motivators are provided (alongside hygiene factors to prevent dissatisfaction).
- Assessing the relative importance of the job itself as a source of motivation.
- Using Maslow's hierarchy of needs to argue for or against a specific incentive. For example, at level 1 of the hierarchy physiological needs still need to be met and so financial incentives are more likely to be effective. At higher levels of the hierarchy different non-financial incentives become more important, such as teamwork to help social needs and promotion to boost esteem needs. Therefore, as a worker progresses beyond level 1 of the hierarchy, motivation is best achieved by non-financial rather than financial incentives.
- The indicative content above is based around theories of motivation. Students may choose to answer this question by focusing on the different financial and non-financial incentives and analysing their impact in different situations (possibly with some references to motivation theory). This analysis then leads to an overall judgement on the success of the different incentives, rather than using motivation theories as the foundation of their answer.

Evaluation

- Full marks may be awarded to an answer that concludes that financial incentives will be more successful; but may be earned by a conclusion that non-financial incentives are likely to be more successful.
- Evaluation may consist of an assessment of different circumstances in which the two different incentives are effective or ineffective OR it may be based on the extent to which the arguments presented suggest that one method is more successful than the other.



Question 03 · Section A objective test question

Correct answer: C

(1 mark for the correct answer) · Source: AQA mark scheme, Section A answer key



MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2022

Section B

Total for this section: 20 marks

1	1	A business has a high level of trade union membership among its employees.
		Explain one benefit of this to the business.
		[4 marks]

Marks for this question: AO1 = 2 and AO2 = 2

Level	The candidate will typically	Marks
3	Provide a response that is well explained using knowledge and understanding and is applied to the context.	4
2	Provide a response that is explained using knowledge and understanding and is applied to the context.	2–3
1	Demonstrates some knowledge and understanding but the explanation is limited and lacking application to the context.	1

The demands of the question are:

- explain **one** benefit of high levels of trade union membership for **a business**.

Indicative content:

If there are high levels of trade union membership employees are going to feel more secure and protected in their employment. This in turn is likely to lead to an increase in the motivation of workers rather than them be insecure about job security, pay or training and in turn lead to higher motivation, staff retention or efficiency. The trade union can also add a line of communication allowing for resolution of disputes more easily.

NB// valid lines of argument should be linked to benefit to the business

This indicative content is not exhaustive; other creditworthy material should be awarded marks as appropriate.



MARK SCHEME – A-LEVEL BUSINESS – 7132/3 – JUNE 2019

0	2	Analyse how setting up the works council may have led to the changes in Human Resource performance data shown in Appendix A .	[12 marks]
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Marks for this question: AO1 = 3, AO2 = 3 and AO3 = 6

Level	The student will typically demonstrate:	Marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis which is well developed, applied effectively to the context and considers a range of issues in the question.	9 – 12
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: • demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question • demonstrates analysis which is developed, applied to the context and considers some of the issues in the question.	5 – 8
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development and mainly descriptive application to the context.	1 – 4

The demands this question are:

- effect(s) of setting up works council
- used to explain changes shown in Appendix A.

Indicative content:

- works council - a forum within a business where workers and management meet to discuss issues such as working conditions, pay, training and strategic decisions
- trust in management – transparency building job security
- employee security – help build motivation, reduce labour turnover
- better input to decision-making
- may give employees greater power in negotiating pay rises – explains rise in employee costs as % of turnover.
- more experienced/loyal staff may expect higher wages – explaining rise in employee costs as % of turnover

Further guidance

Approaches are likely to be:

Good: effectively links setting up works council to changes in HR data

Reasonable: analyses benefit(s) of setting up a works council for DWS/or explains how DWS' approach to HR may have led to changes in Appendix A

Limited – some relevant knowledge or interpretation of HR data

NOTE: Further guidance on data on final page of this mark scheme



MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2018

1	7	.	2	<i>The managers of Sports Success have introduced more employee representation in the business since 2017. To what extent do you think this is likely to benefit the company's stakeholders?</i>
[16 marks]				

16 mark evaluative questions: AO1 = 4, AO2 = 2, AO3 = 4 and AO4 = 6

Level	the student will typically demonstrate:	Marks
4	An excellent response overall that is fully focused on the demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question - demonstrates analysis throughout which is well developed, is applied effectively to the context and considers a balanced range of the issues in the question - makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole throughout.	13–16
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding of issues in the question - demonstrates analysis that is well-developed, applied effectively to the context and considers a range of issues in the question - makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole.	9–12
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: - demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question - demonstrate analysis which is developed, applied to the context and considers some of the issues in the question - makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole.	5–8



MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2018

1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrate analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question • makes judgements or proposes solutions which have limited links to analysis or limited focused on the question as a whole.	1–4
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The demands of the question focus on:

- analysing the likely impact of the introduction of employee representation on the company's stakeholders
- making a judgement on how likely these stakeholders are to benefit from more employee representation.

Indicative content:

- should mean employees are more listened to and have a great voice; this could improve conditions and rewards. May make working life better. However this will depend on how much action is actually taken by managers. Setting up committees, having someone on the Board and having surveys etc may lead to changes but significant changes may be ignored. As it stands the employee representative on the Board is chosen by senior managers and is one of 12 people- may be difficult to have much impact. The email scheme sounds good in that senior managers agree to read emails but they still choose what they act on- so far it has been free wifi and better food; these are probably not major changes and it may be they do not actually change very much
- should mean less criticism of the company. This may make the business more attractive to investors which may help the share price. The share price in 2017 has increased to 230 pence from 160 pence. This would benefit existing shareholders who would now hold higher priced shares
- overall this seems like a good move by the company to reduce criticism but the actual benefits for employees may be limited. Will depend on whether in future the company does make more significant changes. Perhaps better than it was but employees still seem to be in a weak bargaining position.

Further guidance:

- a focus on at least **two stakeholders** is required for L4 ('**stakeholders**' so at least 2 but 2 will do)



MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2023

17	.	2	Napara plc is considering involving employees in the planning for the new production line for the electric cars. To what extent do you believe Napara plc should involve the employees in these planning decisions? [16 marks]
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Marks for this question: AO1 = 4, AO2 = 2, AO3 = 4 and AO4 = 6

Level	The candidate will typically demonstrate:	Marks
4	An excellent response overall that is fully focused on the demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question • demonstrates analysis throughout which is well-developed, is applied effectively to the context and considers a balanced range of the issues in the question • makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole throughout.	13–16
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis that is well-developed, applied effectively to the context and considers a range of issues in the question • makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole.	9–12
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: • demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question • demonstrate analysis which is developed, applied to the context and considers some of the issues in the question • makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole.	5–8
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question	1–4

MARK SCHEME – AS BUSINESS – 7131/1 – JUNE 2023

	• makes judgements or proposes solutions which have limited links to analysis or limited focused on the question as a whole.	
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The demands of the question are:

- analyse the case for and against staff being involved in the decision making about the new production line of electric cars
- make supported judgement on whether staff should be involved in the decision making about the new production line.

Indicative content:

- currently staff have poor motivation and distrust management, in particular on safety decisions. If the business involves employees in the planning decisions they may make better decisions on safety roles and motivation may increase. This in turn will improve the ethical reputation of the business by removing bad news headlines. Customers in the new market expect high quality cars and also good levels of ethics. With current issues over safety of staff creating negative headlines, the business will not be able to effectively compete in this market. Involving staff in the planning decisions process may prevent safety issues occurring
- involving employees in planning decisions can have significant impacts on labour productivity and quality rates. The highly skilled staff at Napara plc may also be more knowledgeable than the management, who do not have production experience. This means involving employees in planning decisions may be more beneficial than to not. The employees in the factory may be more likely to make the right decisions on job roles and this might allow productivity and quality to go up. In particular, as customers in the new market expect high quality cars, this involvement of staff could be very important
- if staff are highly-skilled and are allowed to make decisions that allow them to use their skills and make jobs less repetitive this could raise motivation. This could increase the level of staff performance at Napara plc and the new car line requires these skilled workers. Higher productivity will lead to higher profitability
- the shareholders want to launch the new cars as quickly as possible in this rapidly changing market. Involving the staff in the planning decisions and consulting with them is likely to slow down this process. This could lead to the business losing a competitive edge on others. Shareholders are likely to be unhappy with this
- the staff are relatively skilled but with many being union members the job losses could potentially be resisted. If the business tries to bring in these changes against their will there may be strikes and long delays to production. It is also likely that wage rises will be required. Involving the staff in planning decisions may allow some of the staff to be more placated or it could be that the staff create more jobs and try to raise wages
- although the staff are highly skilled, this is in the production of traditional cars. However, in the new electric market the employees may not be able to make the correct decisions if they lack experience here, and may lack the knowledge for this market and potentially could make costly mistakes.

Evaluation:

To stop the trend of falling profits the business does need to move into this new, lucrative market for electric cars. Shareholders are keen to do this quickly. However, Napara plc also needs to maintain a good image to compete in this new market. This decision about involving employees in the planning is important. Staff do not currently trust management and if they work together with the employees and take their advice in the planning then the safety, productivity and quality may all increase. Although this is costly and may take time, given that the customers in this new market are willing to pay more but expect higher quality cars and good ethics, the time and cost may be worthwhile and it could improve the falling profits in the long term.



WHAT THE EXAMINERS SAID · comments from AQA's Reports on the Examination

Quoted word for word, in the same order as the questions. Not every question has a comment.

1. Q1.4 · A Level Paper 2 · June 2018 · 6 marks · 3.6.1

< MARK SCHEME

This particular question proved highly accessible to students, most recognised the requirement of the word “benefits” being plural and were able to use the information in Appendix E to explain two benefits in context of Marks and Spencer. Typically, responses linked the diversity to the fact Marks and Spencer is a large multinational business with many international outlets or highlighted the benefits to the business of the range and variety of industry experience.

Weaker answers only put forward one benefit or discussed diversity in general with no reference to the appendix as directed.

Source: AQA Report on the Examination, A Level Business 7132/2, June 2018.

2. Q18 · A Level Paper 1 · November 2020 · 9 marks · 3.6.1

< MARK SCHEME

Students who demonstrated a precise understanding of diversity tended to develop some wellconstructed arguments. However, many had poor understanding of the term and where knowledge was less secure the arguments tended to be less clear.

Source: AQA Report on the Examination, A Level Business 7132/1, November 2020.

3. Q3.1 · A Level Paper 2 · June 2025 · 9 marks · 3.6.1

< MARK SCHEME

This was an accessible question. Stronger responses applied the two HR objectives successfully to the case, often focussing on the low-cost model or the types of employees needed.

Where students did not gain high marks, it was often because they did not focus on the context of a growing low-cost airline, did not really pick up on airline context in relation to the objectives or did not use the targets given in the question.

Source: AQA Report on the Examination, A Level Business 7132/2, June 2025.

4. Q17.2 · AS Paper 1 · June 2025 · 16 marks · 3.6.1

< MARK SCHEME

This question seemed to be very accessible -even more so than the other evaluative question. The vast majority of students were able to provide reasonable responses, with nearly half of the responses moving into the two highest levels.

Once again, the less successful responses tended to be highly descriptive in nature with a tendency to simply recycle the material from the case study and were generally lacking in focus and substance.

The most successful responses told us what they thought in terms of whether this would be a good decision for Nita. They recognised that the balance of the argument lay around the extent to which Nita was motivated by the desire to pay herself more and the importance of her focus on the existing culture of the business, as well as the potential negative long-term impact on revenue and profits of the approach suggested by her accountant. Such responses often placed considerable weight on the extent to which the existing approach had been vital in building a successful business thus far and also questioned the accountant's assumption that the proposed change in approach would have no impact on sales revenue.

Nearly every student was able to identify some the relevant issues involved in this decision. However, some simply presented the ‘pros and cons’ without really coming to any clear conclusion. Again, a number of responses tended to go down the ‘on the hand’ and ‘on the other’ or ‘should and should not’ road, with no convincing attempt at making a clear and well supported final decision. Such responses indicated a lack of planning and thinking and the result was that there was no weighing up of the issues, and the overall judgement was little more than an assertion.

Other responses contained more developed and applied explanations but were rather onesided and thus lacked balance. A significant number of such responses did not offer any real counter arguments, or they did so in a way that was largely descriptive.

As ever, the most successful responses were often ones where students took a clear view from the outset and developed the balance of their arguments accordingly. It was clear that the most successful students had unpicked the demands of the question, paused for thought and undertaken some planning before ever committing a word to paper. Such responses identified the key factors around this decision and used them to shape and frame the argument. Having taken a clear view, there was evidence of a logical sense of direction from the outset, and this still seems to a key to excellent answers to evaluative questions in that they are written with a clear intent.

Source: AQA Report on the Examination, AS Business 7131/1, June 2025.



5. Q3 · A Level Paper 3 · June 2017 · 16 marks · 3.6.1[< MARK SCHEME](#)

This question proved particularly accessible. The approach to managing Human Resources seemed comfortable ground for most students. Better responses sought to draw a contrast between the existing soft approach and a hard approach as an alternative. Many students did support their arguments with data from the case study and appendices. Where separate pieces of data were combined, such as the amount spent on training and a declining operating profit margin, arguments were well supported by the evidence.

The best responses were those that retained a focus on the full demands of the question – by ensuring they considered the likelihood of a change in HR approach improving profit. These responses often sought to weigh up the overall financial impact of a change in HR approach – comparing potential cost savings with the impact on revenues and costs of less engaged staff.

Less successful responses tended to make a judgement on whether a change to the Human Resources approach was generally a good or a bad thing with no reference to profits. In some cases, students did not attempt to make a judgement, or failed to make links from their analysis to the judgement offered. These evaluative questions require an answer to the question for the highest levels – students cannot afford to ignore parts of the question such as the financial impact or fail to make and support a judgement.

Source: AQA Report on the Examination, A Level Business 7132/3, June 2017.

6. Q22 · A Level Paper 1 · June 2024 · 25 marks · 3.6.1[< MARK SCHEME](#)

This was a very popular essay on a topic area that most students understand well. A key feature of the answers given was the integration of other business theories into the answer in a relevant manner, invariably enhancing the quality of answers. Most students were able to develop answers by using examples of contexts in order to extend their logic. The main issue with the answers was a tendency for students to go beyond the scope of the question. This involved losing a focus on the impact on employee motivation and arguing about the impact on company sales volume or profits or growth.

Source: AQA Report on the Examination, A Level Business 7132/1, June 2024.

7. Q6 · AS Paper 1 · June 2018 · 1 mark · 3.6.2[< MARK SCHEME](#)

This calculation indicates that students have a good understanding of 'labour costs per employee' with 85% getting the correct answer.

Source: AQA Report on the Examination, AS Business 7131/1, June 2018.

8. Q5 · A Level Paper 1 · June 2019 · 1 mark · 3.6.2[< MARK SCHEME](#)

Just over 50% of students answered this question correctly. The incorrect responses suggested that students had a better understanding of labour productivity than labour retention rates.

Source: AQA Report on the Examination, A Level Business 7132/1, June 2019.

10. Q12 · A Level Paper 1 · June 2023 · 1 mark · 3.6.2[< MARK SCHEME](#)

From the examiner's comments on Section A (multiple-choice questions). The comment may mention other questions too.

Question 7, on 'kaizen' proved to be the easiest question, followed by question 5, on the Blake Mouton grid. Students often find data interpretation challenging and so it was pleasing to see that questions 12 and 13, two questions based on interpreting a set of data, were correctly answered by approximately two-thirds of the students.

Source: AQA Report on the Examination, A Level Business 7132/1, June 2023.

11. Q13 · A Level Paper 1 · June 2023 · 1 mark · 3.6.2[< MARK SCHEME](#)

From the examiner's comments on Section A (multiple-choice questions). The comment may mention other questions too.

Question 7, on 'kaizen' proved to be the easiest question, followed by question 5, on the Blake Mouton grid. Students often find data interpretation challenging and so it was pleasing to see that questions 12 and 13, two questions based on interpreting a set of data, were correctly answered by approximately two-thirds of the students.

Source: AQA Report on the Examination, A Level Business 7132/1, June 2023.

12. Q11 · AS Paper 1 · June 2019 · 2 marks · 3.6.2[< MARK SCHEME](#)

Just over half of the responses to this question were awarded full marks, with over a quarter of the students achieving one mark. The most effective responses were impressively concise, demonstrating an understanding of the link between the rise in labour turnover and recruitment costs and offering a brief supporting explanation.



Q11 · AS Paper 1 · June 2019 (continued)

The responses that remained in level 1 tended to simply state the link without any attempt at explanation. Weaker responses often stated that recruitment costs might rise without making any link to labour turnover, and some seemed to confuse labour turnover with labour productivity, while others took the view that labour turnover had fallen. One striking aspect of these responses was the number of students who attempted to develop an argument around the impact on training rather than recruitment costs, which suggests a lack of precise knowledge and understanding of this topic.

Source: AQA Report on the Examination, AS Business 7131/1, June 2019.

14. Q12 · AS Paper 1 · June 2022 · 3 marks · 3.6.2

[< MARK SCHEME](#)

This required students to carry out a calculation and it proved to be an accessible question for many students, based on a familiar concept with a gatekeeper in the form of labour turnover. For those with a sound knowledge and understanding, there was a straightforward route to three marks, with just over a third of students achieving full marks. The vast majority of students were able, at least, to apply the 25% increase to calculate the increase in labour force to 37 500, although a significant number did little more than this and were, accordingly, awarded just one mark, with just under half of the students doing this. Two marks were generally achieved by the application of the 'own figure rule', and one such approach saw a number of students calculating 37 500 and then deducting 3000, and then dividing 3000 by 34 500 to get an answer of 8.7%. Such application of the 'own figure rule' serves to reinforce the value of students showing their working and it was encouraging to see that only a very few students simply provided an answer (sometimes, the correct one) without any indication as to how they got there.

Source: AQA Report on the Examination, AS Business 7131/1, June 2022.

15. Q2.1 · A Level Paper 2 · June 2025 · 3 marks · 3.6.2

[< MARK SCHEME](#)

For what seemed a very straightforward calculation, there were still a number of students who were unable to do it correctly. In many of these cases students' workings were not clear and marks for the process could not be given. Students should be encouraged to ensure their workings are clearly presented, enabling marks to be gained even if an error is made at some stage in the calculation.

Having said this, there were many students who scored full marks.

Source: AQA Report on the Examination, A Level Business 7132/2, June 2025.

16. Q16 · A Level Paper 1 · June 2018 · 4 marks · 3.6.2

[< MARK SCHEME](#)

This proved to be a challenging question. The data presented were all mainstream topics but the calculation required students to think, as it could be seen to be a backward process - using final data to discover the value of a factor that would normally be used to calculate the total. Most students were able to earn some marks by providing calculations that formed a part of the process required to reach the correct answer. This highlights the value of showing calculations. A common error was for students to lose sight of the scale of the answer. The correct answer was 50,000 units but answers such as 500 were quite common.

A skill needed by 'A' level Business students is the ability to recognise which data are needed to answer a question. In this question the labour productivity figure was not needed to reach the correct answer. However, many students adopted an approach that used labour costs and productivity to calculate the weekly units of output. In effect, these students used the right approach but inserted two additional stages, dividing by labour productivity (25) and then subsequently multiplying by labour productivity (25) at the end. This provided an alternative, but more time consuming, way to get full marks.

Source: AQA Report on the Examination, A Level Business 7132/1, June 2018.

17. Q17 · A Level Paper 1 · November 2020 · 4 marks · 3.6.2

[< MARK SCHEME](#)

Students showed a good understanding of the concept of employee costs as a percentage of the business's turnover. However, a large minority used the capacity of the factory in their calculation, rather than the actual output.

Source: AQA Report on the Examination, A Level Business 7132/1, November 2020.

18. Q1.3 · A Level Paper 2 · June 2017 · 9 marks · 3.6.2

[< MARK SCHEME](#)

The best responses on this question came from those students that had read and understood the need for supporting calculations, who were then able to perform these correctly and develop lines of argument that related them to workforce effectiveness.

Many lower level answers failed to take into consideration the relative size and scale of the organisations or just repeated the data given in the scenario with no relevant calculations or relationships drawn.

Source: AQA Report on the Examination, A Level Business 7132/2, June 2017.



19. Q18 · A Level Paper 1 · June 2018 · 9 marks · 3.6.2[< MARK SCHEME](#)

Most students understood the data on labour productivity and used it effectively to answer the question. However, there was a tendency to describe the data excessively and this led to some students either wasting time or restricting the depth of their analysis. A third of the students reached level 3, usually through two separate arguments, and there was considerable variety in the approaches that students used to show a good understanding. A number of students confused labour turnover with labour productivity; a mistake that accounted for many of the students who did not reach level 2 on the marking scheme.

Source: AQA Report on the Examination, A Level Business 7132/1, June 2018.

21. Q7 · AS Paper 2 · June 2024 · 16 marks · 3.6.2[< MARK SCHEME](#)

Question 7 assessed an area of content that was removed from the AS Business specification for first teaching from September 2023. The question was therefore invalid and all students were awarded full marks for this question. We are sorry for this exam question error.

Source: AQA Report on the Examination, AS Business 7131/2, June 2024.

23. Q7 · AS Paper 1 · June 2017 · 1 mark · 3.6.3[< MARK SCHEME](#)

From the examiner's comments on Section A (multiple-choice questions). The comment may mention other questions too.

Questions 4, 7 and 8 also proved to be challenging for a significant number of students with the most common distractors proving to be response B for question 4, response C for question 7 and response C for question 8 (presumably as a result of applying the gross profit margin to the dividends paid figure).

Source: AQA Report on the Examination, AS Business 7131/1, June 2017.

24. Q5 · AS Paper 1 · June 2018 · 1 mark · 3.6.3[< MARK SCHEME](#)

Although most (55%) students gave the correct answer, the most popular distractor suggested that some students confused centralisation with decentralisation.

Source: AQA Report on the Examination, AS Business 7131/1, June 2018.

25. Q5 · AS Paper 1 · June 2019 · 1 mark · 3.6.3[< MARK SCHEME](#)

From the examiner's comments on Section A (multiple-choice questions). The comment may mention other questions too.

The ten multiple choice questions enabled students to demonstrate their knowledge and understanding across a range of the AS subject content. Questions 3, 4 and 9 proved to be the most straightforward, closely followed by questions 5 and 2.

Source: AQA Report on the Examination, AS Business 7131/1, June 2019.

27. Q10 · AS Paper 1 · June 2023 · 1 mark · 3.6.3[< MARK SCHEME](#)

From the examiner's comments on Section A (multiple-choice questions). The comment may mention other questions too.

The ten multiple choice questions enabled students to demonstrate their knowledge and understanding across a range of the AS subject content. Questions 3 and 9 proved to be the most straightforward, followed by questions 4, 8 and 10.

Source: AQA Report on the Examination, AS Business 7131/1, June 2023.

29. Q13 · AS Paper 1 · June 2025 · 4 marks · 3.6.3[< MARK SCHEME](#)

This proved to be a very challenging question with around two fifths of the responses not achieving any marks. It required students to explain one impact on the efficiency of a business if it increased the span of control of its managers. The key to success was to demonstrate knowledge and understanding span of control and to establish a clear link between an increase in span of control and the efficiency of a business. The gatekeeper was increased span of control rather than 'span of control' in general and recognising this key demand of the question was the route to accessing levels beyond level 1, and only just under half of the students managed to do this.

Level 1 responses tended to demonstrate some knowledge and understanding of span of control in general but did little more. Level 2 responses offered more than this and were able to demonstrate some knowledge and understanding of the likely impact of increasing span of control in general and, in many cases, establish a tentative link to efficiency but generally fell short of making a clear and / or convincing link. The most successful responses were able to do this, although just under 10% of students reached level 3 and scored full marks.



Q13 · AS Paper 1 · June 2025 (continued)

Source: AQA Report on the Examination, AS Business 7131/1, June 2025.

30. Q15 · AS Paper 1 · June 2022 · 5 marks · 3.6.3

< MARK SCHEME

Again, this question differentiated effectively with a balanced spread of marks resulting. The demands of the question required students to deal with three elements to building an effective response. From a knowledge base of decentralisation, students were required to analyse the potential impact of this in terms of an increase in sales revenue, in the context of a restaurant chain's marketing decisions.

Most students seemed to understand decentralisation although some offered unnecessarily lengthy definitions, and such responses tended to remain in level 1. The most effective responses demonstrated knowledge and understanding implicitly, and moved quickly into developing a plausible line of reasoning as to how decentralised marketing decisions might have a positive impact on sales revenue in the context of a restaurant chain. Such responses were not overly lengthy but just demonstrated a disciplined and clear focus on the demands of the question.

Weaker responses either failed to make a link to sales revenue, or were rooted in a more general consideration of the possible impact of decentralisation. Some drifted into a consideration of the motivational impact of decentralisation and thus failed to address the notion of marketing decisions. This question provided a very clear demonstration of the benefits of careful reading of the question and of unpicking the key demands, and of building a response accordingly.

Source: AQA Report on the Examination, AS Business 7131/1, June 2022.

31. Q16.1 · AS Paper 1 · June 2018 · 9 marks · 3.6.3

< MARK SCHEME

This question proved to be another effective discriminator with very clear indications of the extent to which students were able to identify the demands of the question. Most students were able to identify the appropriate actions taken by Sue in relation to job design (praising staff and delegation), and offer some explanation as to their potential impact on human resource performance. In general, the weaker responses did little more, whereas Level 2 responses tended to go on to make the link(s) between these actions and appendix C, but were unable to make convincing reference to Hackman and Oldham's model.

The most effective responses were able to link Sue's approach to the human resource performance data in appendix C and root this firmly in the context of a clear understanding of two aspects of Hackman and Oldham's model. Indeed, there were a pleasing number of excellent answers, the majority of which focused on autonomy and feedback, with others making impressive use of task variety and task significance.

A number of those students who appeared to be unfamiliar with the model attempted to make links to a range of other models / theorists, of which Herzberg, Maslow and Tannenbaum / Schmidt seemed to be the most commonly used. A significant number of students did not attempt this question, perhaps put off by the presence of Hackman and Oldham's model as a knowledge gatekeeper.

Source: AQA Report on the Examination, AS Business 7131/1, June 2018.

32. Q17.1 · AS Paper 1 · June 2019 · 9 marks · 3.6.3

< MARK SCHEME

This proved to be a challenging question which elicited a range of marks with a significant number of students appearing to struggle with the concept of centralisation and a number of students did not attempt this question.

The level 3 responses demonstrated a clear understanding of the key issue of centralisation (usually implicitly), and made very effective use of the case study. They addressed two possible effects of the centralisation of decision-making on Doyles and maintained a clear focus on the demands of the question. The reasonable responses were almost invariably generic in nature, and tended to demonstrate knowledge and understanding through a definition of centralisation and went on to consider the effects without any real link to the context of Doyles. A few students offered a single line of argument focusing on just one effect.

The weakest responses did not seem to understand centralisation, with some appearing to take the view that it related to the relationship with Charlotte who was seen as an employee, and others drifting into discussions around management style, motivation and relationships with suppliers.

Source: AQA Report on the Examination, AS Business 7131/1, June 2019.

33. Q5 · AS Paper 2 · June 2019 · 9 marks · 3.6.3

< MARK SCHEME

Good responses to this question analysed the benefits for the business, whilst many less effective answers restricted their answers to the benefits to the warehouse manager e.g. through their improved motivation. This limited the response to being 'reasonable' at best illustrating, the importance of addressing the question fully by meeting all of its demands. Most answers to this question were well structured with two arguments.

Source: AQA Report on the Examination, AS Business 7131/2, June 2019.



34. Q5 · AS Paper 2 · June 2022 · 9 marks · 3.6.3[< MARK SCHEME](#)

This question had the most 'no response' answers. It was clear that many students did not have any knowledge of the Hackman and Oldham model of job design. Those students that did were able to demonstrate their knowledge very well. Many students listed all features of the model, which was not needed to gain a good mark or full marks to this question. The better answers selected two features of the model and applied it well to the case study, using the information from the case study to support their arguments.

Source: AQA Report on the Examination, AS Business 7131/2, June 2022.

35. Q17.1 · AS Paper 1 · June 2024 · 9 marks · 3.6.3[< MARK SCHEME](#)

This proved to be an accessible question with the vast majority of students being able to provide reasonable responses and a significant number moving into the highest level.

Once again, the stimulus material offered sufficient evidence on which to build valid and developed arguments, and most students were able to make something of the possible impact of making the deputy managers redundant on the remaining staff in terms of the likelihood of them receiving even less support, and/or in terms of the likely reduction in staff costs.

The weaker responses tended to be rather generic in tone, and, in the case of the weakest responses (of which, there were relatively few), students did little more than identify some issues and any explanation tended to be very limited and largely descriptive. Some students appeared not to understand the nature of redundancy, others suggested that the deputy managers needed to be replaced by other, more effective, deputy managers, and other responses drifted to a consideration as to how any cost savings might be spent (on training was, perhaps inevitably, a popular suggestion).

The strongest responses developed clear and convincing links to the likely impacts of this decision on the performance of the business, focusing on the quality of customer service and the disparity between staffing costs and those of Refurb-iture's main competitor. Such arguments often included valid references to the second and third of the objectives set by the shareholders of the company. Indeed, there were some striking examples of the excellent use of the context of the scenario provided, as well as the appropriate use of valid concepts such as layering and span of control.

Source: AQA Report on the Examination, AS Business 7131/1, June 2024.

36. Q1.3 · A Level Paper 2 · November 2020 · 9 marks · 3.6.3[< MARK SCHEME](#)

This question was generally very well done. Students understood the functions of HR and issues of seasonality, fluctuations in demand. Although, there were a few students that drifted away from HR particularly into areas of costs, revenues and profit.

Source: AQA Report on the Examination, A Level Business 7132/2, November 2020.

37. Q20 · A Level Paper 1 · June 2022 · 9 marks · 3.6.3[< MARK SCHEME](#)

The better responses to this question tended to be those that contrasted an argument showing why a wider span of control might increase labour productivity with an argument showing why a wider span of control might decrease labour productivity. On the whole, the increase in labour productivity was attributed to greater autonomy for subordinates and the reduced labour productivity resulted from difficulties in communication or monitoring of subordinates. However, some well-developed level 3 answers resulted from focusing on one specific change in labour productivity – mostly outlining why productivity might fall. Some students showed an excellent understanding of relevant theory in this question. A significant number of students discussed how 'controlling' a manager was, rather than their 'span of control'.

Source: AQA Report on the Examination, A Level Business 7132/1, June 2022.

39. Q4 · A Level Paper 3 · June 2025 · 16 marks · 3.6.3[< MARK SCHEME](#)

General feedback

This proved to be a highly accessible question, with many students able to find context to support arguments related to the Human Resource challenges involved in both areas. This type of question – asking which of two options presents the biggest challenge – requires analysis of both. Considering only why one might be hard but also might be easy is a structure that does not fully address the demands of the question.

Source: AQA Report on the Examination, A Level Business 7132/3, June 2025.

40. Q22 · A Level Paper 1 · June 2017 · 25 marks · 3.6.3[< MARK SCHEME](#)

Q22 · A Level Paper 1 · June 2017 (continued)

This question proved to be more popular than question 23 (Elkington). In some cases, students showed an unclear understanding of delegation, often linking it to autocratic management. Furthermore, there was often some loss of focus on question 22. A significant number of students explained how delegation might motivate a workforce and thus increase productivity. However, this one argument was often followed by a more extensive argument about another topic (such as Taylors) and how delegation might motivate a workforce and thus increase productivity as well.

An approach which focused primarily on ways of increasing productivity other than delegation usually meant there was little judgement of the extent to which delegation might influence productivity. It is vital that students identify the demands of the question. For this question the focus was on the extent to which greater delegation would be effective in terms of increasing productivity not on other ways in which an increase in productivity might be achieved. A pleasing aspect of this question was the effective use of relevant theories, such as Herzberg, in relation to delegation.

Source: AQA Report on the Examination, A Level Business 7132/1, June 2017.

41. Q22 · A Level Paper 1 · November 2020 · 25 marks · 3.6.3

[< MARK SCHEME](#)

Most students were able to demonstrate an understanding of the product life cycle and analyse how it might influence human resource flow. Weaker answers tended to be those that had a lesser understanding of the human resource flow and were thus unable to demonstrate the impact of the product life cycle stages on HR flow.

Source: AQA Report on the Examination, A Level Business 7132/1, November 2020.

42. Q7 · AS Paper 1 · June 2018 · 1 mark · 3.6.4

[< MARK SCHEME](#)

This question tested a popular concept (Maslow's hierarchy) and was answered correctly by 72% of students. However, the popularity of the answer "security needs" suggests that the hierarchy is not fully understood by a minority of students.

Source: AQA Report on the Examination, AS Business 7131/1, June 2018.

43. Q1 · AS Paper 1 · June 2019 · 1 mark · 3.6.4

[< MARK SCHEME](#)

From the examiner's comments on Section A (multiple-choice questions). The comment may mention other questions too.

Questions 1, 6 and 10 also proved to be challenging for a significant number of students with the most common distractors proving to be response A for question 1, response C for question 10 and response D for question 6.

In addition to response A, question 1 saw a significant number of students opting for responses C and D which suggests that they were lacking a clear understanding of the differences between hygiene factors and motivators in the context of Herzberg's 'two factor' theory.

Source: AQA Report on the Examination, AS Business 7131/1, June 2019.

44. Q10 · AS Paper 1 · June 2022 · 1 mark · 3.6.4

[< MARK SCHEME](#)

From the examiner's comments on Section A (multiple-choice questions). The comment may mention other questions too.

Questions 4 and 10 also proved to be challenging for a significant number of students. Question 4 saw students torn between the correct response of B and response A, with response D also attracting significant support. It would appear as though elasticity continues to be a tricky concept for a lot of students. Question 10 saw students torn between the correct response of A and response D, which suggests that a considerable number of students were lacking a clear understanding of the differences between hygiene factors and motivators in the context of Herzberg's 'two factor' theory, as has been the case in the past.

Source: AQA Report on the Examination, AS Business 7131/1, June 2022.

45. Q5 · AS Paper 1 · June 2024 · 1 mark · 3.6.4

[< MARK SCHEME](#)

From the examiner's comments on Section A (multiple-choice questions). The comment may mention other questions too.

The majority of students opted for the correct responses to questions 2 and 5, with the most common distractor proving to be response A for question 5, although there was no clear distractor for question 2 (with both responses A and D attracting some support).

Source: AQA Report on the Examination, AS Business 7131/1, June 2024.



46. Q9 · AS Paper 1 · June 2024 · 1 mark · 3.6.4[< MARK SCHEME](#)

From the examiner's comments on Section A (multiple-choice questions). The comment may mention other questions too.

The ten multiple choice questions enabled students to demonstrate their knowledge and understanding across a range of the AS subject content. Questions 1 and 8 proved to be the most straightforward, closely followed by questions 9 and 4.

Source: AQA Report on the Examination, AS Business 7131/1, June 2024.

48. Q14 · A Level Paper 1 · June 2019 · 1 mark · 3.6.4[< MARK SCHEME](#)

Students showed a very clear understanding of Taylor's motivation theory in the context of methods of financial payment. This proved to be the most well answered question in this section.

Source: AQA Report on the Examination, A Level Business 7132/1, June 2019.

49. Q11 · A Level Paper 1 · June 2025 · 1 mark · 3.6.4[< MARK SCHEME](#)

From the examiner's comments on Section A (multiple-choice questions). The comment may mention other questions too.

On average, students scored one mark more on the multiple-choice questions in 2025 than in 2023 and 2024, with the mean mark increasing from 9 marks to 10 marks (out of 15). This change could be attributed mainly to the fact that there were only two questions which were correctly answered by less than 50% of the entry, compared to six such questions in 2024. Question 10, on 'operational objectives' proved to be the easiest question. Although the calculations required in this question were quite straightforward, it is unusual for this type of question to yield such a high average mark. The other two questions that yielded high average scores were question 1 on data mining and question 11, on employee engagement. Question 8 proved to be significantly the most challenging question, mainly because students did not recognise the link between labour turnover and the management of retrenchment, although all four options attracted significant numbers of students. Not surprisingly, question 6 also proved to be challenging. This was based on a core topic – break-even – but the graph involved a number of different changes which added to the level of challenge involved. However, nearly half of the students answered this question correctly. Overall, the cohort of students appeared to be more comfortable than previous cohorts in the handling of numerical and graphical information.

Source: AQA Report on the Examination, A Level Business 7132/1, June 2025.

50. Q13 · AS Paper 1 · June 2018 · 4 marks · 3.6.4[< MARK SCHEME](#)

This question proved to be another effective discriminator with around one third of the students achieving full marks by identifying two relevant benefits (one to the retailer and one to employees) and offering a brief explanation of both. A common approach was to build an answer around the notion of 'certainty' with a supporting explanation around planning and budgeting for the retailer and security of an income based on salary rather than commission for the employees. Some impressive answers distinguished between commission as a variable cost to the retailer and salaries as a fixed cost and then linked this to ease of forecasting or budgeting for the retailer.

Responses reaching level 2 in the marking scheme tended either to consider just one perspective (retailer or employee) or just identified benefits with no supporting explanation. A small number of students struggled with this question as they appeared not to understand the concept of 'commission'. Other students devoted an excessive amount of time to this question either by considering the drawbacks in addition to the benefits, or by offering lengthy and detailed

explanations and, in some cases, going on to an additional page. The most effective responses were succinct and focused and tended to be confined to the space provided in the answer booklet (without using the extra space).

Source: AQA Report on the Examination, AS Business 7131/1, June 2018.

52. Q16.1 · AS Paper 1 · June 2017 · 9 marks · 3.6.4[< MARK SCHEME](#)

Most students were able to identify a number of aspects of Richer Sounds' approach to managing human resources and then go on to offer some explanation as to why the business is successful in motivating employees. In the case of the weakest responses, such explanation tended to be very limited and largely descriptive.

A number of students did not appear to fully understand Herzberg's theory and tended to confuse hygiene and motivation factors, while some focused on just one aspect of the theory. Some students developed generic arguments with no reference to Herzberg at all and a small number referred instead to other theorists such as Maslow or Taylor.

The desire by students to define terminology was clear in the responses to this question. Some students defined 'human resources' and 'motivation'; in one or two cases, they even defined the term 'employees', before turning to Herzberg's hygiene and motivation factors. This could waste valuable time without getting to the heart of the question. For this question students needed a clear understanding of hygiene and motivator factors; this was often done with a definition at the start but other students demonstrated it within the answer itself.



Q16.1 · AS Paper 1 · June 2017 (continued)

The most effective responses correctly selected examples of hygiene and motivator factors in the context of Richer Sounds and developed logical chains of reasoning as to why this approach to managing human resources is successful in motivating the employees of this business

Source: AQA Report on the Examination, AS Business 7131/1, June 2017.

53. Q16.1 · AS Paper 1 · June 2019 · 9 marks · 3.6.4

[< MARK SCHEME](#)

This proved to be an accessible question with the vast majority of students being able to provide reasonable responses and a very significant number achieving the highest level. The most impressive responses demonstrated very sound knowledge and understanding of Maslow's hierarchy of needs (often implicitly), and developed very clear links between relevant aspects of the theory and the needs of both groups of employees and the ways in which Colbeck Toys Ltd might motivate them as a consequence. There were very many examples of the excellent use of the context of the scenario provided, and it was striking to see how many students had the confidence to dispense with the customary definition and to convincingly demonstrate their knowledge in the body of the response.

A number of students did not appear to fully understand Maslow's theory while some focused on just one aspect of the theory (for example, attempting to relate the needs of both types of workers to social / belonging or self-actualisation). Some students developed arguments with no reference to Maslow at all, and a small number referred instead to other theorists such as Herzberg, Hackman and Oldham, or Tannenbaum and Schmidt. In both cases, many students were able to access level 2 by thoughtfully identifying the needs of both types of employees and developing convincing links to ways in which the company might motivate them.

A number of responses were limited by various types of mismatch. For example, the suggested ways of motivating employees did not suit the level of the hierarchy indicated. In other cases, students failed to recognise the key issue for one or even both types of employee, although the head office employees seemed to prove more challenging in this respect. A number of discussions around social needs did not really go beyond the suggestion that the business should organise more social events such as 'parties' and 'away days'.

In the case of the weakest responses (of which, there were relatively few), students seemed to have no knowledge of the relevant model, and did little more than identify some issues and any explanation tended to be very limited and largely descriptive.

Source: AQA Report on the Examination, AS Business 7131/1, June 2019.

54. Q17.1 · AS Paper 1 · June 2025 · 9 marks · 3.6.4

[< MARK SCHEME](#)

This also proved to be an accessible question which differentiated effectively, with the majority of students being able to provide reasonable responses, with about 20% of the responses reaching the highest level. The stimulus material presented an abundance of hooks offering access to level 3 by building good arguments rooted in knowledge and understanding of the theory which linked the appropriate elements of the case to low labour turnover.

The most successful responses really picked up on the fact that their lines of reasoning needed to focus on low labour turnover, in addition to demonstrating very sound knowledge and understanding of Herzberg's theory and to developing very clear links between relevant aspects of the theory and the steps taken by Nita to motivate the workforce. There were many examples of the excellent use of the context provided, and it was striking to see how many students had the confidence to dispense with the customary definition and to convincingly demonstrate their knowledge in the body of the response.

A number of students did not appear to understand Herzberg's theory, while some demonstrated only a partial understanding. Some students developed generic arguments with no reference to Herzberg at all, and a small number seemed to be referring instead to other theorists such as Maslow or Tannenbaum and Schmidt. In both cases, many students were still able to access level 2 by thoughtfully identifying aspects of Nita's treatment of her employees and developing convincing links to low labour turnover. A number of responses were limited by various types of mismatches (for example, by suggesting that hygiene factors were motivators). In the lower-level responses, students seemed to have little knowledge of the relevant theory and did little more than identify some issues and any explanation tended to be very limited and largely descriptive.

Source: AQA Report on the Examination, AS Business 7131/1, June 2025.

56. Q2.3 · A Level Paper 2 · June 2022 · 9 marks · 3.6.4

[< MARK SCHEME](#)

Most students showed at least some, and often good, understanding of Maslow's theory. The best answers selectively using Maslow's terminology as part of an argument that was effectively targeted at those in senior management positions, ie, recognising that senior managers will already have satisfied their lower order needs. Good answers were seen that analysed how motivation may have improved, got worse or in some answers suggested both.

For some students, they could list the hierarchy but not apply it to the question asked or, alternatively, were confused with Herzberg's two factor theory.

Source: AQA Report on the Examination, A Level Business 7132/2, June 2022.



57. Q20 · A Level Paper 1 · June 2023 · 9 marks · 3.6.4[< MARK SCHEME](#)

Maslow's theory has tended to be popular with students when considering motivation as a topic. Consequently, it was surprising to see the variations in understanding of this theory in students' answers. Answers often drew on other theories rather than Maslow's or just argued that more money was the best solution. Level 2 responses tended to be answers that showed a good level of understanding of Maslow, but the key discriminator in this question tended to be the use of the context of redundancy in the question. Students who recognised the importance of this context tended to provide the better responses to the question.

Source: AQA Report on the Examination, A Level Business 7132/1, June 2023.

58. Q2.3 · A Level Paper 2 · June 2025 · 9 marks · 3.6.4[< MARK SCHEME](#)

The responses to this question were mixed. Some students had a good understanding of Herzberg and therefore were able to successfully apply the theory to the context. Students who properly understood Herzberg generally scored very well on this question, integrating the theory effectively to aspects of Ajinder's plan and the business situation.

However, less successful responses were either struggling to distinguish between hygiene factors and motivators or were simply able to show an understanding of motivation but none of theory. Some students confused Herzberg with Maslow's Hierarchy of Needs or Taylor's Scientific Management theory.

Less successful responses often incorrectly categorised the motivating and hygiene factors with a common misconception being that training was a hygiene factor.

Source: AQA Report on the Examination, A Level Business 7132/2, June 2025.

59. Q2.4 · A Level Paper 2 · November 2020 · 16 marks · 3.6.4[< MARK SCHEME](#)

Although there were some very good answers to this question, a surprising number of students were clearly unfamiliar with Taylor and scientific management. Poor exam technique was also a feature of some responses - students often described Taylorism and its benefits and argue other theories might be better but not address the question of whether Taylor was a good way for all businesses to motivate employees. Responses frequently lacked depth, focus on the question asked and context(s). The majority of students relied upon generic arguments for and against Taylorism or pros and cons of different motivational theories.

Source: AQA Report on the Examination, A Level Business 7132/2, November 2020.

60. Q8 · AS Paper 2 · June 2018 · 20 marks · 3.6.4[< MARK SCHEME](#)

The best responses focused their answers on 'businesses generally' – and this provided an opportunity for a wide range of examples and situations to be used to illustrate arguments. Theory was often used effectively and selectively to focus on how motivational theorists viewed money.

It was not an expectation that specific business theories would be used – though good responses often made good use of Maslow, Herzberg and Taylor. At times understanding of theory was imprecise – mixing names and theories. When used, McGregor's theory X and Y was

misunderstood – it is not a motivational theory and is not directly on this specification (though would be credited if relevant and used accurately).

Weaker responses were based on unsophisticated assertions based on what the student thought, often based on personal experience, rather than a supported judgement based on relevant arguments.

Source: AQA Report on the Examination, AS Business 7131/2, June 2018.

61. Q8 · AS Paper 2 · June 2024 · 20 marks · 3.6.4[< MARK SCHEME](#)

Overall, this was a well approached question by the majority of students. A high number of students scored between 9 and 15 marks. Once again, as with the last series; not many full mark responses were

seen. The higher mark responses confidently included the issue of using the different methods of motivation to increase labour productivity and using this factor in their context when making a decision. These students used the case study well, and in addition, ensured their responses had an 'ALL' context.

A small minority of students seemed to focus on the financial versus non-financial part of the question and used this to demonstrate all of their knowledge and understanding of everything they knew about these motivation techniques, in general. These responses often completely ignored the labour productivity element in the stem. As said above, those responses that actually focused their responses to address the need to increase labour productivity, with balance in their reasoning, scored highly. Other weaker responses were over detailed in the use of different motivational theories/concepts and often drifted off the demands of the question, stating knowledge of the concepts only.



Q8 · AS Paper 2 · June 2024 (continued)

Overall, it was felt that the knowledge and understanding of financial and non-financial methods of motivation, within a context, was very well demonstrated by many students. It was pleasing to see that the 'ALL' element of the question was well addressed by many students in their responses. The "ALL" element is often seen in the evaluation part of the response and this year it featured in more responses in this part of the answer than in the two years previously.

Source: AQA Report on the Examination, AS Business 7131/2, June 2024.

64. Q11 · AS Paper 1 · June 2022 · 4 marks · 3.6.5

[< MARK SCHEME](#)

This question required students to explain one benefit of a high level of trade union membership to a business and the key to success here was to clearly link the benefit to the business. Most students seemed to have some idea as to what a trade union is and/or were able to identify a generic benefit of membership. The strongest responses were able to explain how the benefit identified might have a positive impact on a business. The most effective responses were impressively concise, demonstrating an understanding of the link between a high level of trade union membership and a beneficial outcome for a business, supported by a brief explanation. The responses that remained in level 1 tended to either simply state a potential benefit without any attempt at explanation, or to offer a definition of a trade union. Just over half of the responses to this question were awarded a mark in level 2, and such responses generally fell short of making a clear and/or convincing link to the notion of a business, tending to see the benefit identified from the perspective of the employee.

Source: AQA Report on the Examination, AS Business 7131/1, June 2022.

65. Q2 · A Level Paper 3 · June 2019 · 12 marks · 3.6.5

[< MARK SCHEME](#)

This was another question that saw most students having a go, although there was evidence that works councils as a concept was understood less well across the cohort. With clues in the case study as to the role of a works council, students could still develop responses. Many students spotted the requirement within the question to use the data from Appendix A. However, only more effective answers managed to link up how the introduction of the works council led to the changes shown in Appendix A – again – explaining how one business action led to a change in performance was a key feature of the most effective responses.

This question did not specify the number of ways, and thus a top-level answer could be achieved by thoroughly explaining one way that the introduction of the works council may have caused the changes shown in Appendix A.

Source: AQA Report on the Examination, A Level Business 7132/3, June 2019.

66. Q17.2 · AS Paper 1 · June 2018 · 16 marks · 3.6.5

[< MARK SCHEME](#)

Many students were able to provide reasonable responses to this question and a significant number moved into the highest levels. Most responses opened with an attempt to define 'stakeholders', although this was not essential as an understanding of this concept could be shown within the arguments made.

The weakest responses tended to identify a range of stakeholders (both internal and external) and offer some limited and largely generic explanation. Students found it very difficult to achieve any kind of focus and sense of context when attempting to build arguments around the impact of increased employee representation on such stakeholders as the government, creditors and suppliers. A number of students appeared to simply work their way through the case study picking out all of the factors that might have a bearing on the level of employee morale, suggesting that 'happy' employees leads to better customer service and 'happy' customers and, therefore, more sales. Such responses seemed to attach great weight to the impact of 'free wi-fi and some improvements to the food'. At best, such approaches tended to generate limited responses which lacked real focus and, in most cases, sacrificed depth for range. A small number of students appeared to be unfamiliar with the notion of stakeholders or appeared to take the view that stakeholders and shareholders are synonymous, and such responses never really moved beyond a discussion of stakeholders in general.

The more effective responses concentrated the discussion on the impact of increased employee representation on the employees and the shareholders (although a number of students were unable to make really convincing use of the material relating to the company's share price). Those responses that struggled to move into the highest level tended to be constrained by a lack of balance and the failure to offer a logical and well-supported overall judgement with a clear focus on the demands of the question.

The most impressive responses generally achieved some balance by weighing up the reality of the benefits for employees by focusing on the continued lack of trade union representation, and the apparent tokenism of the employee representation on the Board of Directors and of the 'Be heard' system. A number of students used stakeholder mapping to good effect and framed their response in terms of relative power and interest, recognising that not all stakeholders are equal, and that the shareholders may well be deriving considerably more benefit in real terms from the increase in employee representation than the employees themselves. These students tended to take the view that the increase in employee representation was essentially an exercise in generating positive PR in response to the negative publicity that the company was receiving.

Once again, the fact that the most impressive responses saw students taking a clear view was striking. There was clear evidence of thinking and planning, and of having a sense of direction from the outset, and this seems to a key to excellent answers in that they are written with a clear intent.



Q17.2 · AS Paper 1 · June 2018 (continued)

Source: AQA Report on the Examination, AS Business 7131/1, June 2018.

67. Q17.2 · AS Paper 1 · June 2023 · 16 marks · 3.6.5[< MARK SCHEME](#)

This question seemed to be very accessible and the vast majority of students were able to provide reasonable responses to this question with about a quarter of the responses moving into the two highest levels. Once again, the weakest responses tended to be highly descriptive in nature with a tendency to simply recycle the material from the case study, and were generally lacking in precision and substance.

The best responses certainly met the challenge of telling us what the student thought in terms of whether this would be a good decision for Napara, and recognised that the balance of the argument lay around the need to restore trust/improve employee motivation/restore corporate

image and the desire of the shareholders to launch the new electric car as quickly as possible in the context of a rapidly changing market.

Many students did identify some the relevant issues involved in this decision, although relatively few built effectively on this to offer a sound and well supported overall judgement as to the best course of action for Napara, and a significant number simply presented the pros and cons without really coming to any clear conclusion. Again, quite a number of responses tended to go down the 'on the hand' and 'on the other' road, with no convincing attempt at making a clear and well supported final decision. Such responses indicated a lack of planning and thinking. For example, a number of students started by asserting that Napara should involve employees in the planning decisions, and then went on to construct arguments to suggest that this was not the case and then, in many cases, their closing statements returned to their original view without any reference to the counter argument in the middle. The result was that there was no weighing up of the issues and the overall judgement simply made an assertion. Students should ensure that their overall judgement is logical and is based on the balance of the arguments provided, and they need to apportion their thinking and actual writing time appropriately. Evaluative questions such as this tend to require a well justified decision/judgement, not just an outline of the case for and against. Students need to think carefully about the demands of the question, to achieve the highest levels.

Other responses contained more developed and applied explanations but were rather one-sided and thus lacked balance, and a significant number of such responses did not offer any real counter arguments, or they did so in a way that was largely descriptive. This inevitably led to judgements that were partial at best. Such responses invariably devoted almost the entirety of the argument to issues around motivation and the relationship of the employees with management. Many of these responses drifted into an essentially generic explanation of a variety of motivation/management style theories (eg Hackman & Oldham, Herzberg, Maslow, MacGregor) and rarely regained focus on the key demands of the question. Such responses failed to recognise the potential for counter argument presented by hooks such as the shareholders' perspective, the skill set of the current workforce and the possibility of job losses.

A significant number of the weaker responses did little more than make a general argument that involving employees in decision making inevitably leads to high levels of motivation, positive relationships with managers and high levels of productivity and quality, and, in so doing, drifted a long way from answering the question.

Once again, it was clearly evident that the most successful students had unpicked the demands of the question, paused for thought and undertaken some planning before ever committing a word to paper. Such students identified the key factors around this decision and used them to shape and frame their argument. They took a clear view, and there was evidence of thinking and planning, and of having a sense of direction from the outset, and this seems to be a key to excellent answers in that they are written with a clear intent.

Source: AQA Report on the Examination, AS Business 7131/1, June 2023.

