

Candidate A evidence

ENTER NUMBER OF QUESTION	DO NOT WRITE IN THIS MARGIN
1.a) (i)	An objective of NHS Scotland would be
	to make the best use of funds they receive. ✓ 1
	Another is to make sure that they
	are providing the best and highest
	quality product or service ✓ that they
	can.
	A final is to ensure that they
	are being environmentally friendly
	in all aspects which could include
	using renewable energy. ✓ 1
(ii)	A feature of the NHS is that they
	are controlled by the ^{government &} board ✓ 1
	directors whereas a public
	limited company are controlled by
	a board of directors ✓ 1

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the NHS	
A public limited company are owned by 1-50 shareholders who can buy shares off the stock market, whereas the NHS are owned by the government and banks.	
b) A benefit of purchasing centrally is that it can be a cost effective way as you could benefit from bulk buying and so therefore this will reduce your spending.	
Another benefit is that you are purchasing from specialised and high skilled staff and so therefore you will know that it is of the highest quality and standard. This means you can be confident it is of a good quality.	

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c)	
<p>A benefit of outsourcing is that it can allow your organisation to focus on its core activities and so this means that core activities should be carried out to a high standard <input checked="" type="checkbox"/> as there is nothing else to focus on.</p>	
<p>A cost of outsourcing is that you lose control in ^{of} what has been outsourced and so this may mean that jobs are not carried out how you would like them <input checked="" type="checkbox"/> This may also result in less quality and so create a bad image. <input checked="" type="checkbox"/></p>	
<p>Another benefit is that you can save costs on machinery and</p>	

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	staff sitting idle by outsourcing as you can use the service only when you need it. ✓ 1 This can reduce the expenses of an organisation on wages or purchasing FM machinery.
	A final benefit is that highly skilled and specialised staff should be doing the work and so this means that the business should be receiving work of a very high standard FM and so perhaps giving customers products of a high standard.
	A final cost is that F outsourcing might be more expensive as because it is highly skilled staff completing the work they might charge more and so the effect of this is that it might increase an organisation's expenses FM and so this may reduce their profits.

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d)(i)	
A tall hierarchy has many layers of management within it, whereas a flat structure only has a few layers. ✓1	
Within a tall structure there is a wide span of control as there are more layers to look after, whereas in a flat structure there is a narrow span of control as there are less layers.	
A tall hierarchy has more promotional opportunities for staff whereas a flat structure has less promotion opportunities. ✓1	
(ii)	
This allows each group to focus on their own division which means	

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	they will be able to meet the needs of their customers wants and need ✓1
	Another benefit is that each group will be able to react quickly to changing external factors in their division. ✓1
e)	<p>advantage</p> <p>Another benefit advantage of virtual learning is that it can allow employees to learn from wherever they are. However, a disadvantage of VLE is that it can be costly to initially set up. ✓1</p> <p>Another advantage is that it can reach a wider range of employees as it uses the internet</p>

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	and so this may attract higher	
~~~~~	quality staff. However, a	
~~~~~	disadvantage of it is that	
~~~~~	employees might not take advantage	
~~~~~	of it and not learn what they	
~~~~~	are supposed to.	

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1-f)	
A factor which would have been considered is ensuring that the staff they are recruiting are very skilled, <del>in</del> in order to ensure patients are being treated by the best GP's.	
Another factor they would <del>have</del> have considered is how many GP's they require. <input checked="" type="checkbox"/> 1 If a lot were required then they <del>may have</del> ^{can} could <del>change</del> encourage more people as "incentives are being offered" <input checked="" type="checkbox"/> 1	
A final factor they would have considered is if training was necessary. <input checked="" type="checkbox"/> 1 "Payments were being offered to experienced GPs to mentor new GPs" suggests that the GPs were trained and there	



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	work was monitored to ensure it	
	was of the highest level.	

	g)(i) A ratio they can calculate is	
	the current ratio. The formula	
	for the current ratio is:	
	$\frac{\text{current assets}}{\text{current liabilities}}$	
	current liabilities. ✓1	
	This ratio tells an organisation	
	how many times their current	
	assets will cover their current	
	liabilities. ✓FM The ideal ratio is 2:1.	
	(ii) It can be used by the <del>UK</del> Scottish	
	Government to see what their net	

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worth is to know if they might	
require <del>of</del> a grant. ✓1	
[ Suppliers would use it to assess	
how quickly they should get paid ✓1	
or if the supplier might have to	
offer trade credit.	
It is used by managers to	
assess <del>ANNA</del> [ if they are going in	
the right direction ✓1 and if any	
changes need to be made, eg	
sell some non-current assets.	
n) A method they may use is ensuring	
that [ they reduce waste by	
introducing quality methods. ✓1 The	
effect of this is that it will	
reduce their raw materials cost	

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whilst also demonstrating them being socially responsible.

Another method they may use is recycling materials. By recycling materials it can save the organisation money and it also might attract customers if they appeal to what they are doing. ✓1

A third method is "reduce energy use and emissions" and this will demonstrate them being socially responsible as they will be being environmentally friendly. ✓1

The effect of this is that it could give them a positive reputation. ✓1

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A final way they can demonstrate that they are socially responsible by "using energy and water efficiently". By doing this it can highlight to customers that they do not want to waste water and energy and so **REP** this can give them a positive image and also save them money by not wasting.

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2.a)	<p>An advantage of capital-intensive is that error is minimised as machines do not make mistakes whereas <del>which</del> humans easily can. However, a disadvantage is that if a machine breakdown this can majorly affect production and it may have to stop over all.</p> <p>Another advantage is that machines do not require breaks or holidays like humans and so this means that production can occur 24/7. However, a disadvantage is that machines can be very expensive and so the initial set up costs might be very high for the organisation.</p>

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b)	

A final advantage is that the consistency of products can be maintained as machines do the same over and over and so this would hopefully mean products are of a higher standard and quality.

preparing a cash budget can allow a business to plan ahead, for example if they will need to get a source of finance organised. By being able to plan ahead it will allow help aid decision making and so hopefully the business will be more successful.

Cash budgets can also be used to compare the predicted figures

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with actual figures and so this can ~~can~~ allow a business to see how accurate their predictions are. ✓1

Cash budgets can also be used to compare your figures with competitor's figures and so this can help an organisation see how well they are competing. It also allows them to decide if any changes should be made in order to increase sales.

2.c)	An effective inventory management	
	system would consist of ensuring	
	not too much <del>more</del> inventory was	
	held at one time. ✓1	

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An effective inventory management system would also ensure that there was never too little inventory at one point as this may lead to a shortage of inventory.

An effective inventory management would have good levels of security and well trained staff to ensure that inventory would not be at risk of being stolen.

An effective inventory management system would also use epos to ensure inventory automatically got reordered when it reached the reorder level.



	d) A benefit of quality circles is that		
	staff can have a say in decision		
	making and so this can allow		
	them to feel trusted ✓ 1		

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Another benefit is that [ feedback is given from those directly involved in production and so a more honest opinion can be given as usually managers will not know much about the production. ✓1

[ A third benefit is that regular meetings between managers and employees can help reduce errors and improve ^{the} quality throughout production. ✓1

A final benefit is that it can motivate staff as ~~they~~ their thoughts are listened ~~to~~ to and built upon and [ so they may feel motivated to work harder which may increase production. ✓1

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3-d)	<p>[ An advantage of having a varied product portfolio is that it spreads the risk as an organisation are not relying on only one product to do well and so this reduces the risk of failure. ✓1</p>
	<p>Another advantage is that [ + can increase the brand's awareness ^{to customers} and so this <del>may</del> increase their market share. ✓1</p>
	<p>Another advantage is that [ + makes it easier to introduce new products if you already have products released. ✓1 This may mean that customers know your previous products are of a high quality and so are confident that any</p>

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new ones will be too. As a result of this it ~~will~~ ^{may} ~~then~~ ^{an} increase ~~your~~ ~~own~~ ~~organisation's~~ profits.

A final advantage is that **[** it can allow an organisation to introduce a new product when another comes towards the end of its life cycle. ~~then~~ This might mean that the organisation can continue to make **✓1** sales.

b) One pricing strategy is **[** low pricing. This is when your prices are set lower than your competitors prices **✓1** eg £3.50 for ~~instead~~ your product and £4 for competitors, when it is the same product.

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Another pricing strategy is premium pricing. This is setting your prices higher than competitors and this is done in order to show your product is of a high quality.

Another strategy is skimming. This is setting your price high to begin with when the product is new, and then reducing it over time as competitors come into the market. can be used on products such as electronics, eg iPad.

Penetration pricing is when a price is set low to begin with and increases over time. This can be used to penetrate

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	<p><del>competitors out of the market.</del> This can <del>can</del> be used as a 'trial price' for a new product. [As more and more customers buy it the price might then increase. ✓1]</p>	
	<p>Destroyer pricing is [when the price is deliberately set extremely low and this is used to force competitors out of the market. ✓1] Once this happens, the price can then increase. [FM]</p>	
	<p>Competitor pricing is setting your prices level with your competitor. [FM]</p>	
	<p>Discrimination prices is when the prices are altered depending on a factor, eg age, gender. [FM]</p>	

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disability, religion. Or the prices can be altered depending on the time of day.

A final strategy is **Loss Leaders**. This is when the price of the product is set ~~from~~ unprofitably low in order to entice customers.

c) **An** advantage of using an app is that it can allow customers to view your ~~own~~ entire range of products all in one place and so this makes it easier for customers. **This** might mean that customers are more likely to purchase something as it is easier for them to explore all the products.

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Another advantage is that an app can be used by a wide range of people all over the world and so the effect of this is that it might increase the organisations market share. ✓1

A final advantage is that an app can be used to promote specific products to different market segments and so this ~~market~~ may increase their sales if customers are enticed by the product promoted to them. ✓1

4.a) Internal recruitment is ~~min~~ recruiting and selecting a member of staff for a job who already currently works within the



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	organisation. Whereas, external
	recruitment is recruiting and
	selecting someone for a job who
	does not currently work for the
	organisation and is out with the
	business.
	Recruiting internally can be quick
	and easy as you already know
	the employee and what they are
	good at, whereas, external
	recruitment is more time
	consuming as you need to go
	through the whole recruitment
	and selection process and find
	the right person who will work
	well with everyone.
	Internal recruitment will not

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require much advertising as it will consist of advertising it on the notice board, whereas, external recruitment requires much more advertising in order to find the right person. ✓1

If a business recruit a member of staff internally, this will mean that now another job will need to be filled. ~~by~~ Whereas, by recruiting externally only one job will be filled which will not require going through selection another time. ✓1

	4.a)	Recruiting externally will mean that staff will require lots of training and to be shown around the business which can be time consuming, whereas ^{by} recruiting internally the member of staff will already know the organisation and so only some training <span style="border: 1px solid red; padding: 0 2px;">FH</span> will be required which is less time consuming.		

	b)	Safety and security needs involves good working conditions, personal safety, health and so in order to fulfil <del>the</del> this, an organisation		

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must ensure that their physiological needs are met first, and then these safety needs.

Esteem needs involves appraisal and empowerment and so in order to fulfil this the organisation must ensure the employees physiological needs, safety needs and love and belonging needs are met first. Each level of the hierarchy must be met first before the next level allows an employee to feel motivated.

Each employee starts at the bottom with the most basic need, then working up to the top.

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c)	<p>[ ACAS stands for Arbitration, Conciliation, Authority Services and so their <del>main</del>^{role} is to ensure that employees <del>can</del> have good working conditions, are receiving a fair pay etc and if they are not ACAS will help fix this by offering support. ✓ 1</p>
	<p>[ Trade unions are a group of people who help employees if they are being treated unfairly ✓ 1 or differently.</p>
d)	<p>An advantage of a bank loan is [ that it can be repaid in installments which can help an organisation improve its cash flow ✓. However, a</p>

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disadvantage is that interest has to be paid on top of the loan amount which could mean the organisation are paying back a lot more than what they borrowed.

An advantage of a grant is that it does not need to be repaid. However, a disadvantage is that they can be very difficult to apply for and actually receive and so it is not always guaranteed that your organisation will get one.

An advantage of leasing is that the leasing company is responsible for renewing or fixing any products. However, a

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5. a)	
<p>disadvantage is that you never actually own the product and it will have to be given back after an agreed time, eg 2 years.</p>	
<p>One role of a manager is planning. This means that they plan the workforce to ensure staff have received efficient training or identify any gaps in staffing. The effect of this is that it can ensure there are no gaps or that decisions have been made in advance.</p>	
<p>Another role is to delegate. This means the manager is responsible for giving employees tasks to carry out. By doing this it can allow staff to feel trusted.</p>	

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and empowered. ✓1	
Another role is to motivate staff.	
This means ensuring staff are	
feeling happy and excited to work	
and encouraging them. The effect	
of this is that staff are more	
likely to work harder and this can	
increase the organisation's	
productivity.	
A fourth role is organising. This	
means ensuring all staff know	
what they are doing and making	
sure each department knows their	
role. The effect of this is that it	
ensures <del>staff know</del> what the	
work needing done is done	
correctly and so this would hopefully	



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minimise ^{REP} errors-	
A final role is ¹ commanding- This	
involves getting the best out of staff	
and encouraging and pushing them to	
work harder. ^{✓ 1} The effect of this is	
that staff are likely to work to	
the best of their ability and so	
this can improve the quality	
of products produced. ^{FM}	
b) ¹ A matrix structure involves	
creating temporary project teams ^{✓ 1}	
who each carry out specific	
tasks-	
This means that ¹ within each	
project team the work should be	
carried out to a high standard as	

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staff will be specialised. ✓1	
A matrix structure may make an	
organisation more productive as	
by working together staff may	
feel more motivated and therefore	
work harder and more effectively. ✓1	
c) Strategic decisions are decisions	
which are made by the top	
managers or supervisors. Whereas	
operational decisions are	
decisions which are made by	
employees and staff. ✓1	
Strategic decisions are long	
term decisions whereas	
operational are decisions	
which are made day to day. ✓1	

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Strategic decisions decide the direction of the organisation, eg growth, whereas operational decisions are decisions such as dealing with customer complaints.

d) The success of a decision can be measured based on the market share of the business. If an organisation's market share increases  1 then this could be as a result of a successful decision.

Another way  it can be measured is by the customer service they receive. If an organisation is receiving lots of customer complaints this implies that a decision has not  1 been successful.

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[	
t can also be measured by how	
much profit the business makes.	
If an organisation's profits have	
increased from the previous year	✓ 1
this suggests their decisions	
have been successful.	
The success can also be measured	
[	
by how well their product is	
selling- If a product isn't	
selling well, it implies a	
decision has not been successful,	
eg the price is too high.	✓ 1