

Cambridge IGCSE™

BUSINESS STUDIES**0450/22**

Paper 2 Case Study

February/March 2026

MARK SCHEME

Maximum Mark: 80

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the February/March 2026 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **20** printed pages.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5:

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

GENERIC MARKING PRINCIPLE 6:

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

**Social Science-Specific Marking Principles
(for point-based marking)****1 Components using point-based marking:**

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

- a** DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
- b** DO credit alternative answers/examples which are not written in the mark scheme if they are correct
- c** DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require n reasons (e.g. State two reasons ...).
- d** DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
- e** DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
- f** DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
- g** DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standardisation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
	Correct point.
	Incorrect point.
BOD	Used when the benefit of the doubt is given in order to reward a response.
TV	Used when parts of the answer are considered to be too vague to be given credit.
REP	Indicates where content has been repeated.
NAQ	Used when the answer or parts of the answer do not answer the question asked.
APP	Indicates appropriate reference to the information in the stem.
OFR	If a mistake is made in a calculation, and the incorrect figure that results from the mistake is used for subsequent calculations.
SEEN	Indicates that the page or content has been seen by examiner, but no credit given.
L1	Level 1 – Used in part (b) questions to indicate where a response includes limited knowledge and/or understanding.
L2	Level 2 – Used in part (b) questions to indicate where a response has a more detailed discussion and contains some evidence of justification.
L3	Level 3 – Used in part (b) questions to indicate where a response includes a well-justified recommendation.

Question	Answer	Marks
1(a)	Explain <u>four</u> reasons why a business might remain small. Award 1 mark for each reason why the business might remain small (max 4). Award a maximum of 1 additional mark for each explanation. There are no application marks available for this question. Relevant reasons might include the following. • The type of industry a business operates in – if the business is in the personal customer service sector, then customers would receive individual attention. • Market size – the business may not have sufficient customers to grow larger. • Owner's objectives – they may feel they lack the management skills to run a larger business. • Access to and availability of capital – if it is difficult to gain access to enough capital then the business may not be able to grow even if the owners wanted to. • Market domination – some industries are dominated by large businesses that benefit from economies of scale making it very difficult for small businesses to compete with them. • Owner wants to keep a close relationship with customers – builds customer loyalty. For example: Market size (1) the business may not have sufficient customers to grow larger. (1)	8

Question	Answer	Marks															
1(b)	Consider the advantages and disadvantages of the following <u>two</u> methods CTD could use to continue to produce high-quality products. Which method should CTD use? Justify your answer. • quality control • quality assurance <table border="1"> <thead> <tr> <th>Level</th><th>Description</th><th>Marks</th></tr> </thead> <tbody> <tr> <td>3</td><td> Sound application of knowledge and understanding of relevant business concepts using appropriate terminology. Detailed discussion of both methods. Well-justified recommendation. Candidates discussing both methods in detail, in context and with a well-justified recommendation including why the alternative method was rejected should be rewarded with the top marks in the band. </td><td>9–12</td></tr> <tr> <td>2</td><td> Sound application of knowledge and understanding of relevant business concepts using appropriate terminology. Detailed discussion of at least one method. Judgement with some justification / some evaluation of choice made. Candidates discussing one or more methods in detail and applying it to the case should be rewarded with the top marks in the band. </td><td>5–8</td></tr> <tr> <td>1</td><td> Limited application of knowledge and understanding of relevant business concepts. Limited ability to discuss the methods with little / no explanation. Simple judgement with limited justification / limited evaluation of choice made. Candidates outlining both methods in context should be rewarded with the top marks in the band. </td><td>1–4</td></tr> <tr> <td>0</td><td>No creditable response</td><td>0</td></tr> </tbody> </table>	Level	Description	Marks	3	Sound application of knowledge and understanding of relevant business concepts using appropriate terminology. Detailed discussion of both methods. Well-justified recommendation. Candidates discussing both methods in detail, in context and with a well-justified recommendation including why the alternative method was rejected should be rewarded with the top marks in the band.	9–12	2	Sound application of knowledge and understanding of relevant business concepts using appropriate terminology. Detailed discussion of at least one method. Judgement with some justification / some evaluation of choice made. Candidates discussing one or more methods in detail and applying it to the case should be rewarded with the top marks in the band.	5–8	1	Limited application of knowledge and understanding of relevant business concepts. Limited ability to discuss the methods with little / no explanation. Simple judgement with limited justification / limited evaluation of choice made. Candidates outlining both methods in context should be rewarded with the top marks in the band.	1–4	0	No creditable response	0	12
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Question	Answer			Marks
1(b)	Relevant points might include:			
		Advantages	Disadvantages	
	Quality control	• Desserts checked at the end of the production line tries to eliminate faults and errors before the customer receives them – should lead to fewer faulty products being sold. • Less training is required for the 8 kitchen workers – as Nadia or an inspector will check the quality of the desserts before they leave the kitchen – keeping down training costs.	• It raises costs as inspectors or Nadia will spend time checking the products. • Identifies faulty desserts at the end of the process but does not identify where the fault has occurred – so faults may continue for longer if it is not identified and corrected – higher costs if desserts need to be scrapped / reworked. • Employees may be demotivated as quality checks are not their responsibility and so do not feel trusted – possibly making more careless errors when carrying out their tasks.	
	Quality assurance	• Products checked at every stage of the production process to try to eliminate faults or errors at each stage of production before passing to the next stage – reducing faults at the end. • Reduced costs of wastage – as fewer desserts are scrapped due to being faulty. • There are fewer customer complaints of faulty desserts – maintaining its good reputation – maintaining sales. • Can make workers feel trusted and may improve motivation – improving efficiency.	• Can be expensive to train the 8 employees to check the quality of their own work – leading to higher costs from training. • The reliability of employees is important, and they need to be committed, or quality assurance will not be effective – only effective if all employees are carrying out their checks correctly. • May take longer to produce desserts as each worker needs to do their own check for faults – may lead to lower output / lower productivity.	

Question	Answer			Marks
1(b)		Advantages	Disadvantages	
			• Ingredients need to be of an approved standard to comply with quality assurance – may restrict the suppliers that can be used – possibly increasing costs. • Employees may ask to be paid more to carry out the quality checks.	
	Recommendation	Justification might include: • If the process to produce desserts is simple, then quality control may be most suitable as inspectors or Nadia may just carry out a simple check at the end of production. The 8 workers do not need to be trained to check their own work, reducing training costs, which they would have to do if quality assurance was used. This makes the production process faster than if quality assurance is used as those employees in the kitchen would need to keep checking the desserts at each stage of the production process. • Quality assurance is best because each stage of production can be checked so it is less likely for a faulty product to go to customers than if quality control is used. CTD keeps a good reputation for high-quality products which is very important. It will ensure faults do not need to be repaired, reducing costs of faulty desserts being scrapped.		

Question	Answer	Marks
2(a)	Explain <u>two</u> advantages and <u>two</u> disadvantages for CTD of using cost-plus pricing. Award 1 mark for each advantage / disadvantage (max 4). Award a maximum of 1 additional mark for each explanation applied to the business. Advantages might include: • The method is easy to apply – when producing desserts • Different profit mark-ups can be used for different products in the café • Each product earns a profit for the business • Ensures costs are covered. Disadvantages might include: • Sales could be lost if the price is higher than competitors' price – for the high-quality products • A total profit for the business overall will only be made if sufficient individual products are sold – by the sole trader • There is no incentive to reduce costs / higher costs are just passed on to the customer • Does not take account of market demand. For example: The method is easy to apply (1) to producing desserts (app). Application could include: café; 8 production employees; work in the kitchen; desserts; high-quality products; good reputation; food and drinks; set-up 4 years ago; tea / coffee; sole trader; 3 employees serving customers; expand to a second café; interest rates increasing from 2% to 6%; create brand loyalty.	8

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2(b)	Consider the following two aims of promotion for CTD. Which aim is likely to be the most important to CTD? Justify your answer. • encouraging new customers • creating brand loyalty <table border="1"> <thead> <tr> <th>Level</th><th>Description</th><th>Marks</th></tr> </thead> <tbody> <tr> <td>3</td><td> Sound application of knowledge and understanding of relevant business concepts using appropriate terminology. Detailed discussion of both aims. Well-justified conclusion. Candidates discussing both aims in detail, in context and with a well-justified conclusion including why the alternative aim was rejected should be rewarded with the top marks in the band. </td><td>9–12</td></tr> <tr> <td>2</td><td> Sound application of knowledge and understanding of relevant business concepts using appropriate terminology. Detailed discussion of at least one aim. Judgement with some justification / some evaluation of choice made. Candidates discussing one or more aims in detail and applying it to the case should be rewarded with the top marks in the band. </td><td>5–8</td></tr> <tr> <td>1</td><td> Limited application of knowledge and understanding of relevant business concepts. Limited ability to discuss the aims with little / no explanation. Simple judgement with limited justification / limited evaluation of choice made. Candidates outlining both aims in context should be rewarded with the top marks in the band. </td><td>1–4</td></tr> <tr> <td>0</td><td>No creditable response</td><td>0</td></tr> </tbody> </table>	Level	Description	Marks	3	Sound application of knowledge and understanding of relevant business concepts using appropriate terminology. Detailed discussion of both aims. Well-justified conclusion. Candidates discussing both aims in detail, in context and with a well-justified conclusion including why the alternative aim was rejected should be rewarded with the top marks in the band.	9–12	2	Sound application of knowledge and understanding of relevant business concepts using appropriate terminology. Detailed discussion of at least one aim. Judgement with some justification / some evaluation of choice made. Candidates discussing one or more aims in detail and applying it to the case should be rewarded with the top marks in the band.	5–8	1	Limited application of knowledge and understanding of relevant business concepts. Limited ability to discuss the aims with little / no explanation. Simple judgement with limited justification / limited evaluation of choice made. Candidates outlining both aims in context should be rewarded with the top marks in the band.	1–4	0	No creditable response	0	12
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2(b)	Relevant points might include: <table><tr><td>Encouraging new customers</td><td> - Needs to raise awareness of the products – new customers may be attracted to make a purchase of tea or coffee – increasing sales which will increase revenue – and this may increase profit if costs are kept under control. - Spreads risk by increasing the number of new customers – to offset any customers who do not return to café. - Increased market share – helps have more control over the market / set prices. - Might increase costs of promotion to increase number of customers. </td></tr><tr><td>Creating brand loyalty</td><td> - By encouraging customers to keep returning to the café to buy desserts – maintains revenue at a steady level – instead of varying during the year – helps improve cash flow and avoid cash flow problems. - May mean customers recommend CTD desserts to their friends – this will encourage more customers to come to CTD – leading to further increases in revenue. - May lead to free advertising by word-of-mouth from satisfied customers – keeping advertising cost low. </td></tr><tr><td>Conclusion</td><td> Justification might include: - Encouraging new customers is the most important aim as the business was only started 4 years ago and this will enable the business to grow due to an increase in sales and revenue from having more customers visit the café. Creating brand loyalty is less important as this will only maintain sales and revenue, not increase them. - Creating brand loyalty is the most important aim as the business relies on customers walking past. If customers are loyal then the café may experience a steady revenue all year round rather than have cash flow problems due to less trade at certain times of the year. </td></tr></table>	Encouraging new customers	- Needs to raise awareness of the products – new customers may be attracted to make a purchase of tea or coffee – increasing sales which will increase revenue – and this may increase profit if costs are kept under control. - Spreads risk by increasing the number of new customers – to offset any customers who do not return to café. - Increased market share – helps have more control over the market / set prices. - Might increase costs of promotion to increase number of customers.	Creating brand loyalty	- By encouraging customers to keep returning to the café to buy desserts – maintains revenue at a steady level – instead of varying during the year – helps improve cash flow and avoid cash flow problems. - May mean customers recommend CTD desserts to their friends – this will encourage more customers to come to CTD – leading to further increases in revenue. - May lead to free advertising by word-of-mouth from satisfied customers – keeping advertising cost low.	Conclusion	Justification might include: - Encouraging new customers is the most important aim as the business was only started 4 years ago and this will enable the business to grow due to an increase in sales and revenue from having more customers visit the café. Creating brand loyalty is less important as this will only maintain sales and revenue, not increase them. - Creating brand loyalty is the most important aim as the business relies on customers walking past. If customers are loyal then the café may experience a steady revenue all year round rather than have cash flow problems due to less trade at certain times of the year.	
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Question	Answer	Marks
3(a)	Explain <u>one</u> reason why CTD might need short-term finance and <u>one</u> reason why CTD might need long-term finance. Award 1 mark for each reason (max 2). Award a maximum of 3 additional marks for each explanation of the reason why a business needs short-term / long-term finance – one of which must be applied to this context. Reasons for short-term finance might include: • To pay for day-to-day expenses to operate the business – such as wages or cost of ingredients – if these costs are not paid the business will not be able to operate • To help avoid / solve a cash flow problem – if sales fall at certain times of the year then cash inflows will reduce, and short-term finance may be needed to enable the business to keep operating • To enable the business to purchase more raw materials if it is increasing its output – these raw materials may need to be paid for before the finished products are sold, and revenue is received. Reasons for long-term finance might include: • To pay for expansion – when another location is opened to grow the business – to pay for the capital required for it to start operating • To pay for new (non-current) assets – to replace old equipment that no longer works / has broken down – so that the business can meet its current demand • To invest in new technology – so the business can become more efficient – reducing its average cost. For example: To pay for day-to-day expenses (1) such as wages or the cost of ingredients (1) to keep the cafe operating, (app) because if these costs are not paid the business will not be able to trade. (1) Application could include: café; 8 production employees; work in the kitchen; desserts; high-quality products; good reputation; food and drinks; set-up 4 years ago; tea / coffee; sole trader; 3 employees serving customers; cost-plus pricing; expand to a second café; interest rates increasing from 2% to 6%; create brand loyalty.	8

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3(b)	Consider the advantages and disadvantages of the following <u>two</u> methods of growth CTD could use. Which method of growth should CTD use? Justify your answer. • setting up a new café • taking over a competitor's café <table border="1"> <thead> <tr> <th>Level</th><th>Description</th><th>Marks</th></tr> </thead> <tbody> <tr> <td>3</td><td> Sound application of knowledge and understanding of relevant business concepts using appropriate terminology. Detailed discussion of both methods of growth. Well-justified recommendation. Candidates discussing both methods of growth in detail, in context and with a well-justified recommendation including why the alternative was rejected should be rewarded with the top marks in the band. </td><td>9–12</td></tr> <tr> <td>2</td><td> Sound application of knowledge and understanding of relevant business concepts using appropriate terminology. Detailed discussion of at least one method of growth. Judgement with some justification / some evaluation of choice made. Candidates discussing in detail both methods of growth and applying it to the case should be rewarded with the top marks in the band. </td><td>5–8</td></tr> <tr> <td>1</td><td> Limited application of knowledge and understanding of relevant business concepts. Limited ability to discuss methods of growth with little / no explanation. Simple judgement with limited justification / limited evaluation of choice made. Candidates outlining both methods of growth in context should be rewarded with the top marks in the band. </td><td>1–4</td></tr> <tr> <td>0</td><td>No creditable response</td><td>0</td></tr> </tbody> </table>	Level	Description	Marks	3	Sound application of knowledge and understanding of relevant business concepts using appropriate terminology. Detailed discussion of both methods of growth. Well-justified recommendation. Candidates discussing both methods of growth in detail, in context and with a well-justified recommendation including why the alternative was rejected should be rewarded with the top marks in the band.	9–12	2	Sound application of knowledge and understanding of relevant business concepts using appropriate terminology. Detailed discussion of at least one method of growth. Judgement with some justification / some evaluation of choice made. Candidates discussing in detail both methods of growth and applying it to the case should be rewarded with the top marks in the band.	5–8	1	Limited application of knowledge and understanding of relevant business concepts. Limited ability to discuss methods of growth with little / no explanation. Simple judgement with limited justification / limited evaluation of choice made. Candidates outlining both methods of growth in context should be rewarded with the top marks in the band.	1–4	0	No creditable response	0	12
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3(b)

Relevant points might include:

	Advantages	Disadvantages
Setting up a new café	• The new café can benefit from the reputation of the existing café in Main City centre – building on its reputation for high-quality desserts – quickly establishing itself in the new location. • May take advantage of purchasing economies of scale – reduce unit costs – when buying larger quantities of coffee and tea. • Likely to have more control over the location / layout of the café.	• Needs to spend time finding a suitable location for the new café – will take Nadia away from other tasks of running the business. • May increase Nadia's workload – she may find it difficult to operate – two cafés may make her less efficient. • May still need to raise the finance to open a new café.
Taking over a competitor's café	• Reduced chance of business failure – as the café will already have regular customers – meaning it will have a customer base who are likely to keep visiting the café. • Banks may be more willing to give loans – as lower risk of failure. • Already has trained employees – so recruitment and training costs will be lower as no need to recruit and train any employees to serve desserts.	• More difficult to make changes if customers are already happy with the existing café and its coffee and tea. • CTD may need to raise finance to take over the café – may result in increased expenses from interest payments for a bank loan. • May lead to conflict if employees at the competitor's café do tasks differently – may lead to lower efficiency / worse customer service. • This may be more expensive than opening a new café as an existing café will already have customers and goodwill may need to be part of the payment.

Question	Answer		Marks
3(b)	Recommendation	Justification might include: - CTD should open its own café so Nadia can recruit the employees herself and the reputation for high-quality in the café will be maintained. If she took over a competitor's café there may be conflict between employees, resulting in lower efficiency. - CTD should take over a competitor's café as then it will already be set up and can operate straight away. There will not be a delay by having to find a suitable site or recruit new employees to make desserts in the café, so revenue should increase immediately.	

Question	Answer	Marks
4(a)	Explain <u>two</u> possible effects on CTD of higher interest rates. Award 1 mark for each effect (max 4). Award a maximum of 3 additional marks for each explanation of the effect – one of which must be applied to this context. Effects might include: - Decreasing sales and revenue – as higher interest rates will make any loans / borrowing more expensive – customers are less likely to visit the café for a treat - May be of little impact if customers view the visit as a treat / small proportion of spending – may not be willing to give up visits even if they have less money to spend due to higher interest payment on borrowing – so little effect on CTD revenue - Make it harder for CTD to expand – as higher interest rates will increase costs of borrowing which will increase expenses – possibly leading to lower profit - Cash outflows will be higher from borrowing – making any cash flow problem worse – especially if an overdraft is taken out to help solve a cash flow problem at certain times of the year. For example: It may make it harder for CTD to expand (1) as the higher interest rate of 6% (app) will make borrowing more expensive (1) and interest costs will increase expenses. (1) Application could include: café; 8 production employees; work in the kitchen; desserts; high-quality products; good reputation; food and drinks; set-up 4 years ago; tea / coffee; sole trader; 3 employees serving customers; cost-plus pricing; expand to a second café; interest rates increasing from 2% to 6%; create brand loyalty.	8

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4(b)	Using Appendix 3 and other information, consider the following <u>three</u> applicants for the job of café manager. Which applicant should Nadia employ? Justify your answer. • Anaya • Bella • Saahan <table border="1"> <thead> <tr> <th>Level</th><th>Description</th><th>Marks</th></tr> </thead> <tbody> <tr> <td>3</td><td> Sound application of knowledge and understanding of relevant business concepts using appropriate terminology. Detailed discussion of two or more applicants. Well-justified recommendation. Candidates discussing at least two applicants in detail, in context and with a well-justified recommendation including why the alternative applicants were rejected should be rewarded with the top marks in the band. </td><td>9–12</td></tr> <tr> <td>2</td><td> Sound application of knowledge and understanding of relevant business concepts using appropriate terminology. Detailed discussion of at least one applicant. Judgement with some justification / some evaluation of choices made. Candidates discussing two or more applicants in detail and applying them to the case should be rewarded with the top marks in the band. </td><td>5–8</td></tr> <tr> <td>1</td><td> Limited application of knowledge and understanding of relevant business concepts. Limited ability to discuss the applicants with little / no explanation. Simple judgement with limited justification / limited evaluation of choices made. Candidates outlining the three applicants in context should be rewarded with the top marks in the band. </td><td>1–4</td></tr> <tr> <td>0</td><td>No creditable response.</td><td>0</td></tr> </tbody> </table>	Level	Description	Marks	3	Sound application of knowledge and understanding of relevant business concepts using appropriate terminology. Detailed discussion of two or more applicants. Well-justified recommendation. Candidates discussing at least two applicants in detail, in context and with a well-justified recommendation including why the alternative applicants were rejected should be rewarded with the top marks in the band.	9–12	2	Sound application of knowledge and understanding of relevant business concepts using appropriate terminology. Detailed discussion of at least one applicant. Judgement with some justification / some evaluation of choices made. Candidates discussing two or more applicants in detail and applying them to the case should be rewarded with the top marks in the band.	5–8	1	Limited application of knowledge and understanding of relevant business concepts. Limited ability to discuss the applicants with little / no explanation. Simple judgement with limited justification / limited evaluation of choices made. Candidates outlining the three applicants in context should be rewarded with the top marks in the band.	1–4	0	No creditable response.	0	12
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0	No creditable response.	0															

Question	Answer			Marks
4(b)	Relevant points might include:			
		Advantages	Disadvantages	
	Anaya	• Paid the lowest expected hourly wage at \$10. • Lowest wage paid at \$1500 per month. • Have the most IGCSEs at 10 – so has potential for training at a higher level. • Internal recruitment may be more motivating for other employees.	• Only worked in CTD's café – so little experience of different ways of working – may need extensive training to appreciate the requirements of being a manager. • Highest training costs at \$6000. • The least experience of working in a café at 4 years – the other applicants have much more experience in cafes / restaurants.	
	Bella	• Already worked as a restaurant manager for 10 years so will be very experienced at doing a manager's job. • No need to pay for training as already knows how to manage a restaurant. • Possibly bring new ideas from the managing a restaurant – which may improve the operation / efficiency of the café.	• Highest wage cost per hour at \$14 per hour. • Highest wage cost per month at \$2100 – may increase labour costs. • Been a manager for 10 years – may not stay at the café for long as it may not be challenging for her. • Bella has only worked in a restaurant, and this may be quite different to a café.	

Question	Answer			Marks
4(b)		Advantages	Disadvantages	
	Saahan	- Lower training cost at \$2000 than Anaya – so training will be cheaper. - Currently been working for 8 years at competitor's café so may know how the competitor operates – which may be helpful to Nadia. - There is more responsibility in managing the cafe so may be more motivating. - Even with the \$2000 training costs – cheaper to employ than Bella.	- More expensive to train than Bella who will no training costs to pay. - Pay \$1800 per month which is more than Anaya. - Lowest number of IGCSEs with 3 – may have less potential to take on more responsibility.	
	Recommendation	Justification might include: - Anaya has the most potential to be a successful manager after the training due to her 10 IGCSEs and is well known to Nadia as she has already worked for her for 4 years. Bella is the most expensive to employ and Saahan may have a different way of working as he has been employed by a competitor which may lead to conflict. - Bella should be employed as she has 10 years' experience of being a restaurant manager and will be able to start the job straight away without any training, unlike the other two applicants. - Saahan should be employed as he has experience of working for a competitor and may be able to bring new ideas to the café making it more competitive.		