Solutions

Business answers are marked by **level of response** against the assessment objectives: award **AO1** knowledge, **AO2** application, **AO3** analysis and **AO4** evaluation.

Each answer shows the steps, then the **result**.

2.1

- the number of staff a manager is directly responsible for (2 for a clear definition; 1 for a partial idea)

2.2

- a tall structure has many levels and narrow spans of control; a flat structure has few levels and wide spans (2 for a clear difference; 1 for a partial idea)

2.3

- when a manager gives a task, and the authority to do it, to a more junior worker (2 for a clear definition; 1 for a partial idea)

3.1

- *[3]* **AO1** 1 — name a benefit (faster communication; lower management cost; more staff empowerment). **AO2** up to 2 — develop it, e.g. fewer levels mean a message reaches the bottom quickly and unchanged
- faster decisions and fewer errors (2 developed / 1 limited)

3.2

- *[8]* For **each** of two effects: **AO1** 1 + **AO2** 1 + **AO3** up to 2. Example chains — *lower costs*: fewer managers
- lower salary bill
- higher profit. *Wider spans*: remaining managers control more staff
- they may be overstretched
- control and quality could fall. Maximum 4 per effect, 8 total. (Reward both a positive and a negative effect.)

3.3

- *[12]* **AO1** 2 / **AO2** 2 / **AO3** 2 / **AO4** up to 6. **Centralisation:** consistent, fast, tight control — but ignores local knowledge and can demotivate. **Decentralisation:** faster local decisions and motivated staff — but weaker control and possible inconsistency. Judgement: a firm in many locations or fast-changing markets gains from decentralising, while one needing tight control or consistency may centralise — the best mix depends on the firm's size, spread and the skill of its local managers