

2(a)	Define the term <i>incremental budgets</i>. Indicative content AO1 Knowledge and understanding Clear understanding - Incremental budgeting is a budgeting process that involves developing a budget by making adjustments/changes to an existing or previous budget (2) Partial understanding - Setting this year's budget based on last year's budget (1) Accept all valid responses.
2(b)	Explain <u>one</u> advantage to a business of using variance analysis There are 3 marks for this question: 1 mark for K 2 marks for APP Indicative content Responses may include: AO1 Knowledge and understanding 1 mark K for identifying one advantage of using variance analysis - Gives a business more control - Clarifies accountability in a business - Improves accuracy of budgets - Improves financial decision making - Identifies areas for improvement. - Allows business to compare their estimated costs with their actual costs - Allows planning - Shows how to allocate resources - More effective strategy

2(b)	AO2 Application 2 marks for developed APP of the advantage given 1 mark for limited APP of the advantage given - Highlights areas of business needing attention - Helps in assessing management performance - Identifies potential problems early - Helps to monitor financial performance - Helps a business to budget more accurately in the future - Helps managers to respond to adverse or favourable variances - Identifies areas of over/under spending and spending not authorised - May lead to improved business efficiency - Helps to monitor success and failure - Helps to identify areas of underperformance - Helps strategic decisions/better planning - Provides fast financial information Accept all valid responses. ①
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Marks	Answer
1	Define the term 'sustainability'. Follow the point-based marking guidance at the top of this mark scheme and use Table A to give marks for each candidate response. AO1 out of 2 marks. Indicative content Responses may include: AO1 Knowledge and understanding - Production systems that prevent waste – by using the minimum of non-renewable resources. - Production levels that can be sustained in the future – by using renewable resources. - Production levels which have minimum impact on society – by creating minimum levels of waste. Accept all valid responses. ②

Answer	Marks
Explain <u>one</u> reason why a manufacturing business might take measures to improve the sustainability of its operations. Follow the point-based marking guidance at the top of this mark scheme and use Table B to give marks for each candidate response. AO1 out of 1 mark. AO2 out of 2 marks. Indicative content Responses may include: AO1 Knowledge and understanding - The identification of one appropriate reason why a manufacturing business might take measures to improve the sustainability of its operations. e.g. to improve company image, to access new markets, happier workforce, avoid pressure group activity, responding to legal controls. AO2 Application - To improve company image more people are becoming willing to value sustainable business activities – and to value and support eco-friendly practices, e.g. green consumerism. - To gain access to new markets where for example governments give preferential treatment to businesses – demonstrating sustainable practices, e.g. renewable energy. - A happier and more productive workforce and a potentially more productive one once a business has become greener and cleaner – using practices, e.g. responsible disposal of waste. Accept all valid responses.	
AO1	1
AO2	2