

## Past-paper walk-through

Recruitment, selection and training of employees ■ 2.3

eXercise

## Questions in this set

- 0450/13 N25 Q4 ■ 20 marks
- 0450/11 J25 Q3 ■ 20 marks
- 0450/12 J25 Q2 ■ 20 marks
- 0450/13 N24 Q4 ■ 20 marks
- 0450/11 J24 Q2 ■ 20 marks

## Reading the mark scheme

- **B1** a mark that stands on its own – the point is either made or not.
- **M1** a *method* mark: the right approach, even if the number is wrong.
- **A1** an *answer* mark, and it usually needs its M mark first.
- **C1** a working mark on the way to the answer.
- **//** separates answers the examiner accepts equally.
- **ecf** = error carried forward: a later part is marked on your own earlier answer.
- **owtte** = “or words to that effect” – the wording need not match.

## Question 4

0450/13 N25 ■ Q4 ■ 20 marks

- 4** ZPR is a business in the tertiary sector. It has 1 restaurant which has 20 employees. The Human Resources Manager is preparing a job description as ZPR needs 2 new chefs. He said: 'I need to advertise the job vacancies externally. ZPR will use a range of financial rewards as it can be difficult to recruit employees.' The manager knows there are many factors for a business to consider when deciding who to recruit.

**(a)** Define 'tertiary sector'.

## Question 4

**(b)** Define 'job description'.

## Question 4

(c) Identify **four** financial rewards a business could use.

## Question 4

## Question 4

## Question 4

## Question 4

## Question 4

## Question 4

## Question 4

## Question 4

(d) Explain **two** ways ZPR could use to advertise its job vacancies externally.

## Question 4

## Question 4

## Question 4

## Question 4

## Question 4

- (e) Explain **two** factors a business should consider when deciding who to recruit. Which factor is likely to be the most important for a tertiary sector business? Justify your answer.

## Solution 4

### (a) Mark scheme

---

- Define 'tertiary sector'.
- Award 2 marks for a full definition. Award 1 mark for a partial
- definition.
- ■
- Industry/industries which provide services to
- consumers/customers and/or other sectors of the
- economy [2]
- ■

## Solution 4

- Businesses that supply a service to consumers and/or
- other businesses [2]
- Partial definition e.g.
- ■
- Provide services [1]
- 2 Who the services are sold to is +1 only.
- Do not award:
- ■
- Examples of businesses such as delivery business,
- accountant, shops as these does not explain the term.

## Solution 4

- ■

- Names of shops/retailers.

## Solution 4

### (b) Mark scheme

---

- Define 'job description'.
- Award 2 marks for a full definition. Award 1 mark for a partial
- definition.
- ■
- Outlines the responsibilities and duties to be carried out
- by someone to do a (specific) job [2]
- ■
- A list of the key points about a job, job title, key duties,

## Solution 4

- responsibilities and accountabilities [2]
- ■
- A description of the tasks, roles, and responsibilities of a
- particular position [2]
- Partial definition e.g.
- ■
- States what the job involves [1]
- 2 1 mark for what includes e.g. examples of elements.
- 1 mark for link to job/position.
- Explain plus e.g. of content can get 2 marks.

## Solution 4

- Examples can be 1 OR +1.
- Max 1 if there is any reference to skills/qualifications.
- 0450/13
- October/November 2025
- Guidance

## Solution 4

### (c) Mark scheme

---

- Identify four financial rewards a business could use.
- Award 1 mark per financial reward (max 4).
- Points might include:
  - ■
  - Time-rate
  - ■
  - Piece-rate
  - ■

## Solution 4

- Salary
  - ■
- Bonus
  - ■
- Commission
  - ■
- Profit sharing
  - ■
- Fringe benefits or examples e.g. discounts on business
- goods

## Solution 4

- ■
- Share ownership
- Other appropriate responses should be credited.
- 4 Only award the first four responses given.
- 0450/13
- October/November 2025
- Guidance

## Solution 4

### (d) Mark scheme

---

- Explain two ways ZPR could use to advertise its job vacancies externally.
- Award 1 mark for identification of each relevant way (max 2).
- Award 1 mark for each relevant reference to this business (max 2).
- Award 1 mark for each relevant explanation (max 2).
- Points might include:
  - ■

## Solution 4

- National newspapers [k] especially as it is difficult to
- recruit employees [app] so could attract people from a
- wider area/whole country [an]
- ■
- Recruitment agencies [k] as need 2 chefs [app] and the
- agency will do all the work for the business (saving
- time) [an]
- ■
- Specialist magazines [k] such as one aimed at
- restaurants [app] as potential employees are more likely

## Solution 4

- to see it [an]

- ■

- Company website [k] of this tertiary sector business

app as there is likely to be no fee/free [an]

- ■

- Online recruitment sites [k] which can reach a large

- number of people [an]

- ■

- (Government run) job centres [k]

- ■

## Solution 4

- Visiting universities/colleges [k]
- ■
- Local newspapers [k]
- Other appropriate responses should be credited.
- 6 To use words from the stem as application, the reference
- must be appropriate (i.e. make sense) in relation to the point
- being made.
- The following words are likely to be appropriate for this
- question:
- ■

## Solution 4

- Tertiary sector
  - ■
- Restaurant
  - ■
- 20 (employees)
  - ■
- Job description
  - ■
- (2) chefs/cooks
  - ■

## Solution 4

- Difficult to recruit employees
- ■
- Financial rewards
- Other appropriate examples can be credited.
- Analysis can focus on explaining the way or an advantage of
- using the way.
- Some analysis can be used for different points but only
- award once.
- 0450/13
- October/November 2025

## Solution 4

- Guidance

## Solution 4

### (e) Mark scheme

---

- Explain two factors a business should consider when
- deciding who to recruit. Which factor is likely to be most
- important for a tertiary sector business? Justify your
- answer.
- Award up to 2 marks for identification of relevant points.
- Award up to 2 marks for relevant development of points.
- Award up to 2 marks for a justified decision as to which
- factor is likely to be the most important for a tertiary sector

## Solution 4

- business to consider when deciding who to recruit.
- Points might include:
  - ■
  - Experience/skills [k] as this shows the person is able to
  - do the job [an] AND/OR may expect higher wages [an]
  - ■
  - Education/qualifications [k] as person is likely to make
  - less mistakes / provide better service [an]
  - ■
  - Personality/attitude/whether trustable [k] as may want

## Solution 4

- someone willing to learn [an]
- ■
- Punctuality/disciplinary record [k] as if they are late, it
- could cause delays [an]
- Other appropriate responses should be credited.
- Justification might include:
  - One factor is skills [k] as this shows that the person is able
  - to do the job [an]. Another factor is personality [k] as
  - someone with the right personality may be more willing to
  - learn [an]. Skills are the most important as fewer mistakes

## Solution 4

- can lead to a better reputation [eval] which is especially
- important for a tertiary sector business, whereas simply
- being willing to learn does not mean they can do the job

eval .

- 6 This is a general question so there are no marks for
- application.
- Some analysis could work for more than one factor, but only
- award once.
- To access evaluation must discuss two factors.
- For evaluation to be awarded justification will usually follow

## Solution 4

- on from relevant analysis of points.

# Question 3

0450/11 J25 ■ Q3 ■ 20 marks

- 3 LFK is a coal-mining business. It has 135 employees who are all provided with training. After the dismissal of one of LFK's employees there is a job vacancy for a new supervisor. External recruitment will be used. The Managing Director is preparing a cash flow forecast for LFK. An extract is shown in Table 3.1.

**Table 3.1**

| <b>Extract from LFK's cash flow forecast July - September 2025 \$000</b> |             |               |                  |
|--------------------------------------------------------------------------|-------------|---------------|------------------|
|                                                                          | <b>July</b> | <b>August</b> | <b>September</b> |
| Cash inflow                                                              | 600         | 400           | 730              |
| Cash outflow                                                             | 720         | <b>X</b>      | 590              |
| Net cash flow                                                            | (120)       | (100)         | 140              |
| Opening balance                                                          | 40          | (80)          | (180)            |
| Closing balance                                                          | (80)        | (180)         | <b>Y</b>         |

## Question 3

---

**(a)** Define 'dismissal'.

## Question 3

(b) Calculate the value of **X** and **Y**.

## Question 3

## Question 3

## Question 3

## Question 3

(c) Identify **four** reasons why a cash flow forecast might be useful to a business.

## Question 3

## Question 3

## Question 3

## Question 3

## Question 3

## Question 3

## Question 3

## Question 3

(d) Explain **two** advantages of LFK training its employees.

## Question 3

## Question 3

- (e) Do you think the advantages of external recruitment for a business are greater than the disadvantages? Justify your answer.

## Question 3

## Solution 3

### (a) Mark scheme

---

- Define 'dismissal'.
- Award 2 marks for a full definition. Award 1 mark for a partial
- definition.
- ■
- When employment is ended against the will of the
- employee, usually for not working in accordance with
- the employment contract [2]
- ■

## Solution 3

- Termination by the employer because the employee has
  - broken company rules or not performing work to the
  - required standard [2]
  - ■
- Employee is told to leave the business because of poor
  - performance/behaviour [2]
- Partial definition e.g.
  - ■
- when someone/employee is told to leave a business [1]
- ■

## Solution 3

- lose job/let go because of bad behaviour [1]
- 2 For two marks need to recognise the employee is being told
- to leave and why.
- Do not award on own:
  - ■
- Lose job
- ■
- Let go
- Accept fired/sacked as alternative to employment ended or
- against their will

## Solution 3

- 0450/11
- May/June 2025
- Guidance

## Solution 3

(b)

### Mark scheme

- Calculate the value of X and Y.
- Award 1 mark for each correct calculation.
- X: 500 000 or (500 000) or 500 [1]
- Y: (40 000) or (40) or – 40 [1]
- 2 Y must be shown as a negative number. This could be using
- brackets/minus sign.

## Solution 3

### (c) Mark scheme

---

- Identify four reasons why a cash flow forecast might be
- useful to a business.
- Award 1 mark for each relevant reason (max 4).
- Points might include:
  - ■
  - Help support a loan application / attract investors
  - ■
- Can identify (possible causes of) cash flow problems

## Solution 3

- ■
- Help (financial) planning / budgeting / manage cash flow
- better / help avoid cash flow problems or insolvency
- ■
- Identify how much a business might need to borrow/size
- of overdraft
- ■
- Identify whether the business will be holding too much
- cash that could be put to better use
- ■

## Solution 3

- Helps with decision making / decide if expansion is
- possible
- Other appropriate responses should be credited.
- 4 Only award the first four responses given.
- 0450/11
- May/June 2025
- Guidance

## Solution 3

### (d) Mark scheme

---

- Explain two advantages of LFK training its employees.
- Award 1 mark for identification of each relevant advantage
- (max 2).
- Award 1 mark for each relevant reference to this business
- (max 2).
- Award 1 mark for each relevant explanation (max 2).
- Points might include:
  - ■

## Solution 3

- To motivate employees [k] to reduce absenteeism /
- lower labour turnover [an] of its 135 employees [app]
- ■
- Help retain/keep/attract employees / lower labour
- turnover [k]
- ■
- To increase skills/knowledge [k] more workers are
- suitable for promotion [an] so may not need to use
- external recruitment [app]
- ■

## Solution 3

- Reduce mistakes/errors / better quality [k]
- ■
- Reduce number of accidents [k] increasing workers' safety [an]
- ■
- Increase efficiency/productivity/reduced waste [k] which can help reduce (average) cost [an] which can reduce its cash outflows of \$600 000 [app]
- ■
- Increase output [k]

## Solution 3

- ■
- Can improve competitiveness [k] of the mine [app]
- ■
- Improve customer service [k]
- ■
- Management training can help improve business
- decisions [k]
- Other appropriate responses should be credited.
- 6 To use words from the stem as application, the reference
- must be appropriate (i.e. make sense) in relation to the point

## Solution 3

- being made.
- The following words are likely to be appropriate for this
- question:
  - ■
  - Coal
  - ■
  - Mining/mines
  - ■
  - 135 (employees)
  - ■

## Solution 3

- Dismissal
- ■
- New supervisor
- ■
- External recruitment
- ■
- Use of data from Table 3.1.
- Other appropriate examples can be credited.
- Advantages can refer to the business or employees.
- Some points can be awarded as [k] or [an] but only award

## Solution 3

- once e.g. reduce mistakes, accidents, efficiency, waste
- The following are AN only:
  - ■
  - reduce costs
  - ■
  - better reputation
  - ■
  - increase sales
  - 0450/11
  - May/June 2025

## Solution 3

- Guidance

## Solution 3

### (e) Mark scheme

---

- Do you think the advantages of external recruitment for
- a business are greater than the disadvantages? Justify
- your answer.
- Award up to 2 marks for identification of relevant points.
- Award up to 2 marks for relevant development of points.
- Award up to 2 marks for a justified decision as to whether
- the advantages of external recruitment for a business are
- greater than the disadvantages.

## Solution 3

- Points might include:
- Advantages:
  - ■
  - Brings new skills/ideas [k] improving productivity /
  - efficiency [an]
  - ■
  - Wider choice of applicants [k] increases possibility of
  - finding the best person for the job [an]
  - ■
  - Can bring valuable knowledge/experience of

## Solution 3

- competition [k] so might gain a competitive advantage

an

- ■
- Avoids creating a vacancy which will need to be filled [k]
- ■
- Avoids risk of upsetting employees when someone
- internal is promoted [k] which could demotivate/cause
- others to leave [an]
- Disadvantages:
- ■

## Solution 3

- Higher recruitment costs [k] increasing cash outflows

an

- ■
- No knowledge of how business works / current
- operations [k] so may need (induction) training [an]
- ■
- More time spent / takes longer to fill vacancy [k] which
- could be used for other purposes [an]
- Other appropriate responses should be credited.
- 6 This is a general question so there are no marks for

## Solution 3

- application.
- Award only once:
- Advantage avoids upsetting employees
- or
- Disadvantage demotivates existing employees
- 0450/11
- May/June 2025
- Guidance
- Justification might include:
- External recruitment can bring in new skills [k] improving

## Solution 3

- productivity [an]. However, the new employee will not know
  - how business works [k] so might need induction training
- an . External recruitment is better because the new ideas
- could lead to lower costs in the long term, [eval] which can
  - more than cover the extra cost of any induction training
  - needed [eval].
  - Guidance

## Question 2

0450/12 J25 ■ Q2 ■ 20 marks

- 2 FLD is a furniture retailer. It has 460 shops and 20 000 employees. Internal recruitment is used when recruiting new shop managers. The Managing Director wants to know whether job rotation is the best method of motivation for a large business to use. The Finance Director is reviewing FLD's income statement. An extract is shown in Table 2.1. She is concerned that FLD's gross profit is decreasing.

**Table 2.1**

| <b>Extract from FLD's income statement for year ending April 2025 (\$ million)</b> |     |
|------------------------------------------------------------------------------------|-----|
| Revenue                                                                            | 400 |
| Gross profit                                                                       | 200 |
| Expenses                                                                           | 60  |
| Profit                                                                             | 140 |

**(a)** Define 'profit'

## Question 2

✓ 100% correct.

## Question 2

(b) Identify **two** expenses a business might have.

## Question 2

## Question 2

## Question 2

## Question 2

(c) Outline **two** possible reasons why FLD's gross profit is decreasing.

## Question 2

## Question 2

(d) Explain **two** advantages to FLD of using internal recruitment when recruiting new managers.

## Question 2

## Question 2

## Question 2

- (e) Do you think job rotation is the best method for a large business to use to motivate its employees? Justify your answer.

## Solution 2

### (a) Mark scheme

---

- Define 'profit'.
- Award 2 marks for a full definition. Award 1 mark for a partial definition.
- ■
- (Total) income of a business (revenue) less total cost [2]
- ■
- (Total) revenue minus total costs [2]
- ■

## Solution 2

- Difference between revenue and total cost [2]
- ■
- Gross profit – expenses [2]
- Partial definition e.g.
- ■
- Revenue minus costs [1]
- Other appropriate responses should also be credited.
- 2 Max 1 mark if refer to money rather than revenue/income.
- 0450/12
- May/June 2025

## Solution 2

- Guidance

## Solution 2

### (b) Mark scheme

---

- Identify two expenses a business might have.
- Award 1 mark for each expense (max 2).
- Points might include:
  - ■
  - Rent
  - ■
  - Rates
  - ■

## Solution 2

- Electricity/gas/heating/lighting/water/utilities
- ■
- Insurance
- ■
- Interest
- ■
- Storage
- ■
- Marketing/advertising
- ■

## Solution 2

- Salaries
- ■
- Maintenance/repairs
- ■
- Phone/internet
- Other appropriate responses should be credited.
- 2 Only award the first two responses given.
- 0450/12
- May/June 2025
- Guidance

## Solution 2

### (c) Mark scheme

---

- Outline two possible reasons why FLD's gross profit is
- decreasing.
- Award 1 mark for identification of each relevant reason (max
- 2).
- Award 1 mark for each relevant reference to this business
- (max 2).
- Points might include:
  - ■

## Solution 2

- Low/fall in amount of sales/demand/customers [k] at its
- 460 shops [app]
- ■
- Change in price / increase/decrease (selling) price [k]
- for the retailer [app]
- ■
- Increase in cost of sales /variable cost / increase in cost
- of inventory [k] so gross profit is at \$200 million [app]
- Other appropriate responses should be credited.
- 4 To use words from the stem as application, the reference

## Solution 2

- must be appropriate (i.e. make sense) in relation to the point
- being made.
- The following words are likely to be appropriate for this
- question:
  - ■
  - Furniture or related words e.g. chair
  - ■
  - 460 (locations)
  - ■
  - Large business

## Solution 2

- ■
- Shop/retailers
- ■
- 20 000 employees
- ■
- \$400 million (revenue)
- ■
- \$200 million (gross profit)
- Other appropriate examples can be credited.
- Accept decreased revenue where no specific examples

## Solution 2

- given e.g. fall in number of sales/change in price.
- 0450/12
- May/June 2025
- Guidance

## Solution 2

### (d) Mark scheme

---

- Explain two advantages to FLD of using internal
- recruitment when recruiting new managers.
- Award 1 mark for each relevant advantage (max 2).
- Award 1 mark for each relevant reference to this business
- (max 2).
- Award 1 mark for each relevant explanation (max 2).
- Points might include:
  - ■

## Solution 2

- Cheaper/lower advertising costs (than external
- recruitment) [k] so lower/maintain expenses [an] of \$60
- million [app]
- ■
- Already knows the business/how the business works [k]
- so can be productive sooner [an] to help sell furniture

app

- ■
- Less/no (induction) training needed [k]
- ■

## Solution 2

- Can motivate employees [k] at the 460 locations [app]
- reducing labour turnover/increase employee
- loyalty/increase sales [an]
- ■
- The business knows the person/their
- ability/reliability/potential/can trust them [k] reducing
- chance of selecting the wrong person [an]
- ■
- Recruitment is quicker [k] so able to focus on other
- business tasks [an] such as increasing its revenue

## Solution 2

- above \$400 million [app]
- Other appropriate responses should be credited.
- 6 To use words from the stem as application, the reference
- must be appropriate (i.e. make sense) in relation to the point
- being made.
- The following words are likely to be appropriate for this
- question:
- ■
- Furniture or related terms e.g. chair
- ■

## Solution 2

- 460 (locations)
- ■
- Large business
- ■
- Shop/retailers
- ■
- 20 000 employees
- ■
- \$60 million (expenses)
- ■

## Solution 2

- \$400 million (revenue)
- ■
- \$200 million (gross profit)
- Other appropriate examples can be credited.
- 0450/12
- May/June 2025
- Guidance

## Solution 2

### (e) Mark scheme

---

- Do you think job rotation is the best method for a large
- business to use to motivate its employees? Justify your
- answer.
- Award up to 2 marks for identification of relevant points.
- Award up to 2 marks for relevant development of points.
- Award up to 2 marks for a justified decision as to whether
- job rotation is the best method for a large business to use to
- motivate its employees.

## Solution 2

- Points might include:
- Job rotation:
  - ■
- More flexible/gain new skills [k] leading to higher
- productivity [an]
  - ■
- Can cover/replace others when someone is absent [k]
- so may be able to meet an order on time [an]
  - ■
- Makes the work more interesting/less boring for

## Solution 2

- employees [k] so lower absenteeism/labour
- turnover/increase productivity [an]
- ■
- Increased training needed [k] increasing costs/expenses

an

- ■
- Workers may not be willing/able to do different tasks [k]
- lowering quality/increasing waste/leading to mistakes

an

- ■

## Solution 2

- Takes time to switch to/learn different tasks [k]
- Other methods might include:
  - ■
  - Job enrichment [k] adding more
  - responsibilities/challenging work/making workers feel
  - more valued/recognised/trusted [an]
  - ■
  - Bonus [k] only pay out if target reached [an]
  - ■
  - Praise [k] involves no additional cost [an]

## Solution 2

- ■
- Training [k] which provides new skills [an]
- ■
- Promotion (opportunities) [k]
- Other appropriate responses should be credited.
- 6 This is a general question so there are no marks for
- application.
- To access knowledge candidates must name and not simply
- describe the method.
- For evaluation to be awarded justification will usually follow

## Solution 2

- on from relevant analysis of points.
- 0450/12
- May/June 2025
- Guidance
- Justification might include:
  - One advantage is the work is less boring for employees [k]
  - which can lower absenteeism [an]. Another method is
  - increasing wages [k] but this will increase expenses [an].
  - Job rotation is best for a large business because lower
  - absenteeism would reduce costs of bringing in additional

## Solution 2

- employees [eval] which could offset the higher labour costs
- for a large business which is likely to have many employees

eval .

- Guidance

## Question 4

0450/13 N24 ■ Q4 ■ 20 marks

- 4** RHN is a clothing retailer. It has 50 shops and 290 employees. All RHN's employees are provided with training. Commission is used as one method of financial reward. The business often uses internal recruitment when there is a job vacancy. Last year RHN made a profit of \$1.5 million. The Managing Director, as an internal user of accounts, has been analysing RHN's statement of financial position.

**(a)** Define 'commission'.

## Question 4

(b) Identify **two** external users of accounts.

## Question 4

## Question 4

## Question 4

## Question 4

(c) Identify **four** ways the information in a statement of financial position can be used.

## Question 4

## Question 4

## Question 4

## Question 4

## Question 4

## Question 4

## Question 4

## Question 4

(d) Explain **two** possible reasons why providing training for its employees is important to RHN.

## Question 4

## Question 4

## Question 4

## Question 4

## Question 4

- (e) Do you think the advantages for a business of using internal recruitment are greater than the disadvantages? Justify your answer.

## Solution 4

(a)

### Mark scheme

- Define 'commission'.
- Award 2 marks for a full definition. Award 1 mark for a partial definition.
- Payment to employees relating to the number/value of sales made [2]
- Partial definition e.g. money based on sales / what sold [1]
- 2

## Solution 4

### (b) Mark scheme

---

- Identify two external users of accounts.
- Award 1 mark per user of external accounts (max 2).
- Points might include:
  - ■
  - Banks/lenders
  - ■
  - Suppliers
  - ■

## Solution 4

- Government
  - ■
- Potential investor
  - ■
- Local community/pressure groups
- Other appropriate responses should be credited.
- 2 Only award the first two responses given.
- 0450/13
- October/November 2024
- Notes

## Solution 4

### (c) Mark scheme

---

- Identify four ways the information in a statement of financial position
- can be used.
- Award 1 mark per way (max 4).
- Points might include:
  - ■
  - Calculate working capital
  - ■
  - Calculate current ratio

## Solution 4

- ■
- Calculate acid test ratio
- ■
- Shows how the business finances its activities / shareholders can see how
- any expansion has been funded
- ■
- Shows the assets the business owns / what the business owns
- ■
- Show value of liabilities / what the business owes
- ■

## Solution 4

- Support loan application / raise finance / show investors
- ■
- Show value of the business / what the business is worth
- ■
- Compare performance over time
- ■
- Compare performance against competitors
- Other appropriate responses should be credited.
- 4 Only award the first four responses given.
- 0450/13

## Solution 4

- October/November 2024
- Notes

## Solution 4

### (d) Mark scheme

---

- Explain two possible reasons why providing training for its employees is
- important to RHN.
- Award 1 mark for identification of each relevant reason (max 2).
- Award 1 mark for each relevant reference to this business (max 2).
- Award 1 mark for each relevant explanation (max 2).
- Points might include:
  - ■
- More skilled / flexible employees [k] so can cover absences of others [an]

## Solution 4

- in its 50 shops [app]
- ■
- Fewer mistakes / better quality (service) [k] from its 290 employees [app]
- which could improve its reputation [an]
- ■
- Increases motivation [k] which can help reduce labour turnover [an] which
- is helpful as uses internal recruitment [app]
- ■
- Fewer customer complaints [k] about its clothing [app] increasing
- customer loyalty [an]

## Solution 4

- ■
- Less supervision needed [k], so managers have time to focus on other
- activities [an]
- ■
- Improves efficiency/productivity [k]
- ■
- Fewer accidents / ensure safe working conditions [k]
- ■
- Able to train others [k] reducing training costs [an]
- ■

## Solution 4

- Provide new ideas / improves innovation [k]
- ■
- Helps attract (potential) employees [k]
- ■
- Helps introduce a new process [k]
- Other appropriate responses should be credited.
- 6 To use words from the stem as application,
- the reference must be appropriate (i.e.
- make sense) in relation to the point being
- made.

## Solution 4

- The following words are likely to be
- appropriate for this question:
- ■
- Clothing
- ■
- Shops/retailer
- ■
- 290 (employees)
- ■
- Commission (financial reward)

## Solution 4

- ■
- Internal recruitment
- ■
- \$1.5m (profit)
- ■
- 50 (locations)
- Other appropriate examples can be
- credited.
- Some points can be [k] or [an] but only
- award once.

## Solution 4

- The following are [an] only:
  - ■
  - Better reputation
  - ■
  - Increase sales
  - ■
  - Employee loyalty / lower labour
  - turnover
  - ■
  - Customer loyalty

## Solution 4

- 0450/13
- October/November 2024
- Notes

## Solution 4

### (e) Mark scheme

---

- Do you think the advantages for a business of using internal recruitment
- are greater than the disadvantages? Justify your answer.
- Award up to 2 marks for identification of relevant points.
- Award up to 2 marks for relevant development of points.
- Award up to 2 marks for a justified decision as to whether the advantages of
- internal recruitment for a business are greater than the disadvantages.
- Points might include:
- Advantages:

## Solution 4

- ■
- Employees know the business [k] so can start work more quickly / less
- training needed [an]
- ■
- Low cost/cheaper [k] which reduces cash outflows / as do not have to
- spend funds on job advertisements [an]
- ■
- Less time-consuming / quicker [k] which means time can be used for
- other purposes [an]
- ■

## Solution 4

- Can motivate employees [k] so reducing labour turnover / encourages
- employee loyalty / improve efficiency [an]
- ■
- Company knows the employee [k] which reduces risk / likelihood of
- employing someone who is not appropriate for the job [an]
- Disadvantages:
- ■
- Suitable candidates may not be available / employees may not have
- experience / skills needed [k] which could lead to mistakes / wrong actions
- taken [an]

## Solution 4

- ■
- Reduces pool / fewer potential candidates [k]
- ■
- Would create another vacancy for the business to fill [k]
- ■
- Could create resentment / jealousy among those not selected [k] which
- could demotivate these employees [an]
- ■
- Lack of new ideas [k] so business may become less competitive [an]
- 6 This is a general question so there are no

## Solution 4

- marks for application.
- Some analysis could be used for more than
- one point, but only award once.
- 0450/13
- October/November 2024
- Notes
- Other appropriate responses should be credited.
- Justification might include:
- Internal recruitment is cheaper [k] which reduces cash outflows [an]. However,
- the current employees may not have skills needed [k] leading to mistakes

## Solution 4

- being made [an]. The potential disadvantages are greater because those
- mistakes could damage the businesses reputation [eval] which is likely to cost
- the business more money in the long term. [eval]

## Question 2

0450/11 J24 ■ Q2 ■ 20 marks

- 2** ADN is a food retailer. It has 5 shops and 300 full-time employees. All ADN's employees receive off-the-job training. ADN has a tall hierarchical structure. Managers have a narrow span of control and all use an autocratic leadership style. ADN's directors are planning to expand the business and cannot decide whether it is better for a business to use internal growth or external growth.
- (a)** Define 'span of control'.

## Question 2

**(b)** Define 'autocratic leadership style'.

## Question 2

(c) Outline **two** benefits to ADN of having full-time employees.

## Question 2

(d) Explain **one** benefit and **one** limitation to ADN of using off-the-job training.

## Question 2

- (e) Do you think it is better for a business to use internal growth or external growth when planning to expand? Justify your answer.

## Solution 2

### (a) Mark scheme

---

- Define 'span of control'.
  - Award 2 marks for a full definition. Award 1 mark for a partial definition.
  - (Number of) subordinates working directly under a manager
- 2
- OR
  - (Number of) subordinates reporting to each supervisor/manager [2]

## Solution 2

- OR
- (Number of) subordinates someone has within their
- authority/under their control [2]
- Partial definition e.g. (number of) staff that a manager is
- responsible for [1]
- OR subordinates who work under a manager [1]
- 2
- 0450/11
- May/June 2024
- Notes

## Solution 2

### (b) Mark scheme

---

- Define 'autocratic leadership style'.
- Award 2 marks for a full definition. Award 1 mark for a partial definition.
- Leader/manager makes all the decisions [2]
- OR
- Where the manager expects to be in charge of the business
- and to have their orders followed [2]
- Partial definitions e.g. employees are simply told what to do

## Solution 2

1

- OR employees have no say in decisions [1]
- 2 For two marks the candidates need to show awareness that
- the decision making is by a leader or manager not a director
- or person in the company.

## Solution 2

### (c) Mark scheme

---

- Outline two benefits to ADN of having full-time
- employees.
- Award 1 mark for each relevant benefit (max 2).
- Award 1 mark for each relevant reference to this business
- (max 2).
- Points might include:
  - ■
- Consistent service [k] at the 5 shops [app]

## Solution 2

- ■

- Workers likely to be loyal/less likely to leave [k] the food

- retailer [app]

- ■

- Easy to communicate with/update [k] the 300 employees

app

- ■

- Need to recruit/train fewer employees [k]

- Other appropriate responses should be credited.

- 4 To use words from the stem as application, the reference

## Solution 2

- must be appropriate (i.e. make sense) in relation to the point
- being made.
- The following words are likely to be appropriate for this
- question:
  - ■
  - Food or related words
  - ■
  - 5 (locations)
  - ■
  - Shops/retailer

## Solution 2

- ■
- 300 employees
- ■
- Tall hierarchical organisational structure
- ■
- Narrow span of control
- ■
- Autocratic leadership style
- ■
- Planning to expand/internal growth/external growth

## Solution 2

- Other appropriate examples can be credited.
- 0450/11
- May/June 2024
- Notes

## Solution 2

### (d) Mark scheme

---

- Explain one benefit and one limitation to ADN of using
- off-the-job training.
- Award 1 mark for identification of each relevant
- benefit/limitation (max 2).
- Award 1 mark for each relevant reference to this business
- (max 2).
- Award 1 mark for each relevant explanation (max 2).
- Points might include:

## Solution 2

- Benefits:

- ■

- Learn the latest/new methods [k] for use in the 5 shops

app so business can remain competitive [an]

- ■

- Broad range of skills can be taught [k] to the full-time

- employees [app] so they can become more efficient

an

- ■

- Can learn from experts/specialists [k] which may be

## Solution 2

- helpful as trying to expand [app]
- ■
- Can focus 100% on training [k] therefore make less
- mistakes [an]
- ■
- Mistakes when learning don't affect the business [k]
- which can protect the reputation [an] of the food retailer

app

- ■
- Workers do not learn bad habits [k] so mistakes are

## Solution 2

- avoided [an]
- ■
- It does not disrupt work of other employees [k]
- ■
- Increased motivation of employees [k]
- 6 To use words from the stem as application, the reference
- must be appropriate (i.e. make sense) in relation to the point
- being made.
- The following words are likely to be appropriate for this
- question:

## Solution 2

- ■
- Food or related words
- ■
- 5 (locations)
- ■
- Shops/retailer
- ■
- 300 employees
- ■
- Full-time

## Solution 2

- ■
- Narrow span of control
- ■
- Autocratic leadership style
- ■
- Planning to expand / internal growth / external growth
- Other appropriate examples can be credited.
- 0450/11
- May/June 2024
- Notes

## Solution 2

- Limitations:
  - ■
  - High cost/expensive [k] as have 300 employees [app]
  - which increases expenses [an]
  - ■
  - Loss of working time [k] leading to less work done/fewer
  - sales [an]
  - ■
  - Not necessarily tailored to individual business [k]
  - ■

## Solution 2

- Additional qualifications mean it is easier for the
- employee to leave/find another job [k] increasing
- time/cost of recruitment [an]
- Other appropriate responses should be credited.
- 0450/11
- May/June 2024
- Notes

## Solution 2

### (e) Mark scheme

---

- Do you think it is better for a business to use internal
- growth or external growth when planning to expand?
- Justify your answer.
- Award up to 2 marks for identification of relevant points.
- Award up to 2 marks for relevant development of points.
- Award up to 2 marks for a justified decision as to whether it
- is better for a business to use internal growth or external
- growth when planning to expand.

## Solution 2

- Points might include:
- Internal growth:
  - ■
- Easier to control/manage growth [k] which can help
- avoid diseconomies of scale [an]
  - ■
- Lower investment may be needed [k] so less need to
- borrow (as much) [an]
  - ■
- Slow method [k] so business may become

## Solution 2

- uncompetitive/may miss business opportunities [an]
- ■
- Less risk [k]
- External growth:
- ■
- Quick method [k] so able to take advantage of new
- market opportunities [an] which can increase revenue

an

- ■
- Removing a competitor [k] increases market

## Solution 2

- share/power [an] may be able to set/influence prices [an]
- ■
- Large amounts of finance may be required [k] which
- increases finance costs [an]
- Other appropriate responses should be credited.
- 6
- This is a general question so there are no marks for
- application.
- Advantages of one method can be presented as
- disadvantages of the other method but do not award the

## Solution 2

- same point twice as mirror answers are not accepted.
- Do not award general advantages and disadvantages of
- growth such as economies of scale as applies to both
- methods.
- For evaluation to be awarded justification will usually follow
- on from relevant analysis of points.
- 0450/11
- May/June 2024
- Notes
- Justification might include:

## Solution 2

- One advantage of internal growth is it is easier to control the
- rate of growth [k] which can help avoid diseconomies of
- scale [an]. However, external growth can be faster [k] so the
- business can take advantage of opportunities [an]. Overall
- external growth is better as by taking over a competitor market
- share can be increased [eval] increasing market power

eval .

- Notes