T Level Technical Qualification in Management and Administration

Management and Administration Core (8715-30)

Theory Exam 2 (8715-032)

Mark Scheme

Marker guidance

Unless otherwise stated in the marker guidance for a specific question, the following conventions apply:

- All marking, from start to finish must be consistent and in line with the mark scheme guidance. Continue to refer to the mark scheme throughout marking.
- For questions that ask for a specific number of points, accept the first answers given up to the number requested e.g. State three… only accept the first three answers listed, and disregard any additional answers provided.
- For questions requiring continuous prose answers, mark positively – all correct answers should receive the appropriate mark according to the mark scheme. Any wrong (**but neutral/irrelevant**) answers should be ignored, and no marks should be lost (see further below).
- In some circumstances, it is appropriate to disallow a candidate answer that initially appears to give the correct answer as given in the mark scheme, if it is undermined by the fact that it goes on to actively **contradict** its intention. Sometimes the minimal wording used in the mark scheme allows a match that in reality is trivial and it is clear the candidate is referring to the wrong knowledge/understanding. Only the part of the response to which the contradiction applies should be disallowed, not the whole response. Material that is irrelevant/neutral but not contradictory should be ignored and positive marking applied as above.
- Use all marks for a question as described by the mark scheme – e.g. for a 2 mark question, 0, 1 or 2 marks will always be available to award (never just 0 or 2). For levels marking, the full range of marks should be used freely as described by the mark scheme including 0 and full marks.
- Always award whole marks; ½ marks cannot be awarded.
- Allow phonetic misspellings as long as the meaning is clear, i.e. not so similar to another relevant but wrong term that you have to guess which was intended.
- Only allow 'it' as reference to the question topic if it is clear what 'it' refers to.
- Mark crossed out work UNLESS it has been replaced by another response.
- Where judgement is required, apply the guidance. Where the guidance does not sufficiently support for a particular candidate response/interpretation, contact your Team Lead.
- Accept alternative wording which reflects that given in the mark scheme.
- Contact your Team Lead if any additional correct answers arise which need to be added to the mark scheme.

- **For level of response mark schemes:**
  Note: indicative content has been provided to help orient the marking, providing a sense of the intentions of the question and expected parameters of the response. It is not exhaustive, and candidates do not need to cover all points referenced.
  Candidates may provide good quality responses while taking an approach which legitimately focuses either on breadth or depth given the time constraints. While the best responses are more likely to go to some depth across a broader range, there will be acceptable variation. Any pointers in the question towards coverage e.g. '…a range of…' should be kept in mind and balanced, though professional judgement, as to how much this affects the overall quality of the response when applying the marking instructions.

  The marking should be carried out with reference to the levels descriptors in the marking instructions as follows:

o First, read the full candidate response and decide which band descriptor best fits the overall level of quality of the response in the context of the indicative content.
o Then, to decide on a mark within the band, consider the ***degree to which* the response fits the criteria,** as indicated by the diagram below:

Comprehensively	Top of mark range for the band	5th	4th	3rd
Substantially		4th	3rd	
		3rd		2nd
Generally			2nd	
		2nd		
Borderline	Positively mark and place on the bottom of the band	1st	1st	1st

The table below provides further detail on the descriptors used within each of the mark bands and what is expected at each level. Use the descriptors below alongside the mark scheme to support accurate and consistent judgment of candidate's response and allocation of marks.

	AO2	AO3
Basic	Limited application of understanding that is relevant to the context or question. Application of understanding is undeveloped, with limited accuracy in interpretation through lack of application of relevant knowledge and understanding.	Limited accuracy in analysis through lack of application of relevant knowledge and understanding. Unsupported evaluation through lack of application of knowledge and understanding. Un-supported judgement through lack of application of knowledge and understanding.
Good	Some application of understanding that is relevant to the context or question. Some accuracy in interpretation through the application of some relevant knowledge and understanding.	Some accuracy in analysis through the application of some relevant knowledge and understanding. Partially supported evaluation through the application of some relevant knowledge and understanding. Partially supported judgement through the application of some relevant knowledge and understanding.
Thorough	A range of accurate application of understanding that is relevant to the context or question. Accurate interpretation through the application of relevant knowledge and understanding.	Accurate analysis through the application of relevant knowledge and understanding. Supported evaluation through the application of relevant knowledge and understanding. Supported judgement through the application of relevant knowledge and understanding.

Comprehensive	A range of detailed and accurate application of understanding that is fully relevant to the context or question. Detailed and accurate interpretation through the application of relevant knowledge and understanding.	Detailed and accurate analysis through the application of relevant knowledge and understanding. Detailed and substantiated evaluation through the application of relevant knowledge and understanding. Detailed and substantiated judgement through the application of relevant knowledge and understanding.

Assessment Objectives

AO1a	AO1b	AO2	AO3
Recall of knowledge	Demonstrates understanding	Apply knowledge and understanding to different situations and contexts	Analyse and evaluate information and issues

This exam has been split into **two** sections.

Below details the types of questions and marks available for each section.

Section A is made up of **55** marks and includes **17** short answer and medium answer questions.
Section B is made up of **45** marks and includes **4** extended response questions.

English skills
Candidates are advised that their quality of written response will be considered in Section B of this core exam paper. The quality of written response should be considered when marking these questions. The descriptors in the mark schemes for each question identify the level of quality of written response expected to be seen within each marking band.

Maths skills
Candidates are advised that where calculations are required within question in Section A of this core exam paper, that these questions will assess their Maths skills. Questions where Maths skills are targeted are highlighted with the following wording in the 'Guidance' section of relevant questions: '*The marks available in this question (x) target Maths competencies.*'

Section A

Q1	What is the name of the accrediting body that develops, publishes and promotes worldwide industrial and commercial quality criteria?			
	Acceptable answer(s)	**Guidance**	**Max marks**	**Test Spec ref & AO**
	International Organisation for Standardization / ISO	Award **1 mark** for the full name in the correct format or the correct acronym ISO. Only award for International Organisation for Standardization and no other version.	1	**3.2 AO1a**
KO	KO3 Quality and Compliance			
Paper	**2 lines**			

Q2	Identify **one** internal source of finance for an organisation.			
	Acceptable answer(s)	**Guidance**	**Max marks**	**Test Spec ref & AO**
	- Savings - Retained profit - Sale of assets - Owner's capital	Award **1 mark** for any acceptable answer. Accept specific examples where knowledge is evident (e.g. sale of company property as an acceptable example of 'sale of assets').	**1**	**4.3 AO1a**
KO	KO4 Finance			
Paper	**2 lines**			

Q3	Identify **one** project management tool that can be used to help visualise the different stages of a project.			
	Acceptable answer(s)	**Guidance**	**Max marks**	**Test Spec ref & AO**
	- GANTT chart - Flowchart - Critical flow analysis - PERT	Award **1 mark** for any acceptable answer. Accept any other alternative answer that reflects a project management tool that visualises a project. **Do not accept** Pareto	1	**6.5 AO1a**
KO	KO6 Project and change management			
Paper	**2 lines**			

Q4	State **two** features of an effective workplace procedure.			
	Acceptable answer(s)	**Guidance**	**Max marks**	**Test Spec ref & AO**
	- Is easily understood - Is transparent in its demand - It supports consistency - It limits opportunities for errors	Award **1 mark** for each correct response to a maximum of **2 marks.** Accept any other alternative answer that states a valid feature of an effective workplace procedure.	**2**	**5.1 AO1a**
KO	KO5 Policies and Procedures			
Paper	**4 lines**			

Q5	State **three** reasons for continuous improvement activities within an organisation.			
	Acceptable answer(s)	**Guidance**	**Max marks**	**Test Spec ref & AO**
	• To support company strategy • To improve competitiveness • To develop market position • To improve consumer experience • To adapt to changing environments	Award a maximum of **1 mark** for each correct reason identified to a maximum of **3 marks.** Accept any correct alternative reason for an organisation undertaking continuous improvement.	3	**6.2** **AO1a**
KO	KO6 Project and change management			
Paper	**6 lines**			

Q6	Describe the purpose of capital expenditure for an organisation.			
	Acceptable answer(s)	**Guidance**	**Max marks**	**Test Spec ref & AO**
	Use of money on fixed assets (1) that are used to increase capability/ performance of the organisation (1) or increase revenue/expenditure over a longer period (1).	Award **1 mark** for each point to a maximum of **2 marks.** .	**2**	**4.4 AO1a**
KO	KO4 Finance			
Paper	**4 lines**			

Q7	Explain why an organisation would create an annual budget.			
	Acceptable answer(s)	**Guidance**	**Max marks**	**Test Spec ref & AO**
	To set cost forecasts for activities to be undertaken, to ensure that those expected costs can be monitored effectively (1) and controlled against targets (1). To support planning of activities for the year, to identify what is realistic to achieve (1) and how much it will cost to achieve (1).	Award **1 mark** for each development point to a maximum of **2 marks.** Accept any correct alternative responses that reflects the reason for developing an annual budget.	**2**	**4.5 AO1b**
KO	KO4 Finance			
Paper	**4 lines**			

Q8	An organisation is recognised as providing an excellent service for its users.				
	Describe **one** approach that the organisation can use to maintain their high service levels.				
	Acceptable answer(s)	**Guidance**	**Max marks**	**Test Spec ref & AO**
	Actively seek feedback from users, using this to identify the organisation's strengths/weaknesses (1), then determine how to operate to continually deliver (1) or improve where issues may be identified (1).	Award **1 mark** for each development point, to a maximum of **3 marks**.	3	**3.1 AO1b**
	Ensure the organisation continues to deliver to its strengths/excellent service for its users as this will ensure user confidence/reliable perception of the service is maintained (1) through continually meeting their expectations (1), ensuring return/repeat custom (1).	Accept alternative descriptions that demonstrates an understanding of the approach that organisations can use to maintain their high service levels.		
	Recognise the role of staff, through actively rewarding/recognising work done (1), developing strong staff morale (1), that promotes continued high service levels (1),			
KO	KO3 Quality and Compliance				
Paper	**6 lines**				

Q9	An organisation that undertakes a significant amount of international trade is carrying out a PESTLE analysis.
	Explain the potential impacts of **two** political factors that could be identified from this analysis.

	Acceptable answer(s)	Guidance	Max marks	Test Spec ref & AO
	Award marks for any potential political impacts: • International relationships, which may create more/less red tape for imports/exports (1) impacting the supply of products/services (1) • Changes to the political situation in a different country/region, which may impact demand for products (1), thus reducing overall sales/revenue (1). • Changes in government/general election, which could see support given/removed for preferred industry sectors (1) that impact the viability of the organisation (1). • Introduction of government grants/subsidies, which may open opportunities for new product development/markets (1) supporting an organisation to develop/grow (1)	For **each** political factor identified, award **1 mark** for each developed impact, to a maximum of **2 marks**. (A total of 4 marks in total for two impacts fully explained). Accept alternative responses that explain the impact of political factors.	**4**	**6.1 AO1b**

KO	KO6 Project and Change Management
Paper	**8 lines**

Q10	Describe **two** ways that the Six Sigma Methodology can be used to improve business processes.			
	Acceptable answer(s)	**Guidance**	**Max marks**	**Test Spec ref & AO**
	To identify necessary quality improvements in order to deliver those improvements (1) to support demand/customer satisfaction (1) To identify inefficiencies/defects in operations/processes in order to improve cost effectiveness (1), and support/sustain competitiveness (1). To reduce output errors, in order to maximise production (1), resulting in greater cost effectiveness/efficiency (1)	For **each** way described award **1 mark** for each developed point, to a maximum of **2 marks**. (A total of 4 marks in total for two ways fully described.) Accept alternative reasons that demonstrates a clear understanding of the reason for using Six Sigma in a business.	4	6.4 AO1b
KO	KO6 Project and Change Management			
Paper	**8 lines**			

Q11	Explain **two** reasons why it is important for a social enterprise to create policies.			
	Acceptable answer(s)	**Guidance**	**Max mark s**	**Test Spec ref & AO**
	Policies set out the rules or guidelines for employees to follow, ensuring that all staff are aware of (1), and support the organisation's social enterprise mission and values (1) Policies set out how the organisation meets its legal requirements, ensuring the organisation makes more than 50% of its income from trade operations (1) so it remains compliant with social enterprise regulations (1) Outlines how surplus revenues are reinvested into the organisation/communities, ensuring the organisation meets its social enterprise mission (1) and directly supports the objective to help people (1).	For **each** reason explained, award **1 mark** for each developed point, to a maximum of **2 marks**. (A total of 4 marks in total for two reasons fully explained.) Accept any other alternative answer that explains a correct reason why it is important for a social enterprise to create policies.	4	**5.1 AO1b**
KO	KO5 Policies and Procedures			
Paper	**8 lines**			

Q12	Soft furnishing company Silky Homes Furnishings Ltd has had their best year ever in terms of sales. Their annual accounts show sales revenues to be £650,000. They have made £510,000 in gross profit. Calculate the gross profit margin for the management board. Express your answer as a percentage. Show your workings.			
	Acceptable answer(s)	**Guidance**	**Max marks**	**Test Spec ref & AO**
	Formula: (Gross Profit/Sales Revenues) *100= GP Margin (1) (£510,000/£650,000) *100 = 78% (1)	Award **1 mark** for use of correct formula or demonstration of correct methodology Award **1 mark** for correct calculation. *The marks available in this question (2) target Maths competencies.*	2	**4.1 AO1b (1) AO2 (1)**
KO	KO4 Finance			
Paper	6 lines			

Q13	A commercial marketing team is investing a large amount of staff time and money into relaunching its website, with the objective to drive overall revenue.				
	Describe how **two** different Key Performance Indicators would support the marketing team to measure the success of its relaunch activity.				
	Acceptable answer(s)	**Guidance**		**Max marks**	**Test Spec ref & AO**
	Overall cost to implement, to confirm whether the cost of investment in terms of staff time/money (1) is outweighed by the overall benefits from increased sales/revenue (1). Number of visits to the relaunched website, would indicate how successful the relaunch was at driving engagement (1) and thus generating potential for creating sales (1). Generation of sales/revenue data directly from the website, when compared to historic data (1), would indicate the degree of success of the new launch (1).	For each KPI described, award **1 mark** for each development point, to a maximum of **2** marks. (A total of 4 marks in total for two KPIs fully described.) Accept alternative developed KPIs that describe a clear understanding of how the KPI could be used to measure the success of the relaunch activity.		**4**	**5.2 AO2**
KO	KO2 People				
Paper	**8 lines**				

Q14	A private company has put together its Profit and Loss Statement for the first quarter of the financial year.

Table 1

Total thousands (£)

	Sep	Oct	Nov	Total Quarter 1
Sales (Stream 1)	72	71	51	194
Returns, Refunds, Discounts	17	30	27	74
Cost of Goods sold	31	25	20	76
Admin expenses	4	6	4	14
Interest expenses	2.5	2.5	2.5	7.5
Taxation	3	3	3	9
Total expenses				30.5

Using the figures provided in Table 1, calculate

   a) the total gross profit for the quarter.
   b) the total net profit for the quarter.

Show your workings.

Acceptable answer(s)	Guidance	Max marks	Test Spec ref & AO
a) Formula: revenues – cost of goods sold = gross profit (1) (194 – 74), £120k – £76k = £44,000 (1)	Award **1 mark** for use of correct formula or demonstration of correct methodology Award **1 mark** for correct calculation.	2	**4.1 AO1b (1) AO2 (1)**
b) Formula: gross profit – expenses = net profit (1) £44k – £30.5k = £13,500 (1)	Award **1 mark** for use of correct formula or demonstration of correct methodology Award **1 mark** for correct calculation. If the candidate uses an incorrect carry over figure for gross profit from (a), but calculates net profit correctly with this incorrect figure, then	2	**4.1 AO1b (1) AO2 (1)**

		the mark for correct calculation should be awarded.		
		The marks available in this question (4) target Maths competencies.		
KO	KO4 Finance			
Paper	8 lines			

Q15	A customer has written to the CEO of an organisation due to a complaint that has been unresolved for many months. The customer is unhappy that this is the second time they have raised a complaint related to the same issue.
	Explain the reasons why the CEO would request the organisation's complaint process be reviewed in response to this situation.

	Acceptable answer(s)	Guidance	Max marks	Test Spec ref & AO
	An explanation that includes any **six** of the following linked points, relating to at least **2** of the reasons: **Explanation points** **An explanation that covers any six of the following linked explanation points** **Risk of customer dissatisfaction** *Explanation points:* • Repetition of issues that lead to complaints, reduces customer confidence (1) • A reduction in customer confidence damages the long-term business reputation (1) **Concern that complaints have been left unresolved** *Explanation points:* • Unresolved complaints suggest the process is ineffective/or there are inefficiencies (1) • Identifying the ineffective elements/inefficiencies can lead to a more effective process (1) • If staff do not know/follow the correct process, this can lead to ineffective resolutions or repeat errors (1) • Retraining of staff or redevelopment would lead to a more effective process (1).	Award **1** mark for each explanation point, to a maximum of **6 marks** Where more than one reason is explained, marks should **not** be awarded where the same knowledge is shown twice in different contexts. Accept alternative explanation points that show an understanding of reasons why a complaints procedure would be reviewed in response to this scenario.	**6**	**3.1 AO2**

	- Improving the effectiveness will tackle the delay to issues being resolved (1) - An improved response/resolution time will increase customer experience/satisfaction (1) **Risk of reoccurrences of complaints** *Explanation points* - Reoccurrences increases the level of customer dissatisfaction/ further damages relationships (1) - Customers will develop less confidence in the organisation (1) - Repeat occurrences suggest the process does not support protocols for learning from previous complaints (1) - Development of protocols to assess the cause of complaints allows the reasons for complaints to be identified (1) - Identifying causes of complaints supports their prevention/ reduces reoccurrence (1) - If staff are not following or do not know the process, this can lead to repeat errors (1) - Retraining of staff or redevelopment would lead to a more accurate/effective process (1).
KO	KO3 Quality and Compliance
Paper	**12 lines**

Q16	Two business owners have run a small and respected bakery business for 25 years. They already run three successful bakeries in two towns and employ 5-7 permanent staff. The owners manage all the business administration, people management, finances and legal arrangements themselves. They have developed a proposal to expand their business by opening three new bakeries in three different small villages.
	The owners plan to conduct a SWOT analysis to determine if the expansion of the business is viable.
	Explain how the businesses strengths would support the owners' proposal to expand.

	Acceptable answer(s)	Guidance	Max marks	Test Spec ref & AO
	An explanation that covers any six of the following linked explanation points **Strengths:** • The owners have experience of running multiple existing bakeries which provides expertise to run others (1) • The owners understand all the legal/financial/human resource/administrative aspects of a bakery business so there will not be any major surprises in these areas (1) • Having an existing business infrastructure supports expansion through use of existing resources, suppliers, networks etc. (1) • The existing businesses provide a model to be replicated (e.g. understanding breakeven costs, sale prices) (1) • Recognition of existing ability gives confidence they can undertake new ventures (1) • The existing successful bakeries provide security if the new venture struggles (1)	Award **1** mark for each explanation point, to a maximum of **6 marks** Accept alternative explanation points that show an understanding of strengths that would support a business proposal to expand.	**6**	**6.1** **AO2**

	• Respected nature means good customer loyalty/ likely to be recommended by existing customers (1)			
KO	KO6 Project and Change Management			
Paper	**12 lines**			

Q17	A call centre has undertaken a project to introduce a new online system. The system will be used to centralise all of the call centre's customer information, rather than hold it in multiple systems. The project aim is to make it easier for staff to access customer information.
	Following its implementation, an evaluation will be undertaken using a range of evidence to determine whether the new online system has met its aim.
	Explain how different pieces of evidence might indicate that the project aim has been met.

	Acceptable answer(s)	Guidance	Max marks	Test Spec ref & AO
	An explanation that includes any **six** of the following linked points, relating to at least **2** pieces of evidence: **Analyse time taken for staff to undertake tasks following implementation of the new system** • To confirm if there have been any reductions in time to undertake tasks (1) • Reduction in time suggests staff are able to work more efficiently/effectively to respond to customers (1) **Review staff engagement levels** • Review engagement levels to see if there has been an increase in staff engagement (1) • An increase in engagement indicates that staff are more successfully able to undertake their job with the new system (1) **Use customer feedback** • To identify if their experience has improved or changed since developing the new system (1) • More positive feedback overall would indicate that the system is supporting staff to work more effectively (1) • Customers may provide specific feedback on improved waiting times/call handling that evidences	Award **1** mark for each explanation point, to a maximum of **6 marks** Where more than one piece of evidence is explained, marks should **not** be awarded where the same knowledge is shown twice in different contexts. For full marks, explanations of at least **2** of the pieces of evidence must be seen.	6	6.6 AO2

	an improvement since introducing the system (1)

Review customer satisfaction scores
- To confirm any increases in overall customer satisfaction (1)
- Specific questions can target satisfaction on a specific area (e.g. call waiting times) (1)
- An increase would indicate the organisation is offering a better service to its customers (1)

Review customer call times
- To indicate how interaction times have changed (1)
- Reduced interaction times would indicate less time is being taken when dealing with individual customers (1)
- If less interaction time, then suggests staff are able to obtain information more quickly and work more efficiently using the new system (1)

Undertake a project post-mortem
- Consolidates the costs of introducing the project vs. the benefits gained (1)
- Supports an analysis of all available data to confirm whether indicators suggest success or not (1)
- Indicates whether the overall project aims have been achieved or not (1)

KO	KO6 Project and Change Management
Paper	**12 lines**

Section B

Q18	An entrepreneur plans to start a new private limited company in digital marketing. He is unsure what he needs to know or do about financial reporting for his limited company, so has decided **not** to include any consideration of financial reporting within his plans. Analyse the impact of **three** potential risks that could arise from the entrepreneur failing to develop a structure for financial reporting.
	Intention: *To allow learners to analyse the importance of financial reporting for a new private company, consider the risks attached to not considering accurate financial reporting and evaluation of those risks based on the context of the scenario.*
	Indicative content **Risks** • Fails to comply with legal requirements to HMRC, including tax law • Fails to meet procedures for standard accounting practice • Incorrect or inaccurate calculation of reportable finances, e.g. tax calculations • Lack of visibility of assets, liabilities, sales revenue, expenses and cash position **Impacts** Note, each risk identified by learners may **validly** result in multiple impacts, with some risks likely to result in similar impacts. Markers should consider how the quality of analysis of different risks and the impacts has been presented as a whole when reviewing performance against the band descriptors in the marking grid. Focus of marking should be on the quality of analysis in relation to the risk, for instance, a response that considered three separate risks but provided a response of the same impact, with little consideration of how the different risks had resulted in that impact, would demonstrate a lower quality response – than for example, a candidate who has analysed the impacts of three different risks in detail, with more pronounced reasoning and analysis of how those risks result in similar impacts. • Non-compliance resulting in penalties/prosecution • Inability to understand the financial health of the organisation • Increases costs • Wasted time needed to understand financial position/ consolidate accounts • Additional resource needed to rectify issues • Increased risk of auditing activities and liaison with financial authorities • Challenges abilities to make informed decisions • Shareholders may withdraw investment through lack of visibility of dividends • Fails to develop a professional business image to external customers/suppliers

	Guidance			Max marks	Test Spec ref & AO
	Band 1 1-3 marks	**Band 2 4-6 marks**	**Band 3 7-9 marks**	9	4.2 AO2 3 AO3 6
	For no awardable content, award 0 marks Applies basic understanding of the importance of financial reporting within the context of the scenario, with risks identified in limited detail. Demonstrates a basic level of analysis of financial reporting and the impacts of risks that would arise from failing to undertake structured financial reporting. The response lacks clarity and is generally poorly structured.	Applies a good understanding of the importance of financial reporting within the context of the scenario, with risks identified in some detail. Demonstrates a good use of analysis of financial reporting use and the impacts of the risks that would arise from failing to undertake structured financial reporting, offering some chains of reasoning. The response is generally clearly expressed, with some consideration to structure of response.	Applies a comprehensive understanding of the importance of financial reporting within the context of the scenario, with a comprehensive overview of risks. Demonstrates comprehensive use of analysis of financial reporting and the impact of the risks that would arise from failing to undertake structured financial reporting and offering detailed and accurate chains of reasoning. The response is fully coherent and is articulated using an optimal structure.		
KO	KO4 Finance				
Paper	27 lines				

Q19	An accountancy organisation was recently visited by external auditors. The organisation had recently replaced a number of staff, and several key staff were unavailable during the audit. A large amount of information was found to be inaccurate, with a lack of processes evident and a lack of understanding of regulatory requirements. Following the audit, the organisation was judged to be non-compliant with regulatory requirements. Evaluate the potential improvements that the organisation can make, making a justified recommendation for those that the organisation should adopt to reduce the main risks associated with non-compliance.
	Intention: *To allow learners to demonstrate understanding of quality assurance and compliance processes, through asking the learner to consider the context of a non-compliant audit. Through analysing the reasons for non-compliance, the learner will evaluate and consider different options for future process improvements, with recommendations made for those which would help to reduce the main risks associated with non-compliance in the future.*
	Risks of non-compliance • Financial penalties such as fines. • Litigation (being sued for loss or damages) • Cost of correcting mistakes (product recall) • Damage to brand reputation • Reduced credit score rating • Loss of business contracts • Imprisonment **Potential improvements** • Development of clear processes if not present • Regular reviews of policies and updating processes • Carry out an internal self-compliance audit • Ensure audit trail is complete • Ensure user access at shared computers is monitored • Keep up to date with new regulations • Identify potential training needs • Regular training needs review • Induction training for new starters

- Be able to quickly produce required documentation
- Communicate changes and update to staff

Justification of improvements to reduce the main risks associated with non-compliance
- To help identify that regulatory requirements are being met
- Confirms visibility of financial data for future audits
- Reduces resource required to consolidate accounts for audit purposes
- Ensure compliance across all activities
- Ensure staff are fully updated with compliance requirements
- Improves efficiencies in processes and reporting
- Reduces overall costs to the organisation
- Avoids the risks associated with regulatory penalties

Guidance				Max marks	Test Spec ref & AO
Band 1 1-3 marks	**Band 2 4-6 marks**	**Band 3 7-9 marks**	**Band 4 10-12 marks**		
For no awardable content, award 0 marks. Applies a basic understanding of risks to the organisation of a non-compliant audit in the context of the scenario. Demonstrates a basic level of analysis of the types of improvements that the organisation can adopt in relation to non-compliance in an audit. There is limited reference	Applies a good understanding of the risks to the organisation of a non-compliant audit in the context of the scenario. Demonstrates a good use of analysis of the different types of improvements that the organisation can adopt in relation to non-compliance in an audit, with a good review of the factors that contributed to previous non-compliance.	Applies a thorough understanding of the risks to the organisation of a non-compliant audit in the context of the scenario. Demonstrates a thorough use of analysis of the different types of improvements that the organisation can adopt in relation to non-compliance in an audit, with a thorough review of the factors that contributed to previous non-compliance.	Applies a comprehensive understanding of the risks to the organisation a non-compliant audit in the context of the scenario. Demonstrates comprehensive use of analysis of the different types of improvements that the organisation can adopt in relation to non-compliance in an audit, with a comprehensive review of the factors that contributed to previous non-compliance.	12	**3.3 AO2 4 AO3 8**

to the factors that contributed to previous non-compliance.

Demonstrates basic evaluative skills when recommending improvements. Limited justification is provided for recommendations that reflect how they will impact future improvements to reduce the main risks associated with no-compliance.

The response lacks clarity and is generally poorly structured. | Demonstrates good evaluative skills when recommending improvements. Recommendations are proposed showing some justification as to how they will impact future improvements to reduce the main risks associated with no-compliance.

The response is generally clearly expressed, with some consideration to structure of response. | Demonstrates thorough evaluative skills when recommending improvements. Recommendations are presented with accurate and thorough justifications on how they will impact future improvements to reduce the main risks associated with no-compliance.

The response is clearly expressed and has been well-structured. | Demonstrates comprehensive evaluative skills when recommending improvements. Recommendations are presented with excellent, balanced and considered justifications presented that demonstrates how they will impact future improvements to reduce the main risks associated with no-compliance.

The response is fully coherent and is articulated using an optimal structure. | | |

KO	KO3 Quality and Compliance
Paper	**36 lines**

| Q20 | The senior management team of the company that you work for has raised concerns about the organisation's operational effectiveness and staffing levels. Staff have complained about duplication of workloads, that the systems they use are not fit for the job and that no-one seems to follow the same processes. Management teams have raised that staff are overwhelmed by the support they need to provide to customers. Staff are concerned that ownership of work seems to be a challenge, and that different teams often appear to be overlapping on work at any given time. The management team are convinced that increasing staff headcount is the only way to combat the challenges they face.

The senior management team are considering the use of the McKinsey 7S model to support change that will improve the organisation's operational effectiveness and staffing levels.

Evaluate the extent to which implementing the McKinsey 7S model would be suitable to support change in this scenario. |
|---|---|
| | **Intention**
To allow learners to evaluate the advantages and disadvantages of the senior management team using the McKinsey 7S model for this particular context of organisational change. Consideration of the advantages and disadvantages requires the learner to evaluate the extent of the model's effectiveness to recommending change in this scenario. Through assessing the use of this model, learners will demonstrate their overall understanding of change management principles and approaches and apply these to the context of this organisational change example. |
| | **Implementation of McKinsey 7S model**
• Analyse the current situation (e.g. issues – duplicated roles/responsibilities, lack of clear processes, lack of ownership/accountability)
• Map the 7 elements to identify areas to be aligned (e.g. systems – absence of processes)
• Identify the ideal situation/desired outcome
• Decide what needs to change
• Create an action plan
• Implement the action plan
• Review all 7 elements as part of performance management strategy

Evaluation of the suitability
Advantages
• Considers all elements of the organisation, not just strategy and structure – so focuses on all areas that may be limiting operational effectiveness.
• Helps to align systems and processes with people and values of the organisation (e.g., clearly demarcated roles support individuals to take ownership which counters existing staff concerns around duplication of job roles).
• Analysis of all elements means nothing is missed when implementing change – (e.g., highlights interconnection between duplicated workloads and lack of concise processes). |

- Helps senior managers identify how to align different elements (e.g., improved ability to specifically define roles and responsibilities of different teams/individuals – removes the risk of overlapping job activities, which will help to achieve operational effectiveness.

Disadvantages
- Focus is only on internal elements and not external factors, so causes of some issues – such as the external demands placed from customers – are not considered as part of the model.
- Requires senior management support throughout – may challenge where the change needs to come at all levels.
- Requires management buy-in to the potential changes which may prove challenging as the management team believe that an increase in headcount is the only approach to take.
- Aligning workloads may result in potential threat of job losses, likely to cause resistance to change – and the threat of job losses may drive further negative behaviour amongst staff.
- Very time consuming to carry out research and benchmarking.

Guidance				Max marks	Test Spec ref & AO
Band 1 (1 – 3 marks)	**Band 2 (4 – 6 marks)**	**Band 3 (7 – 9 marks)**	**Band 4 (10 – 12 marks)**		
For no awardable content, award 0 marks Applies a basic understanding of a few of the 7 elements of the McKinsey 7S model and their potential uses in the context of the scenario. Demonstrates a basic level of analysis in how the McKinsey 7S model can be applied to the scenario. Demonstrates basic evaluative skills when considering the potential advantages and advantages of the McKinsey 7S model. The candidate provides a limited argument as to the	Applies a good understanding of the 7 elements of the McKinsey 7S model and how they may be used to plan and implement organisational change within the context of the scenario. Demonstrates a good use of analysis of the McKinsey 7S model and how it can be applied to the scenario. Demonstrates good evaluative skills when	Applies a thorough understanding of the 7 elements of the McKinsey 7S model and how they may be used to plan and implement organisational change within the context of the scenario, offering accurate chains of reasoning. Demonstrates a thorough use of analysis of the McKinsey 7S model and how it can be applied to the scenario.	Applies a comprehensive understanding of the 7 elements of the McKinsey 7S model and how they may be used to plan and implement organisational change within the context of the scenario, using detailed and accurate chains of reasoning. Demonstrates comprehensive use of analysis of the	12	6.3 AO2 4 AO3 8

extent to which the model supports the scenario presented.

The response lacks clarity and is generally poorly structured. | considering the potential advantages and disadvantages of the McKinsey 7S model, with a good argument supported by some structure that considers the extent to which the model supports the scenario presented.

The response is generally clearly expressed, with some consideration to structure of response. | Demonstrates thorough evaluative skills when considering both the potential advantages and disadvantages of use of the McKinsey 7S model, with a thorough and well-structured argument that considers the extent to which the model supports the scenario presented.

The response is clearly expressed and has been well-structured. | McKinsey 7S model and how it can be applied to the scenario.

Demonstrates comprehensive evaluative skills when considering both the potential advantages and disadvantages of use of the McKinsey 7S model, with a comprehensively structured, accurate and balanced argument presented as to the extent to which the model supports the scenario presented.

The response is fully coherent and is articulated using an optimal structure. |

KO	KO6 Project and Change Management
Paper	**36 lines**

Q21	A company that operates in the private sector has launched a major market research project to determine the feasibility of launching a new product across international markets. The product is considered sellable to a range of different user demographics. The product is intended to drive financial growth in the organisation, so the organisation is open to invest significantly in its development if it is deemed feasible to launch.
	Evaluate the range of research and evidence methods available to provide a justified recommendation of the most suitable methods for this project.

Intention:
To allow learners to demonstrate their understanding of project management, by applying understanding to a market research project. Learners will analyse the range of research and evidence methods that are available to support the scenario, and will evaluate the advantages and disadvantages of each, making informed recommendations based on the strength of their evaluation.

Indicative content

Research Methods
- Primary methods
- Secondary methods/desk-based
- Qualitative
- Quantitative
- Field trials/test runs

Evidence methods
- Statements
- Testimonies
- Logs
- Reports
- Statistical data

Key considerations in response to evaluation of methods
- Scale of audience possible to target – considering the need to reach across international markets, thus a range of different audiences in different locations, targeting different requirements (language, culture) etc.

- Access to a range of different views and opinions – the new product is aimed to a range of different user demographics so needs to consider suitability across this range
- Ability to focus on/segment particular groups or target audiences and their feedback in order to determine where feedback is positive/not positive to identify differences in demographic groups, and thus how broad the appeal of the product will likely be (and thus the size of the potential market)
- Level of reliability/validity – the importance of the new product being a major financial driver for the organisation, so the outcomes of feedback need to be able to stand up to scrutiny and warrant investments made in the product
- Time-effectiveness/efficiency – feedback needs to be timely to reflect the timescales needed to launch a new product,
- Depth of response
- Existing products and their role in the market – consideration of how the new product would fit within existing provision, whether there is a scale of demand for the new product

Recommendations
- Primary over secondary – to target research for specific requirement of new product
- Qualitative research methods – to test expectations of potential users, confirm the broadness of appeal of the product
- Quantitative research methods – validate success of similar existing products, identify market gaps, validate trends as a baseline for development/business case
- Field trials/test runs – ongoing research as part of the development, to test that initial opinions remain true with the developed product, ensuring that trials are launched across different international markets to ensure that the scale of the market is maintained
- Testimonies and statements – from unbiased potential users, reflect representative sample of different demographics, support targeting of different demographics across different international markets to confirm similarities/differences

Guidance				Max marks	Test Spec ref & AO
Band 1 (1 – 3 marks)	Band 2 (4 – 6 marks)	Band 3 (7 – 9 marks)	Band 4 (10 – 12 marks)		

					12	6.6 AO2 4 AO3 8
	For no awardable content, award 0 marks Applies a basic understanding of a limited range of research and evidence methods applicable to undertaking market research for a new product within an international market. Demonstrates a basic level of analysis in reviewing a limited range of research and evidence methods in the context of undertaking research for a new product within an international market Demonstrates basic evaluative skills when making recommendations for research and evidence methods to be used for undertaking research for a new product within an international market, with limited consideration of the complexity of the scenario. The response lacks clarity and is generally poorly structured.	Applies a good understanding of a range of different research and evidence methods applicable to undertaking market research for a new product within an international market. Demonstrates a good use of analysis of different research and evidence methods, applicable to the context of undertaking research for a new product within an international market. Demonstrates good evaluative skills when making recommendations for research and evidence methods to be used for undertaking research for a new product within an international market. Some justifications are provided for the types that would prove most suitable, with some consideration given to the complexity of the scenario. The response is generally clearly expressed, with some consideration to structure of response.	Applies a thorough understanding of a range of different research and evidence methods available applicable to undertaking market research for a new product within an international market. Demonstrates a thorough use of analysis of the range of different research and evidence methods, applied specifically to the context of undertaking research for a new product within an international market. Demonstrates thorough evaluative skills when making recommendations for research and evidence methods to be used for undertaking research for a new product within an international market. Justifications are provided for the types that would prove most suitable with accurate chains of reasoning evident that considers the complexities of the scenario.	Applies a comprehensive understanding of a range of different research and evidence methods available applicable to undertaking market research for a new product within an international market. Demonstrates comprehensive use of analysis of research and evidence methods available, applied specifically to the context of undertaking research for a new product within an international market, using clear chains of reasoning. Demonstrates comprehensive evaluative skills when making recommendations for research and evidence methods to be used for undertaking research for a new product within an international market. Justifications are provided for the types that would prove most suitable with detailed and accurate chains of reasoning evident that demonstrate a developed consideration of the complexities of the scenario. The response is fully coherent and is articulated using an optimal structure.		

		The response is clearly expressed and has been well-structured.			
KO	KO6 Project and Change Management				
Paper	**36 lines**				