

New  
Specification



**General Certificate of Secondary Education  
2018**

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## **Business Studies**

Unit 1

Starting a Business

**[GBU11]**

**WEDNESDAY 23 MAY, MORNING**

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**MARK  
SCHEME**

## **General Marking Instructions**

### ***Introduction***

Mark schemes are intended to ensure that the GCSE examinations are marked consistently and fairly. The mark schemes provide markers with an indication of the nature and range of candidates' responses likely to be worthy of credit. They also set out the criteria which they should apply in allocating marks to candidates' responses.

### ***Assessment objectives***

Below are the assessment objectives for Business Studies.

Candidates must:

- AO1** recall, select and communicate their knowledge and understanding of concepts, issues and terminology;
- AO2** apply skills, knowledge and understanding in a variety of contexts and in planning and carrying out investigations and tasks; and
- AO3** analyse and evaluate evidence, make reasoned judgements and present appropriate conclusions.

### ***Quality of candidates' responses***

In marking the examination papers, examiners should be looking for a quality of response reflecting the level of maturity which may reasonably be expected of a 16-year-old which is the age at which the majority of candidates sit their GCSE examinations.

### ***Flexibility in marking***

Mark schemes are not intended to be totally prescriptive. No mark scheme can cover all the responses which candidates may produce. In the event of unanticipated answers, examiners are expected to use their professional judgement to assess the validity of answers. If an answer is particularly problematic, then examiners should seek the guidance of the Supervising Examiner.

### ***Positive marking***

Examiners are encouraged to be positive in their marking, giving appropriate credit for what candidates know, understand and can do rather than penalising candidates for errors or omissions. Examiners should make use of the whole of the available mark range for any particular question and be prepared to award full marks for a response which is as good as might reasonably be expected of a 16-year-old GCSE candidate.

### ***Awarding zero marks***

Marks should only be awarded for valid responses and no marks should be awarded for an answer which is completely incorrect or inappropriate.

### ***Marking calculations***

In marking answers involving calculations, examiners should apply the 'own figure rule' so that candidates are not penalised more than once for a computational error.

### ***Types of mark schemes***

Mark schemes for tasks or questions which require candidates to respond in extended written form are marked on the basis of levels of response which take account of the quality of written communication.

Other questions which require only short answers are marked on a point for point basis with marks awarded for each valid piece of information provided.

### **Levels of response**

Tasks and questions requiring candidates to respond in extended writing are marked in terms of levels of response. In deciding which level of response to award, examiners should look for the 'best fit' bearing in mind that weakness in one area may be compensated for by strength in another. In deciding which mark within a particular level to award to any response, examiners are expected to use their professional judgement. The following guidance is provided to assist examiners.

- **Threshold performance:** Response which just merits inclusion in the level and should be awarded a mark at or near the bottom of the range.
- **Intermediate performance:** Response which clearly merits inclusion in the level and should be awarded a mark at or near the middle of the range.
- **High performance:** Response which fully satisfies the level description and should be awarded a mark at or near the top of the range.

### **Quality of written communication**

Quality of written communication is taken into account in assessing candidates' responses to all tasks and questions that require them to respond in extended written form. These tasks and questions are marked on the basis of levels of response. The description for each level of response includes reference to the quality of written communication.

For conciseness, quality of written communication is distinguished within levels of response as follows:

Level 1: Quality of written communication is basic.

Level 2: Quality of written communication is good.

Level 3: Quality of written communication is excellent.

In interpreting these level descriptions, examiners should refer to the more detailed guidance provided below:

**Level 1 (Basic):** The candidate makes only a limited selection and use of an appropriate form and style of writing. The organisation of material may lack clarity and coherence. There is little use of specialist vocabulary. Presentation, spelling, punctuation and grammar may be such that intended meaning is not clear.

**Level 2 (Good):** The candidate makes a reasonable selection and use of an appropriate form and style of writing. Relevant material is organised with some clarity and coherence. There is some use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are sufficiently competent to make meaning clear.

**Level 3 (Excellent):** The candidate successfully selects and uses the most appropriate form and style of writing. Relevant material is organised with a high degree of clarity and coherence. There is widespread and accurate use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are of a sufficiently high standard to make meaning clear.

- 1 (a) (i) AO1**  
 What size of business is Meals at Work?  
 • Micro/small  
 [1] for correct identification [1]
- (ii) AO1**  
 Give **one** reason why Zak and Kellie might have wanted to start their own business.  
 • To be their own bosses  
 • They identified a gap in the market  
 • To make profit  
 • To increase their standard of living/earn more money  
 Valid alternative responses will be credited.  
 [1] for the correct reason [1]
- (b) AO1**  
 Describe what it means to be enterprising.  
 • To have vision, energy, initiative and the ability to take risks to make and develop a successful business idea  
 Valid alternative responses will be credited.  
 [1] for brief description  
 [2] for detailed description [2]
- (c) (i) AO2**  
 What type of business ownership is Meals at Work?  
 • Partnership  
 [1] for correct identification of business ownership [1]
- (ii) AO1**  
 Explain **one** advantage of this type of business ownership.  
 • More partners contributing more capital therefore easier to expand  
 • Easy to set up as there are few legal formalities  
 • Shared responsibility and decision making  
 • Accounts of the business are not published  
 • Shared workload  
 Valid alternative responses will be credited.  
 [1] for brief advantage of partnership  
 [2] for detailed advantage of partnership [2]

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**(d)** AO1, AO2

Meals at Work has the aim of improving its corporate image. Explain how this aim might affect the business.

Explanation of ways that improving corporate image might affect the business:

- It will help to increase awareness which could increase sales and lead to new staff being recruited
- It could lead to better brand image and the business might need to develop a good logo and uniforms etc
- To improve corporate image the business may need to spend money on advertising
- Charity/community work
- Reduce reuse recycle
- Equality policies

Valid alternative responses will be credited.

[1] for identifying one impact

[2] for explaining one impact or for identifying two impacts

[3] for identifying two impacts and explaining one in detail

[4] for identifying and explaining two impacts or fully explaining one impact [4]

**(e)** AO1, AO3

Identify and analyse **two** ethical issues that could be associated with the business aims of Meals at Work.

Analysis of **two** ethical issues:

- Environmental issues could lead to the business being environmentally friendly such as using recyclable cartons for the food and perhaps finding other uses for leftover food/reduce waste
- Fair trade
- Animal welfare
- Good employee working conditions as an aim could lead to the business creating a good working environment in the kitchen, the hours their staff work and their holidays
- Equality as an aim could lead to the business treating all staff equally in terms of pay and conditions and any promotions
- Social responsibility as an aim could lead to the business having a variety of ethical aims.

Valid alternative responses will be credited.

[1] for identifying an ethical issue

[2] for identifying two ethical issues or for briefly analysing one ethical issue

[3] for identifying and fully analysing one ethical issue or for identifying two ethical issues and briefly analysing one

[4] for identifying two ethical issues and fully analysing one ethical issue or for briefly analysing two ethical issues

[5] for identifying and fully analysing one ethical issue and briefly analysing the second ethical issue

[6] for identifying and fully analysing two ethical issues [6]

(f) Identify and explain the interests of **two** different stakeholders of Meals at Work.

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Stakeholder	Interest
Owners	The owners will be interested in making the business as successful as possible as more success will mean more profit. They are also interested in growing the business
Consumers/ Local Businesses	The consumers/local businesses will be interested in the quality of the food, how quickly the food can be delivered and the price and choice of different foods available
Employees	The employees will be interested in good working conditions such as hours, holidays and training. They will also be interested in a good level of pay
Producers/ Suppliers	Will be interested in maintaining a good business relationship to ensure they keep their contracts and receive prompt payment
Bank/Lender/ Local Community/ Government/ Landlords/ Competitors	Will be interested in the business being successful and repaying loans.

**Not** managers/shareholders/family and friends  
Valid alternative responses will be credited.

**Level 1 ([1]–[3])**

Candidate demonstrates basic knowledge and understanding of stakeholders and their interest. Candidate identifies one or two stakeholders and partially explains the interest. Quality of written communication is basic.

**Level 2 ([4]–[6])**

Candidate demonstrates adequate knowledge and understanding of stakeholders and their interest. Candidate appropriately identifies one or two stakeholders and correctly explains their interest. Quality of written communication is good.

**Level 3 ([7]–[8])**

Candidate demonstrates excellent knowledge of stakeholders and their interest. Candidate correctly identifies two stakeholders and correctly explains their interest. Quality of written communication is excellent. [8]

(g) AO1, AO3

Evaluate franchising for this business.

Discussion of one advantage and one disadvantage of franchising and a final judgement:

- Allows opportunities for expansion and is considered to be a quick method of expansion
- Can create opportunities for economies of scale and a reduction in average cost
- Will gain a percentage of profits from the franchisee/royalty payments
- The franchise will be managed and run for the franchisor
- The business is still quite new and it may not attract many franchisees
- If a franchisee makes bad decisions it will impact on their reputation
- Final judgement good/bad

Valid alternative responses will be credited.

[1] for identifying either one advantage or one disadvantage

[2] for full discussion of one advantage or one disadvantage

[3] for identifying one advantage and one disadvantage and giving a final judgement or for full discussion of one advantage or disadvantage with final judgement

[4] for full discussion of one advantage and one disadvantage or for full discussion of one advantage or disadvantage and identifying one advantage and disadvantage and giving final judgement

[5] for full discussion of one advantage and one disadvantage with a final judgement

[5]

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- 2 (a) AO1  
 Explain the term “market segmentation”.  
 • Market segmentation is dividing the total market for a product or service into different groups that have similar characteristics, wants and desires.  
 Valid alternative responses will be credited.  
 [1] for brief explanation  
 [2] for detailed explanation [2]
- (b) AO1  
 Explain the purpose of market research.  
 • The purpose of market research is to learn about the desires of the target customer groups in order to guide the marketing mix  
 • Reduce risk  
 Valid alternative responses will be credited.  
 [1] for brief explanation  
 [2] for detailed explanation [2]
- (c) AO1  
 Describe **two** methods of market sampling which a business could use.  
 Description of the two methods:  
 • Random sampling  
 • Selects the sample at random, i.e. everyone in the market has an equal chance of being selected  
 • Quota sampling  
 • Selects the sample of the target market according to the percentage breakdown of that market or specific people  
 Valid alternative responses will be credited.  
 [1] for identifying one method of market sampling  
 [2] for fully describing one method of market sampling or for identifying two methods of market sampling  
 [3] for identifying two methods of market sampling and fully describing one  
 [4] for identifying and fully describing two methods of market sampling [4]
- (d) AO1, AO3  
 Explain the work of the Advertising Standards Authority (ASA).  
 Explanation of one to two roles of the ASA:  
 • It is an independent body that deals with complaints about advertising – if the complaint is upheld the advertiser must withdraw it  
 • It sets guidelines and a code of practice for advertisers to follow in order to ensure advertisements are legal, decent, honest and truthful  
 • It continually monitors the media to ensure the advertisers are following the code of practice.  
 Valid alternative responses will be credited.  
 [1] for identifying one aspect of the work of the ASA  
 [2] for fully explaining one aspect of the work of the ASA or for identifying two aspects  
 [3] for identifying two aspects of the work of the ASA and fully explaining one  
 [4] for identifying and explaining two aspects of the work of the ASA and for a full detailed explanation of one aspect [4]

**(e)** AO2, AO3

Analyse **two** factors that could affect the price of a product or service.

Analysis of two factors from the following:

- Cost of production – costs need to be covered
- Competition in the market – rival firms will make the business charge competitive prices
- Price the market will bear – price must be set at a level the customers are willing to pay
- Seasonality – prices can be higher at certain times of the year
- Inventory in hand – if the business has too much stock they may reduce the price to encourage sales
- Need to make a profit – sales must exceed costs
- Demand – level of demand will impact price
- Location/transportation related to selling abroad
- Exchange rates
- Amount of time on the market

Valid alternative responses will be credited.

[1] for identifying one factor

[2] for identifying two factors or for briefly analysing one factor

[3] for identifying and fully analysing one factor or for identifying two factors and briefly analysing one

[4] for identifying two factors and fully analysing one factor or for briefly analysing two factors

[5] for identifying and fully analysing one factor and briefly analysing the second factor

[6] for identifying and fully analysing two factors

[6]

**(f)** Study the information below and answer the following questions.

<b>(i)</b>	AO2 What percentage of people have heard of Facebook but don't have an account?	10% [1]
<b>(ii)</b>	AO2 What percentage of people are regular users of Twitter?	31% [1]
<b>(iii)</b>	AO2 How might a business make use of the results of this research? <ul style="list-style-type: none"> <li>• They can see how many people can effectively use the various methods of social media and then use that platform to target customers, for example pop-up advertisements or surveys</li> </ul> Valid alternative responses will be credited. [1] for brief explanation [2] for detailed explanation	[2]

[4]

(g) AO1, AO2, AO3

Explain the term “international trade” and explain **one** advantage and **one** disadvantage of international trade for a business.

Explanation of international trade:

- International trade is the exchange of goods and services across international borders – it involves importing and exporting

One advantage of international trade from the following:

- would lead to increased market and increased customer base
  - would lead to higher sales and increased profit
  - gives opportunities for growth and benefits of economies of scale
  - enhances the corporate image of the business through increased awareness
  - could provide opportunities for the business to diversify and spread risks
  - may be used to help source goods more cheaply from abroad
- Not** employment

One disadvantage of international trade from the following:

- increased competition and a wider market to deal with
- additional capital may be required and need to be sourced
- increased cost, e.g. more staff required
- difficulties and costs involved in distributing the product to the customer in good condition
- more detailed documentation needs to be completed to trade abroad
- problems with communication – language barriers
- difficulty in dealing with different currencies and different exchange rates
- must meet and understand the needs of different cultures
- taxes and tariffs might have to be paid
- price may need to be changed to accommodate market conditions of another country

Valid alternative responses will be credited

#### **Level 1 ([1]–[3])**

Candidate demonstrates basic knowledge and understanding of international trade. Candidate either correctly explains international trade and identifies one advantage and disadvantage or partially explains international trade and explains one advantage or disadvantage. Quality of written communication is basic.

#### **Level 2 ([4]–[6])**

Candidate demonstrates adequate knowledge and understanding of international trade. Candidate either correctly explains international trade and identifies one advantage and one disadvantage or partially explains international trade and fully explains either one advantage or disadvantage or correctly explains international trade, identifies one advantage or disadvantage and fully explains the other. Quality of written communication is good.

#### **Level 3 ([7]–[8])**

Candidate demonstrates excellent knowledge and understanding of international trade and correctly explains in detail one advantage and one disadvantage. Quality of written communication is excellent.

Answers not worthy of credit [0]

[8]

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3 (a) (i) AO2  
What type of production is Topcat involved in?  
• secondary  
[1] for correct type [1]

(ii) AO1  
Name the other **two** types of production.

Primary	Tertiary
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[1] for one correct type  
[2] for both correct types [2]

(b) (i) AO2  
What method of manufacturing is used at Topcat?  
• Job production  
[1] for correct method [1]

(ii) AO2, AO3  
Explain **two** advantages of this method of manufacturing for Topcat.  
Two advantages explained from the following:  
• The business can charge a higher price and therefore make more profit  
• The business could become well known for good quality products  
• Staff are more skilled and more motivated leading to increased efficiency  
• Designed to the specific needs of the individual customer  
Valid alternative responses will be credited.  
[1] for identifying one advantage of job production  
[2] for fully explaining one advantage of job production or for identifying two advantages of job production  
[3] for identifying two advantages of job production and fully explaining one  
[4] for identifying and fully explaining two advantages of job production [4]

(c) AO2, AO3  
Discuss **two** responsibilities of Topcat's owners in relation to Health and Safety legislation.  
Two responsibilities from the following:  
• To provide a safe working environment with clear signs and sufficient space etc  
• To maintain all machinery in a safe working order  
• To provide training on all machinery and first aid  
• To provide suitable protective clothing  
• To appoint a Health and Safety Officer to coordinate with staff and management  
• To create an effective health and safety policy  
• To carry out regular fire drills  
Valid alternative responses will be credited.  
[1] for identifying one responsibility  
[2] for fully explaining one responsibility or for identifying two responsibilities  
[3] for identifying two responsibilities and fully explaining one  
[4] for identifying and fully explaining two responsibilities [4]

(d) AO1, AO3

Explain the term “quality assurance” and its importance to Topcat.

Explanation:

- Quality assurance is having structures and procedures in place to constantly provide a high standard of product or service
- Right first time/zero defects

Importance:

- Ensures all products leaving the business are of the highest standard
- Develop motivation in the workforce as all staff are responsible for quality
- Reduces waste and increases efficiency/competitive advantage
- Good corporate image which attracts customers and increases sales

Valid alternative responses will be credited.

[1] for briefly explaining quality assurance or briefly explaining its importance

[2] for fully explaining quality assurance or importance or for briefly explaining quality assurance and briefly explaining importance

[3] for fully explaining either quality assurance or importance and briefly explaining quality assurance or importance

[4] for fully explaining quality assurance and explaining its importance [4]

(e) AO1, AO2, AO3

Topcat has received an Investors in People Award. Describe this quality standard award and analyse **two** reasons why Topcat wished to achieve it.

Description:

- It is a recognised standard to achieve better people management through employee empowerment and working towards continuous improvement of staff

Any two reasons from the following:

- It encourages worker engagement which leads to increased motivation
- Increased motivation increases efficiency and output
- Can be used to gain competitive advantage over rivals
- Can lead to better corporate image and increased profits
- Creates a more flexible workforce/better trained
- Encourages worker loyalty and reduces labour turnover
- Can reduce the cost of waste
- Good corporate image attracts customers and increases sales

Valid alternative responses will be credited

[1] for brief description of IIP or one brief reason

[2] for full description of IIP or fully explaining one reason or for brief description and brief reason

[3] for full description of IIP and brief explanation of one reason or with brief description and full explanation of one reason

[4] for brief description of IIP and one fully explained reason with one brief reason or full description with two brief reasons or one fully explained reason and one brief reason and brief description

[5] for full description of IIP and one fully explained reason and one briefly explained reason or one brief description and two fully explained reasons

[6] for full description of IIP and two fully explained reasons [6]

(f) AO1, AO2, AO3

Evaluate the impact of technology on manufacturing in a business such as Topcat.

One or two advantages from the following:

- Can ensure good quality as product can be made to a higher specification
- Communication will be faster throughout the business and between business and the customer
- Allows for the development of new techniques and new products
- Increased efficiency throughout Topcat

One or two disadvantages from the following:

- Specialist machinery will be expensive to buy and may require funding
- New machinery needs to allow for training of staff
- Machinery and computer equipment need to be maintained
- Computer/machine breakdowns can lead to customers waiting longer for products
- Work can become boring

**Level 1 ([1]–[3])**

Candidate demonstrates basic knowledge and understanding of the impact of technology in manufacturing. Candidate gives a limited evaluation of either a positive or a negative point but fails to make a final judgement. Quality of written communication is basic.

**Level 2 ([4]–[6])**

Candidate demonstrates adequate knowledge and understanding of the impact of technology in manufacturing. Candidate gives a detailed evaluation of either a positive or negative point and makes a limited final judgement.

**Level 3 ([7]–[8])**

Candidate demonstrates excellent knowledge and understanding of the impact of technology in manufacturing. Candidate gives a detailed evaluation of both positive and negative points and makes a valid final judgement. Quality of written communication is excellent.

[8]

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**Total**

30

**90**