



Rewarding Learning

**General Certificate of Secondary Education
2025**

Business Studies

Unit 1

Starting a Business

[GBU11]

FRIDAY 9 MAY, AFTERNOON

**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)
Identify **two** suitable aims for Serenity.

Any **two** from the following:

- Profit
- Growth
- Corporate image
- Concern for environment
- Survival
- Social responsibility

Valid alternative responses will be credited.

[1] for one aim identified

[2] for two aims identified

[2]

(ii) (AO1, AO2)

Identify and explain **two** entrepreneurial characteristics that could be displayed by the owners of Serenity.

Entrepreneurial characteristics may include:

- Contributes original ideas/innovation
- Decision maker
- Leadership qualities
- Planning skills
- Self-confidence
- Passion
- Work independently
- Committed and willing to make personal sacrifices
- Creative thinker
- Shows initiative
- Vision
- Hard working
- Energy
- Take calculated risks
- Persuasive
- Motivate others
- Determination

Valid alternative responses will be credited.

[1] for identifying an entrepreneurial characteristic

[2] for identifying and briefly explaining an entrepreneurial characteristic

[3] for identifying and fully explaining an entrepreneurial characteristic

(2 × [3])

[6]

(b) (AO1, AO2)

Explain how Serenity would use the following **two** business resources.

The explanation for land may include:

- Serenity needs land on which to place the business premises and have parking
- It also includes all the natural resources and raw materials

The explanation for capital may include:

- Capital will be needed to start up the business invested by the partners
- Capital can be converted into land, buildings and equipment

Valid alternative responses will be credited.

[1] for a brief explanation

[2] for a detailed explanation

(2 × [2])

[4]

<p>(c) (i) (AO2) What type of business ownership is Serenity? <ul style="list-style-type: none"> • Partnership [1] for correct identification of business ownership</p> <p>(ii) (AO2) What size of business is Serenity? <ul style="list-style-type: none"> • Micro [1] for correct identification of business size</p> <p>(iii) (AO2) Explain the type of liability for the owners of Serenity. <ul style="list-style-type: none"> • Unlimited liability • This means that if they do not have enough money in the business, debts can extend to personal possessions Valid alternative responses will be credited. [1] for briefly explaining the correct type of liability [2] for fully explaining the correct type of liability</p> <p>(iv) (AO1) Explain one advantage of this type of business ownership</p> <p>The advantages may include:</p> <ul style="list-style-type: none"> • There is more capital in the business compared to sole traders as each partner contributes • Specialisation is possible • Shared responsibility for decision making and problems • If one partner is ill or on holiday the business can carry on • Financial affairs are private and not published • Easy to set up Valid alternative responses will be credited. [1] for briefly explaining an advantage of a partnership [2] for fully explaining an advantage of a partnership	<p>[1]</p> <p>[1]</p> <p>[2]</p> <p>[2]</p> <p>[2]</p>
<p>(d) (i) (AO2) Identify two stakeholders of Serenity.</p> <p>Stakeholders may include:</p> <ul style="list-style-type: none"> • Owners/partners (Marcella, her husband and daughter) • Managers • Government • Suppliers/producers • Customers/consumers/clients • Employees • Lenders/banks • Pressure groups • Local community Valid alternative responses will be credited. [1] for identifying one stakeholder [2] for identifying two stakeholders (2 × [1])	<p>[2]</p>

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(ii) (AO3)

Discuss how the aims of these **two** stakeholders in question (d)(i) may be different.

The discussion for the two stakeholders may include:

- Owners/partners with employees, e.g. pay
- Managers with suppliers/producers, e.g. time of delivery
- Owners/partners with pressure groups, e.g. testing on animals
- Owners/partners with lenders, e.g. repayments
- Local community with owners/partners, e.g. noise pollution
- Managers with owners/partners, e.g. policy
- Employees with managers, e.g. hours of work

Valid alternative responses will be credited.

[1] for identifying the aim of one of the stakeholders

[2] for identifying the aims of the two stakeholders or for identifying the aim of one of the stakeholders and discussing how it may be different

[3] for identifying the aims of the two stakeholders and discussing how one of the aims may be different

[4] for identifying the aims of the two stakeholders and discussing how both aims may be different [4]

(e) (AO3)

Discuss **one** advantage and **one** disadvantage of this type of ownership.

The advantages may include:

- Limited liability – this means the owners who invest any money in the business will not have personal possessions taken
- Increased capital – more capital available as shareholders (family and friends) can invest. It is also easier to borrow money from the bank
- Legal entity – the business will exist in its own right and can sue and be sued without involving the owners
- Economies of scale/continuity/easier to borrow money from banks/not open to takeover

The disadvantages may include:

- The process of forming the company is more involved compared to that of setting up a sole trader or partnership
- Shares are not available for wider sale, so expansion may be difficult
- Aspects of financial information must be available for inspection by members of the general public, which may give competitors valuable insights into the affairs of the company

Valid alternative responses will be credited.

[1] for identifying one advantage or disadvantage

[2] for identifying one advantage and one disadvantage or briefly discussing one advantage or one disadvantage

[3] for identifying and fully discussing one advantage or one disadvantage or for identifying one advantage and one disadvantage and briefly discussing one advantage or one disadvantage

[4] for identifying one advantage and one disadvantage and fully discussing one advantage or one disadvantage or for briefly discussing one advantage and one disadvantage

[5] for identifying and fully discussing one advantage and one disadvantage and briefly discussing one advantage and one disadvantage

[6] for identifying and fully discussing one advantage and one disadvantage [6]

- 2 (a) (AO1)
 Explain the term marketing.
 • Marketing is the process responsible for identifying, anticipating and satisfying customer requirements profitably
 Valid alternative responses will be credited.
 [1] for brief explanation
 [2] for detailed explanation [2]
- (b) (AO1)
 Explain a method of market research that Marcella could use.
 • Primary research – this is also known as field research and is the collection of original information by the business for their specific requirements
 • Secondary research – this is also known as desk research which is researching information already collected by others
 Valid alternative responses will be credited.
 [1] for brief explanation
 [2] for detailed explanation [2]
- (c) (AO3)
 Discuss how this factor could affect price in Serenity.

 The analysis of this factor may include:
 • The price charged will have to be greater than all the costs incurred if Marcella is to make a profit
 • Increasing costs might mean Marcella has to increase her price charged if she is to survive
 Valid alternative responses will be credited.
 [1] for correct identification of a reason
 [2] for correct identification of a reason with discussion [2]
- (d) (i) (AO2, AO3)
 Describe **two** examples of sales promotion that Marcella could use.
 The examples of sales promotion may include:
 • Special offers – this can be buy one get one free (BOGOF) or 10% extra
 • Discounts/reduced price – discount on original price offered
 • Money off coupons – this can offer reductions in price on next purchase
 • Free sample/gifts – given out to alert customers to new products or encourage increased sales
 • Loyalty cards – swiped at checkout to take advantage of discounts
 • After sales – this can give customers encouragement to buy as they know they will be looked after
 • Loss leaders
 • Competitions
 Valid alternative responses will be credited.
 [1] for identifying one example of sales promotion that Marcella could use
 [2] for identifying two examples of sales promotion that Marcella could use or describing one
 [3] for identifying two examples of sales promotion that Marcella could use and describing one
 [4] for describing two examples of sales promotion that Marcella could use (2 × [2]) [4]

(ii) (AO1)

List **two** ways Marcella could segment the market for Serenity.

The ways Marcella could segment the market may include:

- Age
- Gender
- Income
- Region
- Social class
- Culture/ethnic groups

Valid alternative responses will be credited.

[1] for identifying one way of segmenting the market

[2] for identifying two ways of segmenting the market

[2]

(e) (i) (AO1)

Explain the term m-business.

- M-business is mobile business
- It refers to new business services and business models using mobile technologies, such as smartphones, tablets, etc

Valid alternative responses will be credited.

[1] for brief explanation

[2] for detailed explanation

[2]

(ii) (AO2)

State **two** disadvantages of m-business to Serenity.

The disadvantages of m-business may include:

- May need to invest in new hardware and software
- New competition
- The need to update their website
- Design on-line advertising
- Additional costs (training)
- Security of information for customers
- Digital divide/confusing for elderly
- May not be available to everyone
- Online issues/connection
- Fraud/hacking
- Difficult to gain customer trust

Valid alternative responses will be credited.

[1] for identifying one disadvantage of m-business

[2] for identifying two disadvantages of m-business

(2 × [1])

[2]

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(iii) (AO2, AO3)

Analyse **two** advantages of m-business if used by Serenity

The advantages of m-business to Serenity may include:

- Communication with customers – this can be immediate at any time and any place that suits the business and the customers making it easier for both to get in touch/24/7
- Payment – customers will have more options to pay for products and services either directly to the business or by instalments
- Reduced costs – apps can be developed to help advertise services and book into appointments informing customers of availability
- Increased sales/global market

Valid alternative responses will be credited.

[1] for identifying one advantage of m-business if used by Serenity

[2] for identifying two advantages of m-business if used by Serenity or briefly analysing one advantage of m-business if used by Serenity

[3] for identifying and fully analysing one advantage of m-business if used by Serenity or for identifying two advantages of m-business if used by Serenity and briefly analysing one advantage of m-business if used by Serenity

[4] for identifying two advantages of m-business if used by Serenity and fully analysing one advantage of m-business if used by Serenity or for briefly analysing two advantages of m-business if used by Serenity

[5] for identifying and fully analysing one advantage of m-business if used by Serenity and briefly analysing the second advantage of m-business if used by Serenity

[6] for identifying and fully analysing two advantages of m-business if used by Serenity

[6]

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(f) (AO3)

Analyse the following strategies that Serenity might use to manage competition.

Pricing

- Serenity will keep their prices at the same level as, or slightly lower than their competitors/competitor-based/penetration pricing

Product/service

- Serenity will expand their range of products/services
- Serenity will make sure the quality of their products/services are at least, as good as their competitors' products/services
- Serenity will make sure that they have the required products in stock or services available to be booked by customers

Effective customer service

- Serenity will try to beat the competitors by providing a better service
- Training of staff/quality awards/dealing efficiently with customer complaints

Promotion

- Serenity will advertise widely
- Serenity will use promotional offers such as special discounts
- Sponsorship/PR

Valid alternative responses will be credited.

Level 1 ([1]–[3] marks)

Candidate demonstrates basic knowledge and understanding of the strategies that Serenity might use to manage competition. Candidate partially analyses the strategies that Serenity might use to manage competition. Quality of written communication is basic.

Level 2 ([4]–[6] marks)

Candidate demonstrates good knowledge and understanding of the strategies that Serenity might use to manage competition. Candidate appropriately analyses the strategies that Serenity might use to manage competition. Quality of written communication is good.

Level 3 ([7]–[8] marks)

Candidate demonstrates excellent knowledge and understanding of the strategies that Serenity might use to manage competition. Candidate fully analyses the strategies that Serenity might use to manage competition. Quality of written communication is excellent.

[8]

30

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3 (a) (AO1)

Explain the following terms:

First in, first out

- This is based on selling the oldest inventory first and selling or using the inventory in rotation

Valid alternative responses will be credited.

[1] for brief explanation

[2] for detailed explanation [2]

Tertiary production

- This type of production provides services to all other industries and to members of the public, e.g. banking, marketing, insurance, transport

Valid alternative responses will be credited.

[1] for brief explanation

[2] for detailed explanation [2]

Batch manufacturing

- This is made using the same labour and equipment to make batches of different products that are similar

Valid alternative responses will be credited.

[1] for brief explanation

[2] for detailed explanation [2]

Specialisation

- Specialisation is when an employee concentrates on one particular operation and does it all the time. It is where each employee, or group of employees, undertake a small section of the total work and specialises in that particular part of making the product

Valid alternative responses will be credited.

[1] for brief explanation

[2] for detailed explanation [2]

EFQM

- European Foundation for Quality Management is a European framework established to ensure quality

Valid alternative responses will be credited.

[1] for brief explanation

[2] for detailed explanation [2]

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(b) (i) (AO1)

Explain the quality standard ISO 9001.

- ISO 9001 is a Business Management Standard award designed to help organisations to manage their processes and it is subject to regular validation by external assessors. It concentrates on process management, checks that systems are in place and that everyone is sure of his/her role in the organisation. The Standard looks at how the business has implemented Quality Assurance in the areas of facilities, people, training, services and equipment
- Achieving the award is only the first step as the business must undergo continual assessment to ensure that standards are being maintained
- ISO 9001 looks at how the business:
 - trains its staff
 - checks that its products or services are of high quality
 - handles mistakes and responds to consumers
 - conducts sales, design and development, purchases, manufacturing and services
 - has systems to improve its products or services
 - uses its resources

Valid alternative responses will be credited.

[1] for brief explanation

[2] for detailed explanation

[2]

(ii) (AO2, AO3)

Explain the term quality assurance and its importance to Serenity.

The answer may include:

Explanation

- It is the monitoring and evaluation of a product or service by everyone in the business to ensure there is a high standard of quality

Importance

- Prevents mistakes or defects in the product/service
- Provides confidence to the customers that the product/service is reliable
- Gives competitive advantage over other competitors nearby
- Enhances the reputation and could lead to increased sales

[1] for brief explanation

[2] for detailed explanation

(2 × [1])

[1] for briefly stating the importance

[2] for detailed stating of the importance

(4 × [1]) or (2 × [2])

[4]

(c) (AO1, AO2)

Explain **two** roles of the Health and Safety Executive (HSE) to Serenity.

The roles of the Health and Safety Executive may include:

- Provides support and guidance on health and safety matters
- Controls risks to people's health and safety arising from work
- It regulates health and safety legislation in N Ireland
- It promotes health and safety standards
- It has the right to inspect workplace premises

Valid alternative responses will be credited.

[1] for identifying one role of the Health and Safety Executive

[2] for identifying two roles of the Health and Safety Executive or for identifying one role of the Health and Safety Executive and explaining it to Serenity

[3] for identifying two roles of the Health and Safety Executive and explaining one role of the Health and Safety Executive to Serenity

[4] for identifying two roles of the Health and Safety Executive and explaining both roles to Serenity [4]

(d) (i) (AO1)

Identify **two** Health and Safety rights and responsibilities of Marcella, as an employer.

The rights and responsibilities of an employer may include:

- Ensure the safe use of articles and substances
- Provide health and safety training
- Appoint a health and safety officer
- Carryout regular fire drills
- Provide protective clothing, e.g. gloves, hats, hairnets, aprons, shoes, where necessary
- Maintain all equipment/machinery and computer systems in efficient working order
- Provide clear signs and enough space for customers to move around with ease
- Ensure safe practices
- Ensure workplace is well ventilated and well lit
- Maintain indoor temperature of at least 16 degrees Celsius or 13 degrees Celsius if the work involves physical activity
- Carry out cleaning and the removal of waste regularly
- Equip the premises with drinking water, clean washing facilities and toilets
- Provide storage space for employees' clothing
- Provide facilities for rest periods and to eat meals

Valid alternative responses will be credited.

[1] for correct identification of one right and responsibility of the employer

[2] for correct identification of two rights and responsibilities of the employer [2]

(ii) (AO1, AO2, AO3)

Discuss **two** rights and responsibilities of employees for Health and Safety in Serenity

The rights and responsibilities of the employees for health and safety may include:

- Take care of their own health and safety
- Co-operate with the health and safety policy of the business
- Report any accidents
- Wear the protective clothing provided
- Use all equipment carefully to keep it in good working order
- Attend any training sessions provided
- Use equipment safely
- Report any faults or dangers

Valid alternative responses will be credited.

Level 1 ([1]–[3] marks)

Candidate demonstrates basic knowledge and understanding of the rights and responsibilities of employees for health and safety in Serenity. Candidate partially discusses the rights and responsibilities of employees for health and safety in Serenity. Quality of written communication is basic.

Level 2 ([4]–[6] marks)

Candidate demonstrates good knowledge and understanding of the rights and responsibilities of employees for health and safety in Serenity. Candidate appropriately discusses the rights and responsibilities of employees for health and safety in Serenity. Quality of written communication is good.

Level 3 ([7]–[8] marks)

Candidate demonstrates excellent knowledge and understanding of the rights and responsibilities of employees for health and safety in Serenity. Candidate fully discusses the rights and responsibilities of employees for health and safety in Serenity. Quality of written communication is excellent.

[8]

30

Total

90

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