

Mark Scheme (Results)

January 2012

GCE Business Studies (6BS02)  
Paper 01

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Question Number	Answer	Marks
1(a)	B	1
1(b)	<p>Definition of internal recruitment (1m).  The ERCFA would either have to spend time and money themselves or hire an agency to do the job for them if recruiting externally (1m). There are costs involved in both, both financial and opportunity (1m). External agencies have a profit margin to build in (1m).  Candidate may ask - who knows best? What expertise is required (1m). If a candidate chooses to explain why an incorrect option does not 'fit the bill' e.g. A, it would not be enough for them to say that those overlooked for promotion <i>would</i> become demotivated - they must state why, for instance, 'they may feel that the business doesn't value them'.</p> <p><b>NB Maximum of 2 additional marks for reason if part (a) is incorrect or if only the wrong answers are focused on in the explanation.</b></p>	3

Question Number	Answer	Marks
2(a)	C	1
2(b)	<p>Definition of trading (1m)  Competition means lower prices (1m).  Supermarkets benefit from economies of scale and produce more cheaply (1m).  Cost savings may be passed on to customers (1m).  Supermarket bread may even be sold as a loss leader (1m).  Despite Skelton's good customer relations, in times of austerity, many customers will buy on price (1m).  Longer credit terms would improve cash flow and therefore make closure less likely. (1m)</p> <p><b>NB Maximum of 2 additional marks for reason if part (a) is incorrect or if only the wrong answers are focused on in the explanation.</b></p>	3

Question Number	Answer	Marks
3(a)	A	1
3(b)	<p>Difficult to give K mark from within the stem but definition of capacity utilisation (the use a business makes of its resources) or under-utilisation (1m).</p> <p>Formula for capacity utilisation an alternative route to K mark (1m).</p> <p>The cab is used for twice as long as previously so capacity utilisation is increased (1m).</p> <p>In this way, Asher Moses can lower his average fixed costs e.g. licenses can be spread over a greater output (1m).</p> <p>Efficiency is increased and profit margin should increase (1m).</p> <p><b>NB Maximum of 2 additional marks for reason if part (a) is incorrect or if only the wrong answers are focused on in the explanation.</b></p>	3

Question Number	Answer	Marks
4(a)	B	1
4(b)	<p>Definition of duties/taxation, consumption (1m).</p> <p>All alcoholic drinks are taxed. A rise in tax is likely to be passed on to the consumer in the form of higher prices (1m).</p> <p>Present economic climate leaves consumer with less to spend, leaving dearer priced alcohol less likely to be purchased (1m)</p> <p>If demand is price elastic then consumption will fall (1m).</p> <p>Discounted supermarket prices, D, may affect pubs detrimentally but should lead (ceteris paribus) to an increase in overall consumption of alcohol (1m).</p> <p>Similar arguments can be put for A and C.</p> <p><b>NB Maximum of 2 additional marks for reason if part (a) is incorrect or if only the wrong answers are focused on in the explanation.</b></p>	3

Question Number	Answer	Marks
5(a)	D	1
5(b)	<p>Definition of trademark - a sign, symbol or other feature of a business that can be protected (1m).  Without the protection of trademark, the Pritchard's logo and brand can be used by anyone (1m).  Trademarks give protection to the firm's brand but do not prevent other businesses from joining the industry (1m).</p> <p><b>NB Maximum of 2 additional marks for reason if part (a) is incorrect or if only the wrong answers are focused on in the explanation.</b></p>	3

Question Number	Answer	Marks
6(a)	C	1
6(b)	<p>Definition of bonus - an extra payment made in recognition of the contribution of workers; often linked to profits and sales (1m). Look at definitions of other terms sympathetically if bonus not chosen. Only 1K mark.  Sainsbury's have done well and are rewarding their staff (1m).  With so many staff this method (bonus) is probably more cost effective than prp (1m). May also be fairer - look for reasons (1m).  Piecework (A) can be discounted in this service based industry (1m).</p> <p><b>NB Maximum of 2 additional marks for reason if part (a) is incorrect or if only the wrong answers are focused on in the explanation.</b></p>	3

Question Number	Answer	Marks
7	<p><b>Knowledge:</b> Up to 2 marks for ways in which the capital can be spent e.g. new vans, advertising, new premises.  Definition/explanation of working capital (1m)</p> <p><b>Application:</b> Up to 2 marks for linking to Ocado e.g. new vans with lower fuel consumption.</p>	<p>4</p> <p>1-2</p> <p>1-2</p>

Question Number	Answer	Marks
8	<p><b>Knowledge:</b> 1 mark for describing what is meant by environmental impact</p> <p><b>Application:</b> 1 mark for linking to Ocado e.g. low carbon footprint of deliveries.</p> <p><b>Analysis:</b> Up to 2 marks for explaining why environmental impact is important e.g. Green Retailer of the Year award can be used in promotion/fits in with social trends. Enhances reputation, leading to potential for profit' (1m).</p>	<p>4</p> <p>1</p> <p>1</p> <p>1-2</p>

Question Number	Answer	Marks
9	<p><b>Knowledge:</b> Up to 2 marks for reasons why lenders provide funds e.g. good profit potential for the lender/good future prospects of the borrower / good brand.</p> <p><b>Application:</b> Up to 4 marks for linking to Ocado e.g. sales rising rapidly/high profile investors gives Ocado status/expected to make profit in 2011/the total online market sales are increasing/green credentials.</p> <p><b>Analysis:</b> Up to 2 marks for explaining two reasons e.g. 20 to 25 per cent of new online shoppers suggest that Ocado has good prospects for the future and is likely to be able to repay loans/average spend per customer likely to grow/analysts believe Ocado has built up a good brand.</p>	<p>8</p> <p>1-2</p> <p>1-4</p> <p>1-2</p>

Question 10		Marks: 8	
Level	Mark	Descriptor	Possible Content
1	1-2	Available for knowledge such as identifying what is meant by, e.g.	Budgets/budgeting is when a financial plan is calculated for costs and revenues, enabling comparisons with actual data later
2	3-4	Available for contextualising the response by referring to Ocado, e.g.	currently making a loss so need to identify variances/new warehouse will require targets/Ocado's business expansion requires budgetary control
3	5-6	Available for considering the consequences of budgeting for Ocado e.g.	setting targets motivates new staff in the warehouse/need to identify major loss making areas of their online deliveries
4	7-8	Evaluation must be present i.e. the candidate must present arguments for and against budgeting for Ocado e.g.	new warehouse has no historical data/ lenders may want to monitor budgets when lending money to loss making Ocado/ problems of setting budgets in this competitive online grocery market

Question 11		Marks: 8	
Level	Mark	Descriptor	Possible Content
1	1-2	Available for knowledge such as identifying what is meant by, e.g.	forecasting sales and problems of sales forecasting e.g. changes in competition
2	3-4	Available for contextualising the response by referring to Ocado, e.g.	Morrisons have entered into the market/Waitrose may end the non-competition agreement
3	5-6	Available for considering the consequences of sales forecast for Ocado e.g.	historical data may not reflect future performance as sales growth has been very rapid/increased competition from other retailers such as Tesco adds uncertainty to sales forecasts
4	7-8	Evaluation must be present i.e. the candidate must present arguments for and against sales forecasting for Ocado e.g.	Ocado has been in business since 2002 so historical data exists/business is large enough to afford market research agency forecasts



Question 12			Marks: 14
Level	Mark	Descriptor	Possible Content
1	1	<p>Available for knowledge such as identifying what is meant by, e.g.</p> <p><i>QWC: To achieve a mark of 1 the candidate will have struggled to use business terminology or write legibly with frequent errors in spg and/or weak style and structure of writing.</i></p>	<p>JIT/quick introduction of new products/Kaizen Quality assurance/TQM or similar forms of waste reduction/ better use of resources</p>
2	2-3	<p>Available for contextualising the response by referring to Ocado, e.g.</p> <p><i>QWC: To achieve a mark of 2-3 the candidate will use some business terms but the style of writing could be better / there will be some errors in spg / the legibility of the text could have been better in places.</i></p>	<p>highly automated warehouse enables company to benefit from JIT with foodstuffs.</p>
3	4	<p>Available for considering the consequences of lean production techniques e.g.</p> <p><i>QWC: To achieve a mark of 4 the candidate will use business terminology well/style of writing is appropriate to the question/ reasonable to good spg</i></p>	<p>Lean management techniques reduce waste and average cost such as JIT which allows low stock levels of perishable foods/more efficient use of warehouse space</p>
4	5-7	<p>Low level 4: 5 marks evaluation must be present i.e. the candidate must present limitations and benefits of lean management techniques</p> <p>Medium level 4: 6 marks evaluation must be present to convincingly demonstrate balance of factors</p> <p>High level 4: 7 marks Evaluation must be present and a conclusion is provided</p> <p><i>Assessment for QWC: The candidate will use business terminology precisely and</i></p>	<p>Loss of bulk buying economy/problems with deliveries/cost of automation/training of staff for Kaizen/competitive benefits can be short lived if larger rivals like Morrisons do the same</p> <p><b>N.B. a combination of approaches may be considered</b></p>

		<i>effectively/organises their answer to provide a coherent and fluent response/ good to excellent spelling, punctuation and grammar</i>	
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