Mark Scheme (Results)

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GCE Business Studies & Economics & Business (6BS03.6EB03)
Paper 01

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.

- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.

- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.

- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.

- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.

- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.

- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.

- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question Number	Question	
1.	Explain **two** reasons why GSK might want to enter the American market with Lucozade.	6 marks
	Answer	Mark
	Knowledge 2, Application 2, Analysis 2 **Knowledge: up to 2 marks (one for each reason)** for identifying two reasons as to why they might want to enter the market e.g. spreading risk, increased sales, more profit, saturated home market **Application: up to 2 marks (one for each reason)** for developing a reason in the context of the American market e.g. size, wealth, high income, nature of the American consumer **Analysis: up to 2 marks (one for each reason)** for developing the reasons and consideration of the likely consequences e.g. high levels of disposable income should lead to increased sales which may yield more profit. **If only one reason cap at 3 marks**	1-2 1-2 1-2

Question Number	Question	
2.	Analyse **two** likely difficulties facing GSK in their attempt to penetrate the American market with Lucozade.	8 marks
	Answer	Mark
	Knowledge 2, Application 2, Analysis 4 **Knowledge: up to 2 marks** are available for identifying two likely difficulties e.g. strong competition, market in recession, exchange rate fluctuations, tariffs, brand loyalty, different culture etc. **Application: up to 2 marks** are available for contextual answers e.g. America has existing strong brands in the form of Gatorade and Powerade, downturn in consumer spending **Analysis: up to 4 marks** are available for expanding on the difficulties and showing reasons, causes or consequences e.g. The US is a mature market and an increase in sales may only be possible by taking sales away from Gatorade, this will need expensive marketing etc. Up to 2 analysis marks for **one** difficulty, up to 4 marks for analysis of **two** difficulties **If only one reason cap at 4 marks**	1-2 1-2 1-4

Question Number	Question
3.	Assess the likely impact on two stakeholder groups of GSK's planned global expansion. (9 marks)

Level	Marks for each stakeholder group	Descriptor	Possible content
1	1	Some relevant knowledge of a stakeholder group	e.g. shareholders
2	2	Basic points developed to show awareness of context in terms of impact on GSK's stakeholder groups	e.g. using the context of either potential markets or GSK and its stakeholder groups
3	3	The points are developed to show the impact on stakeholder groups	e.g. increased market share may lead to greater profits and hence an increase in share value and dividends for shareholders
4	4	Evaluation must be present	e.g. a candidate balances his/her answer by pointing out that costs may rise significantly and in the short run profits may well decrease adversely affecting the shareholders
Award extra evaluation mark if merited to either stakeholder (not both) If only one group is discussed the maximum mark is 5.			

N.B. If analysis but no context restrict to L2
If evaluation but no context restrict to L3

Question Number	Question		
4	Evaluate the benefits of operating in a global niche market for a business such as Gatorade (12 marks)		
Level	Mark	Descriptor	Possible content
1	1-2	Some relevant understanding of the term *Written communication may be poor with frequent errors in spelling, punctuation and grammar and/or a weak style and structure of writing.*	e.g. for understanding the nature of a global niche market and/or identifying possible benefits
2	3-4	Basic points developed to show connection to a business such as Gatorade *Candidate uses a limited amount of business/economics terminology with reasonable spelling, punctuation and grammar.*	e.g. connecting Gatorade to the characteristics of a global niche market
3	5-7	The benefits are developed and analysed. *Candidate uses business/economics terminology quite well and has a reasonable to good grasp of spelling, punctuation and grammar*	e.g. There is less competition and greater customer loyalty in niche markets. Prices are likely to be higher and therefore profits may be greater. Risk may be reduced
4	8-12	<u>Low Level 4: 8-10 marks.</u> Evaluation must be present <u>High Level 4: 11-12 marks</u> Evaluation is developed to show a real perceptiveness on the part of the candidate. Several strands may be developed; the answer is clear and articulate leading to a convincing conclusion. *Candidate uses business terminology precisely and effectively/organises their answer to provide a coherent and fluent response/ good to excellent spelling, punctuation and grammar*	e.g. begins to discuss the possible drawbacks to operating in a global niche market. Economies of scale are limited and so whilst prices are higher so too are average costs. The need to perhaps develop different products/marketing strategies for each niche etc.. e.g. there are several strands to the evaluation, other points could include the risks of changing tastes and fashions, becoming too successful and being swallowed up by bigger companies etc.

N.B. If analysis is not in context restrict to bottom L3.
If evaluation not in context restrict to top L3

Unit 3 Section B

Question Number	Question	
5.	Analyse why the German economy has benefited from China's growth.	6 marks
	Answer	Mark
	Knowledge 2, Application 2, Analysis 2 **Knowledge: up to 2 marks** are available for describing how an economy might benefit from another's growth, e.g. more exports, increased employment, increased investment, GDP growth. **Application: up to 2 marks** are available for relating the above to the context e.g. It is China's growth that has increased the demand for Germany's exports such as machine tools. **Analysis: up to 2 marks** are available for consideration of why this led to growth e.g. Germany faced with rising demand for exports increases production, jobs are created, extra incomes are earned which leads to economic growth.	1-2 1-2 1-2

Question Number	Question	
6.	Analyse **two** possible reasons why London and Britain are such favoured destinations for Chinese FDI	6 marks
	Answer	Mark
	Knowledge 2, Application 2, Analysis 2 **Knowledge: up to 2 marks (one for each reason)** for identifying possible reasons. e.g. government incentives, infrastructure, skills/education of workforce, part of EU **Application: up to 2 marks (one for each reason)** for contextual answers such as linking the above specifically to London or Britain, e.g. familiarity with the English language, access to EU markets, time zone and access to skilled labour. **Analysis: up to 2 marks (one for each reason)** are for developing the reasons e.g. government incentives such as grants or tax concessions may be greater in the UK which reduce costs and can increase profitability. **If only one reason cap at 3 marks**	1-2 1-2 1-2

Question Number	Question
7.	Evaluate the likely impact the BRIC economies might have on the global marketing of a business such as Gucci or Carrefour. (8 marks)

Level	Mark	Descriptor	Possible content
1	1	Some relevant understanding of marketing	e.g. possibly the 4Ps, range of options open to a business to try and persuade consumers to buy
2	2-3	Knowledge is applied to a business such as Gucci or Carrefour	e.g. use of examples to illustrate arguments, Gucci may actually charge premium prices, Carrefour might offer local products
3	4-5	For developing ideas by explaining the impacts on global marketing	e.g. by suggesting how marketing strategies might change in the light of the expansion of the Brazilian economy, may use concepts such as glocalisation, polycentric marketing etc.
4	6-8	Evaluation must be present through a balanced response by pointing out some of the costs and benefits of a change in global marketing.	e.g. not all businesses will significantly change their marketing, Gucci for example, is unlikely to change its product or prices but Carrefour will. The extent or costs of changes may also be considered.

N.B. If analysis is not in context restrict to bottom L3.
If evaluation not in context restrict to top L3

Question Number	Question
8.	Assess the advantages to the Greek economy of allowing further inward investment from China (10 marks)

Level	Mark	Descriptor	Possible contents
1	1	Knowledge that there will be an impact on the Greek economy by inward investment	e.g. the economy may grow
2	2	The above is applied to Greece	e.g. extra jobs created at container-handling facility at the port of Piraeus
3	3-5	Candidates explore some of the consequences (this could be positive or negative) inward investment may bring giving reasons/consequences	e.g. impact on GDP, jobs, incomes, multiplier effect, export revenues etc. Inward investment leads to an increase in employment which increases income and so contributes to economic growth
4	6-10	Low Level 4: 6-8 marks Evaluation must be present, such that candidates make judgments as to the extent of the consequences High Level 4: 9-10 marks Evaluation is developed to show a real perceptiveness on the part of the candidate. A conclusion which is well contextualised is evident.	The scope and extent of the consequences may be discussed e.g. the drawbacks, loss of control, profits being repatriated, negative externalities. The evidence says "Chinese management and workers in the driving seat" – this may be picked up on. The above points may be developed further with a well rounded conclusion.

N.B. If analysis is not in context restrict to bottom L3.
If evaluation not in context restrict to top L3

Question Number	Question
9.	Evaluate the possible effects of China's projected growth rates on UK businesses (15 marks)

Level	Mark	Descriptor	Possible content
1	1-2	Candidate recalls a key term *Written communication may be poor with frequent errors in spelling, punctuation and grammar and/or a weak style and structure of writing.*	e.g. defines or identifies what is meant by projected growth rates
2	3	Awareness of projected growth rates linked to UK *Candidate uses a limited amount of business/economics terminology with reasonable spelling, punctuation and grammar.*	e.g. UK businesses will be affected either positively or negatively
3	4-7	Analysis of impact on UK businesses of China's projected growth rates *Candidate uses business/economics terminology quite well and has a reasonable to good grasp of spelling, punctuation and grammar*	e.g. as China grows so too do market opportunities for UK businesses such as Tesco, growth can be achieved away from saturated home markets. Others may interpret it as a threat and see Chinese firms driving UK manufacturers such as Courtaulds or Wedgwood out of the market
4	8-15	Low Level 4: 8-11 marks Evaluation must be present, such that candidates discuss both the positive and negative effects on UK businesses High Level 4: 12-15 marks Evaluation is developed to show a real perceptiveness on the part of the candidate, in this range it is likely that the discussion will be more articulate and show understanding of the complexities involved. A conclusion which is well contextualised is evident. *Candidate uses business terminology precisely and effectively/organises their answer to provide a coherent and fluent response/ good to excellent spelling, punctuation and grammar.*	At this level candidates begin to contrast those sorts of business that will take advantage of China's growth against those that may be threatened. The degree and scope of these changes may be discussed. e.g. takes the basic evaluation further and perhaps really looks at the types of businesses in some detail and in particular at the changing nature of the Chinese economy as it grows and how this will impact on particular UK firms. Good examples will be given in the context and a rounded evaluative conclusion will be present.

N.B. If analysis is not in context restrict to bottom L3.
If evaluation not in context restrict to top L3

Question	Contents	Kn	App	An	Eval	Total
1	3.3.1a	2	2	2	-	6
2	3.3.4b	2	2	4	-	8
3	3.3.4a	2	2	2	3	9
4	3.3.5c	2	2	3	5	12
5	3.3.1a and 3.3.3a	2	2	2	-	6
6	3.3.2a	2	2	2	-	6
7	3.3.5b	1	2	2	3	8
8	3.3.6a and 3.3.6b	1	1	3	5	10
9	3.3.2a	2	1	4	8	15
Total	-	16	16	24	24	80

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