

Mark Scheme (Results)

June 2011

GCE Applied Business (6916)
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	Exemplar Responses	Mark Allocation
1(a) (i)	<ul style="list-style-type: none"> To offer a good service To impress customers To be professional To clear stock/minimise inventory To stimulate another order 	1 mark for each reason (2 marks)

Question Number	Exemplar Responses	Mark Allocation
1(a) (ii)	<ul style="list-style-type: none"> Customers complain – this adds to Kareena's workload – and could make her less efficient Customers buy elsewhere – loss of customers – market will decline Customers stop buying – this will affect her income – and profit 	1 mark for stating problem + 1 mark for outlining problem (maximum 2 marks) (3 marks)

Question Number	Exemplar Responses	Mark Allocation
1(b)	<ul style="list-style-type: none"> To check/confirm that objective has been met – and by how much – or if missed it will show how much more needs to be achieved So that it makes objectives that are clear – and sets a realistic target – that she can work towards So that person who has to meet the objectives knows precisely what has to be done – this will give them a target – so that they know what needs to be done So that achievement against objectives can be graded/rated/scored – this will provide valuable information for management – and to indicate if changes/training will need to be done So that achievements against objectives can be compared – to highlight areas of strength – or weakness if objective is not achieved To maintain quality standards – by using the objective as the standard to aim for – this will make sure that the business does not let down its customers 	1 mark for each reason (maximum 3 marks) or 1 mark for reason + 1 mark for developing reason (maximum 2 marks) (3 marks)

Question Number		Indicative content
1(c)		<p>Kareena will have a number of advantages and disadvantages as a sole trader, for example, she will be the only one making decisions, she will be able to take time off when she wants, and generally run the business how she wants.</p> <p>The paperwork will be minimal, and she will not have to abide by formal company legislation. On the other hand, she will have unlimited liability for the business debts, which means that she could lose all of her personal possessions or be made bankrupt if she cannot keep up with repaying her debts.</p> <p>Turning Sadhanna into a limited company will give Kareena some protection from losing all of her possessions, as she will only be liable for the share capital that she put into the business initially. She will also be able to sell shares to other people to invest in the business.</p> <p>However, being a limited company brings with it a set of regulations which she must abide by – such as registering at Companies House, submitting formal accounts each year, employing qualified accountants to prepare her accounts, and having named directors and company secretary.</p> <p>Overall it would probably be better for Kareena in the long run, but she should wait to see if the business is likely to be successful before committing to forming a limited company.</p>
Level	Mark	Descriptor
	0	No rewardable material
Level 1	1 – 3	<p>Candidate shows some knowledge and understanding to show a basic understanding of why a sole trader might want to change become a limited company; reasons likely to be basic facts about sole trader.</p> <p>The candidate uses everyday language and the response lacks clarity and organisation and is difficult to comprehend. Spelling, punctuation and the rules of grammar are used with little accuracy.</p>
Level 2	4 – 6	<p>The candidate applies their knowledge and understanding to show that they understand why a sole trade might want to change to become a limited company; candidate makes basic comparison of way sole trader operates compared with how a limited company operates, such as personal liability, etc.</p> <p>The candidate uses everyday language and the response lacks clarity and organisation and is difficult to comprehend. Spelling, punctuation and the rules of grammar are used with limited accuracy.</p>
Level 3	7 – 9	The candidate starts to discuss the situation, making realistic comparisons of how both businesses operate; comparisons go beyond personal liability, and start to address commercial reasons for the change, such as expansion, diversification, etc.

		The candidate uses some specialist terms and the response shows some focus and organisation. Spelling, punctuation and the rules of grammar are used with some accuracy
Level 4	10 - 12	<p>The candidate has assessed the situation thoroughly, and can put forward a fluent discussion of the two ways of operating a business; candidate compares personal advantages and disadvantages as well as commercial advantages and disadvantages, and may draw answer to a conclusion.</p> <p>The candidate uses appropriate specialist terms and the response shows good focus and organisation. Spelling, punctuation and the rules of grammar are used with considerable accuracy.</p>

Question Number	Exemplar Responses	Mark Allocation
1(d)	<p><u>Silver Paints</u> The sales function comprises merchandisers who visit DIY stores to make sure that the product display looks good – and trade sales representatives who deal with the professional side of the industry – the merchandisers stimulate orders by highlighting low stocks or gaps on shelves – the trade sales team take orders directly from professional painters and decorators</p> <p><u>Yellow Pages</u> The sales team work from a telephone call centre – they are divided up into teams – each team is given a target based on how many calls each person must make each day – – each team works together to see if they can achieve better results than the other teams and get a bonus</p> <p><u>Ace Supermarket</u> The sales staff at Ace Supermarket are on the checkouts – they are organised into shifts – they contribute to the success of the business by being helpful and polite to customers - so that customers return to their store rather than shopping elsewhere</p>	<p>1 mark for stating any aspect of the sales function (maximum 2 marks)</p> <p>+</p> <p>1 mark for describing how the sales team contributes to the success of the business (maximum 3 marks)</p> <p>(4 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
1(e)	<p><u>Tesco</u></p> <p>They operate a hierarchical structure – this means that there are lots of levels – with the directors at the top and the operatives at the bottom – this suits the business because it has many stores and departments - and each one needs to be managed – and employees need to know where they fit into the structure</p> <p><u>Honda</u></p> <p>They use a matrix structure – this is based on setting up project teams – drawing employees from different functional areas – so that they can work together to solve production problems – by bringing together different skills – and different perspectives of the business</p> <p><u>Optex Web Design</u></p> <p>Uses a flat structure – only 2 levels – with only 7 employees - a wide-span of control works in this business – as it has a short chain of command – and all employees report to one of two people.</p>	<p>1 mark for naming organisational structure</p> <p>1 mark for description (maximum 2 marks)</p> <p>1 mark for application of organisational structure to named business (maximum 3 marks)</p> <p>(6 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
2(a)	<ul style="list-style-type: none"> • Honesty – as they will be dealing with payments • Integrity – will do what they say they will do • Trustworthy – as Kareena is leaving this person to look after the business • Responsibility – will actually turn up each day as required • Efficient – will perform tasks to standards required • Effective – self motivated when working alone • Organised – so they do not get in a muddle <p>(No marks for skills e.g. communication skills, IT skills etc.)</p>	<p>1 mark for quality (maximum 3 marks) + 1 mark for assessment of quality (maximum 3 marks)</p> <p>(6 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
2(b)	<ul style="list-style-type: none"> • To save her time – as she is busy running the business – and cannot spare time advertising/reviewing applications/interviewing etc. • Because she does not want to be taken away from running the business – as she could lose sales/customers – so needs someone else to focus on recruitment • Because they are experts at recruitment – Kareena has never needed to recruit anyone - so does not necessarily know how to do it • Because time is money – her time is worth more than the cost of the fee paid to the agency – so she would rather concentrate on the business and pay a fee to the employment agency • Because employment agencies have temporary staff on their books – so can find a suitable person without too much trouble – which will be much quicker than if Kareena tried to do it herself 	<p>1 mark for reason (maximum 2 marks) + 1 mark for examination of reasons (maximum 4 marks)</p> <p>(6 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
2(c)	<ul style="list-style-type: none"> • An aptitude test could be a keyboarding test– this would be done because the communication and order system is on computer – which means that input is by keyboard – so temp will need to be competent in keyboard skills • They could be tested to see how well they speak on the telephone – some customers may telephone for information or to check orders – temp will need to be able to communicate with customers effectively – which means that they need to be able to speak clearly on the telephone • Testing the ICT skills of applicants – temp will need ICT skills to be able to use the order processing system – because business is internet based – which means that orders and records are on the computer – • An aptitude test could be in the form of role play dealing with telephone enquiries -- temporary employee will need to be able to handle telephone enquiries efficiently – so that customers are not let down - although most of orders will come from website, customers may telephone to check/confirm orders 	<p>1 mark for understanding aptitude test (may be implied)</p> <p>+</p> <p>1 mark for reason</p> <p>+ 1 mark for expanding on reason (maximum 2 marks)</p> <p>(4 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
2(d)	<ul style="list-style-type: none"> • On-the-job training – this means that the temp will work on the computer – actually learning the order processing system as they use it – and Kareena will be on hand to show them what to do • One-to-one – Kareena sits with the temp and shows them what to do – giving instructions directly to them – so that she can keep a close watch on what they do • Work shadowing – temp spends time watching how Kareena works – watching how the orders arrive – how they have to be processed 	<p>1 mark for appropriate training method</p> <p>1 mark for description (maximum 3 marks)</p> <p>(4 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
2(e)	<p>Note: "Selection process" goes up to an includes 'Making the job offer' – but does not go beyond this point i.e. not to induction etc.</p> <p><u>Co Op retail</u></p> <p>Responses/application forms are looked at by the HR team – they are sorted into possible and not suitable – based on reviewing the basic information on the application forms – applicants in the 'possible' pile are asked to come to the head office for a general interview – if they meet the person specification at the general interview – they are invited to attend a more detailed interview with the manager of the store where they want to work</p> <p><u>ICRT Graphics</u></p> <p>Applications come in from their website – the boss quickly scans each one = and rejects those without the right skills – they are then sent a more detailed questionnaire by email – and asked to complete a task on screen – is they are good enough – they are asked in for an interview – which takes place with both the partners at ICRT</p>	<p>1 mark for each step in selection process after responses to recruitment advertising have been received</p> <p>(6 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
2(f)	<p><u>IFY Finance</u></p> <p>This is where someone works as a trusted advisor to a new employee – at IFY a retired partner comes in once a week to work with the new employee – they review how the employee has been getting on since the previous meeting – then mentor helps them by giving advice and explaining any problem areas</p> <p><u>Town Sports Centre</u></p> <p>A new trainer at the Town Sports centre is assigned to a local professional sports person – they meet every month and the new trainer is advised by the professional on how they should train teams – and how they can present a professional image themselves</p>	<p>1 mark for understanding mentoring (may be implied)</p> <p>1 mark for description of mentoring (maximum 3 marks)</p> <p>(4 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
3(a)	<ul style="list-style-type: none"> • Working time regulations – outlines the maximum number of hours per week – how long an employee can work without a break – and how long the break can be • Regulations governing leave arrangements – covers maternity/paternity – gives employees statutory rights – for certain length of time they can take off on full pay/reduced pay • Minimum wage – gives employees certain rights - sets minimum that employers can pay employees – based on their age • Anti discrimination legislation – protects employees from unfair/offensive discrimination – as all employees have equal rights – to have equal access/be able to work without prejudice • Health & safety – applies equally to temporary employees as it does to permanent employees – workplace should be kept safe – and employee provided with necessary safety training/equipment 	<p>1 mark for naming/describing example of legislation that protects the well-being of employees (maximum 2 marks)</p> <p>+</p> <p>1 mark for outline of how it protects employees (maximum 3 marks)</p> <p>(4 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
3(b)	<ul style="list-style-type: none"> • So that the employee will work well – and work efficiently – this means not cutting corners – or doing anything that could lose them customers • So that the employee does not leave – this could jeopardise the business – as Kareena would be without anyone to take the orders – customers would complain/business would lose money • To maintain the quality standards of the business – if employee is not motivated they may slack – work could suffer – customers may not be dealt with in appropriate manner • Because Kareena is going to the USA – employee will be left alone Kareena will not be on hand to supervise – and the employee will need to be motivated enough to work without the need for supervision 	<p>1 mark for reason why (maximum 2 marks)</p> <p>+</p> <p>1 mark for description (maximum 2 marks)</p> <p>(4 marks)</p>

Question Number		Indicative content
3(c)		<p>As soon as she hears the rumours Kareena should get in touch with her suppliers and find out if it is true. If it is true, and that the products are tested on animals she will have to decide whether this is likely to affect her business. She will need to find out what her customers think about animal testing, as some people have very strong feelings and will never buy products that have been tested in this way.</p> <p>Other customers may be less concerned; because they will think that if they have been tested on animals they must be safe for them to use. Kareena will also need to check out the legal situation, to see if it is OK to sell these products in the UK, and make sure that she does not breach any consumer protection legislation.</p> <p>Another ethical issue is whether she should tell the customers what she finds out about animal testing, or should she keep it quiet. If it is true, and customers find out about the testing, there is a danger that she will lose the business as customers stop buying, or people start to boycott the products and protest about the testing. Kareena may need to plan a PR campaign to protect the business, this should involve being truthful to her customers to avoid any negative backlash.</p>
Level	Mark	Descriptor
	0	No rewardable material
Level 1	1 - 3	<p>Candidate shows some knowledge and understanding of the general issues around testing on animals. Response likely to be more emotional than business oriented or focussed on ethical issues.</p> <p>The candidate uses everyday language and the response lacks clarity and organisation and is difficult to comprehend. Spelling, punctuation and the rules of grammar are used with little accuracy.</p>
Level 2	4 - 6	<p>The candidate applies their knowledge and understanding to show that there may be a case for testing, such as to protect consumers. They raise ethical issues that may be focussed on general points, but there could be some differentiation between testing cosmetics and medical research. They understand that this way of trading raises an ethical issue i.e. taking money without supplying goods in a timely fashion; the ethical issue is considered in basic terms of being right or wrong.</p> <p>The candidate uses everyday language and the response lacks clarity and organisation and is difficult to comprehend. Spelling, punctuation and the rules of grammar are used with limited accuracy.</p>
Level 3	7 - 9	The candidate discusses the ethical issue fluently, and can put

		<p>forward basic reasons why it could be considered to be wrong in the context of cosmetics, but right in other contexts e.g. medical research. There may be some reference to the legal requirement to protect consumers from harmful products. Candidates may give an opinion as to whether Kareena should be open about animal testing or should keep the information confidential, which itself has ethical issues.</p> <p>The candidate uses some specialist terms and the response shows some focus and organisation. Spelling, punctuation and the rules of grammar are used with some accuracy.</p>
Level 4	10- 12	<p>The candidate has assessed the situation thoroughly, and can put forward arguments for and against animal testing. Candidates will be clear about whether Kareena should investigate whether the products are tested on animals, whether she should change suppliers, whether it will affect her marketing and promotion strategies, and how all of this will affect the business. Candidate should give a conclusion to their discussion of the ethical points.</p> <p>The candidate uses appropriate specialist terms and the response shows good focus and organisation. Spelling, punctuation and the rules of grammar are used with considerable accuracy.</p>

Question Number	Exemplar Responses	Mark Allocation
3(d)	<p><u>NB: Specification does not name any specific motivational theories. The Edexcel text book includes Taylor, Mayo, McGregor, Maslow and Herzberg; however, others may be used by candidates and should be rewarded.</u></p> <p><u>Ford</u> Use Taylors scientific theories – to break the workforce into individuals – each using a single skill – which contributes to building the whole vehicle</p> <p><u>Addis Ltd</u> Mayo’s theories are used at Addis – he identified that work was a group activity – and that workers need a sense of belonging to a group – so Addis organise an interdepartmental five-a-side football tournament to help the employees bond as a group</p> <p><u>Indo Call centres</u> Here they use McGregor’s Theory X – which identified that the average worker dislikes responsibility - so they keep all their telesales people under very close supervision – they make sure that they each have strict goals and targets which must be achieved or they might get the sack</p> <p><u>Sainsbury</u> This business uses Maslow hierarchy – this is based on meeting certain needs - by paying a decent wage - it meets employees physiological need as they can pay for their house/family/food</p> <p><u>United Parcels Delivery Service</u> Employees at UPDS are regularly asked what they like and dislike about their job – this gives the management an idea of what motivates them – and what they would like to make their job better, such as more wages or better working conditions – this way of managing employees is based on the theories and studies of Frederick Herzberg</p>	<p>1 mark for naming motivational theory</p> <p>1 mark for knowledge of motivational theory (maximum 2 marks)</p> <p>+</p> <p>1 mark for applying motivational theory to chosen business (maximum 3 marks)</p> <p>(4 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
3(e)	<p><u>NB: Answers may be positive or negative i.e. working conditions may or may not influence the ability of the business to retain employees</u></p> <p><u>McDonalds</u></p> <p>Staff are given uniforms – and training – and a clean working environment – this means that the workplace is a nice place to come to – and by giving them all this the employees are relatively happy – which means that they do not mind working at McDonalds</p> <p><u>Intrusion Telesales</u></p> <p>Working conditions here are hard – employees have long hours – in hot rooms without air conditioning – they are pressurised to make lots of calls – and bullied if they do not make sales – so it is not surprising that Intrusion cannot keep its staff even though the wages are high if you do a good job</p>	<p>1 mark for description of working conditions (maximum 4 marks)</p> <p>+</p> <p>1 mark for how working conditions influence ability to retain employees (maximum 4 marks)</p> <p>(6 marks)</p>

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