

# Mark Scheme (Results)

January 2013

GCE Business Studies (6BS02/01)  
Unit 2A: Managing the Business

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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.

## Section A Mark Scheme

Question Number	Answer	Marks
<b>1(a)</b>	<b>D</b> - No additional cost is incurred as no extra managers are needed	1
<b>1(b)</b>	<ul style="list-style-type: none"> <li>• Accurate definition of span of control, e.g. the number of employees under a manager's direct control (1 mark)</li> <li>• By managers controlling more employees the business can expand without the recruitment of additional managers (1 mark).</li> <li>• Another benefit is that managers could increase the level of delegation (1 mark).</li> </ul> <p><b>Up to two of the marks above can be achieved alternatively by explaining distracters, e.g.</b></p> <ul style="list-style-type: none"> <li>• A is wrong because with more employees to oversee, managers will spend more time with employees (1 mark).</li> <li>• B is wrong because it will be more difficult to control a greater number of employees as each has their own problems/issues (1 mark)</li> <li>• C is wrong because a wider span of control will lead to fewer opportunities for promotion because there are no more managerial positions (1 mark)</li> </ul> <p>Any acceptable answer which shows selective knowledge/understanding/application and/or development</p> <p><b>NB A maximum of 2 marks out of 3 can be awarded if the explanation is as to why the other responses are not correct</b></p> <p><b>NB Wrong answer to (a) but otherwise logical response, award a maximum of 2 marks</b></p>	<p>1-3 marks</p> <p><b>(Total 4)</b></p>

Question Number		Marks
2(a)	D - entering the industrial design market	1
2(b)	<ul style="list-style-type: none"> <li>• An accurate definition or explanation of a patent a protection, in law, of processes and features that makes things work, <i>or equivalent</i>, (1 mark).</li> <li>• In the UK a firm or an individual has the right to enter any market they wish (1 mark).</li> <li>• If the profit mechanism signals that more firms can be sustained then more firms will enter the market (1 mark).</li> <li>• There is no law to prevent other business entering the industrial design market (1 mark).</li> </ul> <p><b>Up to two of the marks above can be achieved alternatively by explaining distracters, e.g.</b></p> <ul style="list-style-type: none"> <li>• A is wrong because MDB could, through the courts, stop another firm from copying their design as this is an infringement and is illegal (1 mark)</li> <li>• B is wrong because patent protection prevents others from exploiting the invention by providing sanctions/fines against it (1 mark)</li> <li>• C is wrong because patent [protection gives the firm the sole right to retail its inventions if it chooses to (1 mark)</li> </ul> <p>Any acceptable answer which shows selective knowledge/understanding/application and/or development</p> <p><b>NB A maximum of 2 marks out of 3 can be awarded if the explanation is as to why the other responses are not correct</b></p> <p><b>NB Wrong answer to (a) but otherwise logical response, award a maximum of 2 marks</b></p>	<p>1-3 marks</p> <p><b>(Total 4)</b></p>

Question Number		Marks
<b>3(a)</b>	<b>C – Insisting on cash on delivery</b>	1
<b>3(b)</b>	<ul style="list-style-type: none"> <li>• Definition of cash on delivery is receiving payment before goods are handed over (1 mark).</li> <li>• Insisting on cash on delivery/payment before goods are exchanged removes the chance of risk/bad debts (1 mark).</li> <li>• Cash-on-delivery removes the risk associated with other forms of payment, e.g. cheques bouncing (1 mark)</li> <li>• Cash on delivery may be relaxed at a later time when the client is judged to be trustworthy (1 mark).</li> </ul> <p><b>Up to two of the marks above can be achieved alternatively by explaining distracters, e.g.</b></p> <ul style="list-style-type: none"> <li>• A is wrong because whilst checks on a client’s creditworthiness could be carried out, they are not foolproof and are no guarantee of payment (1 mark).</li> <li>• B is wrong because whilst references may be supplied they can only comment on past behaviour/payment history and circumstances may have changed (1 mark)</li> <li>• D is wrong as setting a credit limit may minimise risk but it is no guarantee of payment (1 mark)</li> </ul> <p>Any acceptable answer which shows selective knowledge/understanding/application and/or development</p> <p><b>NB a maximum 2 marks out of 3 can be awarded if the explanation is as to why the other responses are not correct.</b></p> <p><b>NB Wrong answer to (a) but otherwise logical response, award a maximum of 2 marks</b></p>	<p>1-3 marks</p> <p><b>(Total 4)</b></p>

Question Number	Answer	Marks
4(a)	<b>B</b> - Taylor's scientific management	1
4(b)	<ul style="list-style-type: none"> <li>• Piece rates are payment for number of items produced/motivational theory is how staff are encouraged to be more effective (1 mark)</li> <li>• Taylor's scientific management stated that workers were motivated by money (1 mark)</li> <li>• Therefore pay should be linked to output by piece rates (1 mark)</li> </ul> <p><b>Up to two of the marks above can be achieved alternatively by explaining distracters, e.g.</b></p> <ul style="list-style-type: none"> <li>• A and C are wrong because Maslow's hierarchy of human needs suggests that both social and self actualisation needs are not satisfied by pay alone (1 mark)</li> <li>• D is wrong as Herzberg believed pay to be a satisfier/hygiene factor, a pre-requisite to motivation, but that such factors as delegation/recognition would motivate (1 mark)</li> </ul> <p>Any acceptable answer which shows selective knowledge/understanding/application and/or development</p> <p><b>NB A maximum of 2 marks out of 3 can be awarded if the explanation is as to why the other responses are incorrect.</b></p> <p><b>NB Wrong answer to (a) but otherwise logical response, award a maximum of 2 marks</b></p>	<p>1-3 marks</p> <p><b>(Total 4)</b></p>

Question Number	Answer	Marks
5(a)	<b>A</b> - Demand fell and revenue increased	1
5(b)	<ul style="list-style-type: none"> <li>• Price elasticity of demand measures the responsiveness of changes in demand to changes in price/accept formula</li> </ul> $\text{PED} = \frac{\% \text{ change in QD}}{\% \text{ change in price}} \quad (1 \text{ mark})$ <ul style="list-style-type: none"> <li>• <math>\text{PED} = \frac{X}{6} = -0.5 \quad (1 \text{ mark})</math></li> <li>• Therefore <math>X = -3\% \quad (1 \text{ mark})</math></li> <li>• Demand will fall by 3 per cent but as price has risen by 6 per cent, total revenue will rise (1 mark)</li> <li>• -0.5 means that PED is relatively inelastic (1 mark)</li> <li>• this means that the demand for tickets will have fallen by a smaller % than the % increase in price (1 mark)</li> </ul> <p>Any acceptable answer which shows selective knowledge/understanding/application and/or development – in this case give credit for correct PED diagram</p> <p><b>NB A maximum of 2 marks out of 3 can be awarded if the explanation is as to why the other responses are not correct</b></p> <p><b>NB Wrong answer to (a) but otherwise logical response, award a maximum of 2 marks</b></p>	<p>1-3 marks</p> <p>(Total 4)</p>



Question Number	Answer	Marks
<b>6(a)</b>	<b>C</b> – It should reduce the level of buffer stock	1
<b>6(b)</b>	<ul style="list-style-type: none"> <li>• Just in Time stock control is when supplies are delivered just when they are needed for production/buffer stock is an inventory that is held 'just in case' (1 mark)</li> <li>• Which therefore means that less warehouse space is needed (1 mark)</li> <li>• The need for buffer stock is reduced because supplies are delivered for specific production runs (1 mark)</li> </ul> <p><b>Up to two of the marks above can be achieved alternatively by explaining distracters, e.g.</b></p> <ul style="list-style-type: none"> <li>• A is wrong because logistical problems can sometimes hamper the best run supplier because of traffic delay due to weather issues (1 mark)</li> <li>• B is wrong because JIT normally requires smaller delivery quantities, more often and this will cost more (1 mark)</li> <li>• D is wrong because as quantities ordered are usually specific to a particular job and this will lead to a smaller quantity ordered (1 mark)</li> </ul> <p>Any acceptable answer which shows selective knowledge/understanding/application and/or development</p> <p><b>NB A maximum of 2 marks out of 3 can be awarded if the explanation is as to why the other responses are not correct.</b></p> <p><b>NB Wrong answer to (a) but otherwise logical response, award a maximum of 2 marks</b></p>	<p>1-3 marks</p> <p><b>(Total 4)</b></p>

## Section B Mark Scheme

Question Number	Question	Mark
7	Explain <b>one</b> reason why 'sufficient profit' (see Evidence A, line 24) is important to JLP in the long run. (4 marks)	
	Answer	Mark
	<p style="text-align: center;"><b>(Knowledge 2, Application 1, Analysis 1)</b></p> <p><b>Knowledge/understanding: up to 2 marks</b> are available for what is meant by profit, e.g. the excess of total revenue less total costs (1 mark) indicating long run implies expansion or business growth/more than 12 months (1 mark)</p> <p><b>Application: 1 mark</b> is available for contextualised answers e.g. to sustain and develop JLP stores/provide profit sharing funds (1 mark)</p> <p><b>Analysis: 1 mark</b> is available for developing the above e.g. because expansion and profit sharing require a significant amount of finance/to maintain partner benefits/motivation</p>	<p>1-2</p> <p>1</p> <p>1</p> <p><b>(4 marks)</b></p>

Question Number	Question	Mark
8	Explain <b>one</b> likely disadvantage to JLP of decentralisation. (4 marks)	
	Answer	Mark
	<p style="text-align: center;"><b>(Knowledge 1, Application 2, Analysis 1)</b></p> <p><b>Knowledge/ understanding: 1 mark</b> for defining or showing implied understanding of what is meant by decentralisation, e.g. decisions being made at a local level away from head office</p> <p><b>Application: up to 2 marks</b> are available for contextual answers demonstrating that John Lewis operate such a structure as they devolve some control down to branches, e.g. product range and choice of suppliers.</p> <p><b>Analysis: 1 mark</b> is available for giving a reason/cause/consequence, e.g. the process may be time consuming and/or costly to operate, or that decisions may be made by those not best qualified to make them.</p>	<p>1</p> <p>1-2</p> <p>1</p> <p><b>(4 marks)</b></p>

Question Number	Question	
9	<p>JLP states it is: 'Never knowingly undersold.'</p> <p>Analyse <b>two</b> reasons why JLP might benefit from this marketing aim. (8 marks)</p>	
	Answer	Mark
	<p style="text-align: center;"><b>(Knowledge 2, Application 2, Analysis 4)</b></p> <p><b>Knowledge/ understanding: up to 2 marks</b> are available for defining marketing aim/identifying reasons, e.g. the way a business sets out to increase sales/encourage customer loyalty</p> <p><b>Application: up to 2 marks</b> are available for contextual answers demonstrating that 'Never knowingly undersold' is a key part of their marketing aim, e.g. over 85 years; it is a way of looking after their customers. It draws customers to them because they know that they will be refunded if goods cheaper elsewhere</p> <p><b>Analysis: up to 4 marks</b> are available for explaining consequences of this marketing aim for JLP, e.g. enhanced image reputation because of increased consumer confidence which should lead to more sales; increase brand loyalty which will lead to repeat purchases</p> <p>NB this is not a level of response question and cap at 4 if only one reason is given.</p>	<p style="text-align: center;">1-2</p> <p style="text-align: center;">1-2</p> <p style="text-align: center;">1-4</p> <p style="text-align: center;"><b>(8 marks)</b></p>

Question Number	Question		
10	Evaluate the likely importance of low labour turnover to JLP. (8 marks)		
Level	Mark	Descriptor	Possible Content
1	1-2	<b>Knowledge/Understanding:</b> Available for knowledge such as identifying what is meant by low labour turnover	e.g. how often staff come and go on average each year (1) below the industry average (1)
2	3-4	<b>Application:</b> Available for contextualising the response by referring to JLP	e.g. partners (1) stay twice as long as the industry average (1)
3	5-6	<b>Analysis:</b> Available for identifying the causes/costs/consequences of low labour turnover for JLP  <b>Analysis not in context = 5 marks.</b>  <b>Analysis in context = 6 marks</b>	e.g. lower costs of recruitment because of staff loyalty  e.g. the loyal staff will become increasingly more skilled which should give better customer service
4	7-8	<b>Evaluation:</b> Available for providing balance to the causes/costs/consequences of low labour turnover for JLP  <b>Evaluation, one-sided in context = 7 marks</b>  <b>Evaluation, both sides, in context = 8 marks</b>	e.g. if staff stay a length of time this may block promotion opportunities  e.g. some staff may resist change which could result in a lack of new ideas

Question Number	Question		
11	Assess the likely impact on JLP's marketing mix from the increased use of online retailing. (8 marks).		
Level	Mark	Descriptor	Possible Content
1	1-2	<b>Knowledge/Understanding:</b> Available for knowledge such as identifying what is meant by marketing mix/on-line retailing	e.g price, product, place, promotion  e.g selling through the use of the internet/websites
2	3-4	<b>Application:</b> Available for contextualising the response by referring to marketing mix	e.g. online retailing gives JLP another place/market to target  e.g. fall in the number of times people visit high street stores
3	5-6	<b>Analysis:</b> Available for identifying the causes/costs/consequences of on-line retailing for marketing mix  <b>Analysis not in context = 5 marks.</b>  <b>Analysis in context = 6 marks</b>	e.g. this might lead to lower prices because overheads may fall.  e.g. this might mean fewer promotions because more sales can now be generated through access to the potentially wider market
4	7-8	<b>Evaluation:</b> Available for providing balance to the causes/costs/consequences of on-line retailing for marketing mix  <b>Evaluation, one-sided in context = 7 marks</b>  <b>Evaluation, both sides, in context = 8 marks</b>	e.g. 'Never knowingly undersold' may lead to a price war which could lower profits  e.g. promotional material may need to be developed to match international customers if JLP sell on-line  e.g. Accept argument that product prices may rise because of extra transport

Question Number	Question		
12a	Evaluate the use of each of the following as means of motivating JLP partners. (a) profit sharing (7 marks)		
Level	Mark	Descriptor	Possible Content
1	1	<p><b>Knowledge and understanding:</b> is available for knowledge such as what is meant by profit sharing/ motivating</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>	e.g. a proportion of profits are awarded to employees/shareholders
2	2-3	<p><b>Application:</b> is available for contextualising the response by referring to JLP</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>	e.g. 15% is awarded back to partners
3	4	<p><b>Analysis:</b> is available for identifying the causes/costs/consequences of profit sharing as a means of motivating JLP's partners</p> <p><b>Does not need to be in context</b></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>	e.g. relatively high profits will be an incentive to partners to be productive because they are being well rewarded
4	5-7	<p><b>Evaluation:</b> providing balance e.g. showing possible advantages and disadvantages of this method of motivating staff at JLP</p> <p><i>Assessment for QWC: The candidate will use business terminology precisely and effectively/organises their answer to provide a coherent and fluent response/ good to excellent spelling, punctuation and grammar</i></p> <p><b>Evaluation not in context = 5 marks</b></p>	<p>e.g. partners could be demotivated if the 15% decreases the following year</p> <p>e.g. all partners receive the same % which might be perceived by some as unfair which may lead to resentment/disputes</p>

		<p><b>Evaluation, one-sided in context = 6 marks</b></p> <p><b>Evaluation, both sides, in context = 7 marks</b></p>	
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Question Number	Question		
12b	Evaluate the use of each of the following as means of motivating JLP partners. (b) Non-financial incentives (7 marks)		
Level	Mark	Descriptor	Possible Content
1	1	<p><b>Knowledge and understanding:</b> is available for knowledge such as what is meant by non-financial incentives/ motivating</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>	e.g. non monetary benefits/perks
2	2-3	<p><b>Application:</b> is available for contextualising the response by referring to JLP</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>	e.g. holiday homes, pensions, discounts, etc.
3	4	<p><b>Analysis:</b> is available for identifying the causes/costs/consequences of non-financial incentives as a means of motivating JLP's partners</p> <p><b>Does not need to be in context</b></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>	e.g. non-financial benefits will be an incentive to partners to be productive because they are being well rewarded

4	5-7	<p><b>Evaluation:</b> providing balance e.g. showing possible advantages and disadvantages of this method of motivating staff at JLP</p> <p><b>Evaluation not in context = 5 marks</b></p> <p><b>Evaluation, one-sided in context = 6 marks</b></p> <p><b>Evaluation, both sides, in context = 7 marks</b></p> <p><i>Assessment for QWC: The candidate will use business terminology precisely and effectively/organises their answer to provide a coherent and fluent response/ good to excellent spelling, punctuation and grammar</i></p>	<p>e.g. partners could be demotivated if they do not purchase from JLP stores as this can restrict choice/can't afford JLP products even at a discount</p> <p>e.g. partners might remain working for JLP because of the pension but prove to be disillusioned and so their productivity may fall</p>
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### Assessment Objectives

QUESTION	Content	Knowledge	Application	Analysis	Evaluation	Total
1	2.3.4b	2	1	0	1	4
2	2.3.6a	2	1	0	1	4
3	2.3.2b	1	1	1	1	4
4	2.3.5c	2	2	0	0	4
5	2.3.6c	2	2	0	0	4
6	2.3.1a	1	1	1	1	4
7	2.3.3a	2	1	1	0	4
8	2.3.2b	1	2	1	0	4
9	2.3.1b	2	2	4	0	8
10	2.3.5a	2	2	2	2	8
11	2.3.3d	2	2	2	2	8
12a	2.3.2a	1	2	1	3	7
12b	2.3.2a	1	2	1	3	7
<b>TOTAL</b>		<b>21</b>	<b>21</b>	<b>14</b>	<b>14</b>	<b>70</b>

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