

Mark Scheme (Results) Summer 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.

6BS02/01 Mark Scheme Summer 2013

Section A Mark Scheme

Question Number			
1(a)	Answer: amount of beer sold (D)	1	
1(b)	 An accurate definition or explanation of what 'sales' or 'falling sales' means. Sales is the amount/value of goods/services sold (1 mark) By opening the library the pub may attract customers who do not normally visit or existing customers to stay longer/visit more often (1 mark) They may purchase beer or more beer as they borrow (1 mark) The library adds value to the public house experience (1 mark) Up to two of the marks above can be achieved alternatively by explaining distracters, e.g. A is wrong because if the number of customers increases/the volume of beer sold increases, the price elasticity of beer is more likely to fall as customers become/remain loyal (1 mark) B is wrong because generally libraries lend/do not sell books/customers borrow (1 mark) C is wrong because brand awareness of alcoholic products is not specific to the George and Dragon/this will involve advertising (1 mark) 	1-3 marks	
	knowledge/understanding/application and/or development		
	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.	(Total 4)	

Question Number		Marks
2(a)	Answer: prevent others from copying his design (C)	1
2(b)	 Explanation of what a patent is – a licence/legal document/ intellectual property rights/right given for a number of years which prevents the copying of an idea (1 mark) Inventions take time, effort and finance so they need to be rewarded/protected (1 mark) Preventing competitors copying an idea (1 mark) If the patent couldn't be protected then there wouldn't be so many new ideas (1 mark) 	1-3 marks
	Up to two of the marks above can be achieved alternatively by explaining distracters, e.g.	
	 A is wrong as, although the number of cyclists in London may increase as a result of a better locking system, it is not the reason for patenting the invention (1 mark) B is wrong because patents protect an original design, they do not stop others from patenting different designs (1 mark) D is wrong because this may be a consequence of the design but it is not the purpose of the patent (1 mark) 	
	Any acceptable answer which shows selective knowledge/understanding/application and/or development	
	NB A maximum of 2 additional marks for reason if part (a) is incorrect or if only the wrong answers are focused on in the explanation	
		(Total 4)

Question Number	Answer		
3(a)	Answer: Maintain market share (B)	1	
3(b)	 Definition of sales revenue/marketing objective/market share eg marketing objectives are the goals that a business seeks to achieve through its marketing/sales (1 mark) Mary may wish to develop over the long term in to the mass market, but with relatively low sales, maintaining the present level may be a more realistic aim (1 mark) Products can take time to get established and maintaining market share might be a real achieved alternatively by explaining distracters, e.g. A is wrong as Mary is in a niche market (African jewellery) (1 mark) C is wrong as increasing cash flow is not a marketing objective, but may be a result of achieving a marketing objective (1 mark) D is wrong because decreasing advertising spend is a cost reduction strategy/would decrease awareness and therefore sales (1 mark) Any acceptable answer which shows selective knowledge/understanding/application and/or development 	1-3 marks	
	NB A maximum of 2 additional marks for reason if part (a) is incorrect or if only the wrong answers are focused on in the explanation	(Total 4)	

Question Number	Answer		
4(a)	Answer: £2 250 (A)	1	
4(b)	 Explanation of what a cash flow forecast is – the estimated levels of cash coming into and going out of a business in a given time period OR a definition of net cash flow – the difference between (cash) inflows and (cash) outflows OR closing balance – opening balance (1 mark) Correct calculation of cash outflows - £3 750 OR £1 200 + £1 750 + £800 (1 mark) Net Cash Flow (£6 000 - £3 750 = £2 250) (1 mark) Up to two of the marks above can be achieved alternatively by explaining distracters, e.g. B is incorrect as £3 750 is the cash outflow for March (1 mark) C is incorrect as £3 850 is the opening cash balance for March/closing cash balance for February (1 mark) D is incorrect as £6 100 is the closing balance for March (1 mark) 	1-3 marks	
	NB A maximum of 2 additional marks for reason if part (a) is incorrect or if only the wrong answers are focused on in the explanation	(Total 4)	

Question Number	Answer		
5(a)	Answer: £6 450 (C)		
5(b)	 Explanation of sales, cash outflows, or closing balance (1 mark) Sales £6 000 + 10 per cent £600 = £6 600 (1 mark) £6 600 - £4 000 = £2 600 (1mark) £3 850 + £2 600 = £6450 (1 mark) Up to two of the marks above can be achieved alternatively by 		
	explaining distracters, e.g.		
	 A is wrong as £2 600 is the net cash flow for March (1 mark) B is wrong as £3 850 is the opening cash balance for March (1 mark) 		
	• D is wrong as £6 600 is the value of sales for March (1 mark)	1-3 marks	
	Any acceptable answer which shows selective knowledge/understanding/application and/or development		
	NB A maximum of 2 additional marks for reason if part (a) is incorrect or if only the wrong answers are focused on in the explanation	(Total 4)	

Question Number	Answer			
6(a)	Answer: Reduced communication problems (D)			
6(b)	 Flexible working is an agreement about when and where you work OR where the work is carried out away from the normal work environment/regular hours (1 mark) When meetings are not face to face the chance of misinterpretation is enlarged/enhanced (1 mark) Communication problems with emails etc are more likely to increase, not reduce (1 mark) Up to two of the marks above can be achieved alternatively by explaining distracters, e.g. A is wrong because staff are more likely to work at home if they are ill, then they are likely to travel to work (1 mark) B is wrong because are likely to be motivated and therefore more productive/ if they don't have to spend time travelling to work then they are more likely to be alert (1 mark) C is wrong if staff are happy working from home then they are less likely to leave their job (1 mark) Any acceptable answer which shows selective knowledge/understanding/application and/or development NB A maximum of 2 additional marks for reason if part (a) is incorrect or if only the wrong answers are focused on in the oxplanation.	1-3 marks (Total 4)		
	explanation	(10(a) 4)		

Section B Mark Scheme

Question	Question	
Number		
7	Explain one reason why a car manufacturer such as Nissan would	(4 marks)
	aim to reduce cash tied up in stock.	
	Answer	Mark
	Knowledge 2, Application 1, Analysis 1	
	Knowledge/understanding: Up to 2 marks are available for defining or showing implied understanding of what cash/stock is (1 mark) or identifying a reason e.g. to increase bank balances, (1 mark); to release funds for raw materials, (1 mark); to avoid working capital	1-2
	 Application: 1 mark is available for contextualised answers relating to the example or the reason e.g. finished vehicles, Nissan 	1
	could use the cash to pay overtime to line workers Analysis: 1 mark is available for developing the reason e.g. with	
	many components being used in different models Nissan would suffer financial hardship if a move to a different production method was chosen (1 mark).	1
	OR	
	With less cash tied up in stock of car parts Nissan could more quickly replace faulty parts (1 mark)	

Question Number	Question	
8	Why might car manufacturers want to achieve a short product development lead-time?	(4 marks)
	Answer	Mark
	(Knowledge 2, Application 1, Analysis 1) Knowledge/ understanding: up to 2 marks for defining or showing implied understanding of what is meant by short product development lead time e.g. the length of time between the first emergence of the product concept/design and its launch into the market (1 mark) OR identifying a reason/reasons, e.g. respond to consumer trends more quickly/reduce costs/technology changes quickly/competitive advantage (1 mark)	1-2
	Application: 1 mark is available for contextual answers e.g. the car market is highly competitive/there are at least three major car manufacturers (1 mark)	1
	Analysis: 1 mark is available for explaining a reason/cause/consequence, e.g. as a result of being in a highly competitive market sales are likely to be high/if product meets consumer changing needs/demands more quickly than rivals (1 mark)	1

Question	Question			
Number				
9	With reference to Toyota, explain two purposes of consumer	(6 marks)		
	protection legislation.			
	Answer	Mark		
	(Knowledge 2, Application 2, Analysis 2)			
	Knowledge/ understanding: up to 2 marks for defining or showing implied understanding of what is meant by consumer protection e.g. fit for purpose/does not harm consumer (1 mark) AND goods are as described/advertised (1 mark)	2		
	Application: up to 2 marks are available for contextual answers e.g. faulty car parts (1 mark) information on fuel consumption (1 mark)			
	Analysis: up to 2 marks are available for explaining a reason/cause/consequence, e.g. if the cars are not recalled the drivers could have an accident (1 mark) the buyer may not be able to afford to run the car (1 mark) OR Customers will have redress against Toyota via consumer	2		
	protection legislation (1 mark) and Toyota will strive to keep quality high to protect product reputation			

Question Number	Question		
10	Assess the likely effects on a large car manufacturer of having a tall organisational structure.		
Level	Mark	Descriptor	Possible Content
1	1-2	Available for knowledge such as identifying what is meant by tall organisational structure.	<i>e.g. an organisation structure with many levels of hierarchy</i> e.g. communication may be difficult
2	3-4	Available for contextualising the response by referring to the system most likely to be used in the motor vehicle manufacturing industry	e.g. motor vehicle companies employ many people e.g. Toyota have factories in many countries
3	5-6	Available for considering the impact of a tall chain on decision making. Analysis not in context 5 marks; Analysis in context 6 marks.	e.g. candidates may suggest that decisions made in a tall structure in the car industry will take longer to implement. This may also lead to errors in the ordering and checking of parts. e.g. communication may be difficult
4	7-8	Available for evaluating the consequences of having a tall organisational structure. Candidate will provide a balanced answer; arguments for AND against. ONE SIDE IN CONTEXT 7 MARKS; BOTH SIDES IN CONTEXT 8 MARKS.	 e.g. those with expertise at the various levels will be able to feed back ideas to car production workers; e.g. better decisions may be made if more views are sought from a range of Toyota employees.

NB Evaluation not in context restrict to 5 marks

Question Number	Question		
11	Evaluate the likely effect on Toyota's future sales of a product recall.		
Level	Mark	Descriptor	Possible Content
1	1-2	Knowledge and understanding: what is meant by sales/product recall	e.g. the values of goods sold and the company calling back its products from consumers
2	3-4	Application: available for contextualising the response by referring to Toyota	e.g. faulty car parts used in many different models and brands
3	5-6	Analysis: available for identifying the costs/consequences' of product recall for Toyota Analysis not in context – 5 marks Analysis in context = 6 marks	 e.g. sales may decline, loss of revenue from car sales, customers may consider them dangerous to drive e.g. decline due to a reduction in consumer confidence as cars are considered less reliable e.g. impact on consumer confidence due to decreasing reputation/quality
4	7-10	Evaluation: available for evaluating costs/consequences' of product recall for Toyota Low level 4: 7 marks Candidate argues for and against with ONE side in context Mid Level 4: 8 marks Candidate argues for and against with BOTH sides in context High Level 4: 9-10 marks as above but candidate contrasts short and long term consequences for Toyota	 e.g. because Toyota responded quickly to the faults then sales may not suffer significantly e.g. impact on sales may only be short-term because of strong brand loyalty e.g. Toyota is not the only car manufacturer which has experienced product recalls, therefore sales and market share may recover fairly quickly

NB Evaluation not in context restrict to 5 marks

Question	Question			
Number 12	Evaluate the likely importance to Toyota of: (a) Just In Time (JIT) management of stock			
Level	Mark	Descriptor	Possible Content	
1	1	Knowledge must be present. Some awareness of what is meant by JIT management of stock. 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.	e.g. JIT is ordering/taking delivery as materials are needed	
2	2-3	Application must be present, i.e. the answer must be contextualised by referring to the car industry. Low Level 2: 2 marks Just a simple reference to the context. High Level 2: 3 marks A specific reference to the context 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.	e.g. manufacturers of cars e.g. car parts arrive at the factory as they are needed (1 mark) for the production line (1 mark) e.g. having stocks of tyres, requires space.	
3	4	Analysis must be present, i.e. the candidate must give reasons/ causes/ consequences as to why JIT minimises waste. NB: Analysis does not have to be in context 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	e.g. less storage space required because stock is ordered as and when needed/ purchasing parts for specific production runs and thus not holding surplus stock.	

4	5-7	Low Level 4: 5 marks. Evaluation must be present with one side in context, i.e. the candidate must present an argument for JIT management of stock.	e.g. the need for delivery at short notice against the chance of delivery bottlenecks.
		Medium Level 4: 6 marks Evaluation must be present with both sides in context	e.g. Toyota need good relationships with reliable suppliers of car parts which is essential for the system to operate successfully.
		High Level 4: 7 marks A convincing and balanced answer in specific context.	e.g. Toyota's cost of holding stock will be lower but this may be weighed against the loss of economies of scale during
		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.	competitive times.

Question Number	Question				
12	(b) product design.				
Level	Mark	Descriptor	Possible Content		
1	1	Knowledge must be present. Some awareness of what is meant by product design 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.	e.g. product design is meeting the design mix/identified market needs e.g. function / aesthetics / economic manufacture		
2	2-3	 Application must be present, i.e. the answer must be contextualised by referring to the car industry. Low Level 2: 2 marks Just a simple reference to the context. High Level 2: 3 marks A specific reference to the context 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.	e.g. faster cars/design cheaper to manufacture e.g. accessories such as sat nav, passenger airbags		
3	4	Analysis must be present, i.e. the candidate must give reasons/ causes/ consequences as to importance of product design to Toyota NB: Analysis does not have to be in context 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	There must be a reference to at least one aspect of the product design/design mix e.g. There will be a marketing advantage resulting from improved car design in terms of the product element of the marketing mix such that sales should increase as customer requirements may be met		

4	5-7	Low Level 4: 5 marks. Evaluation must be present with one side in context, i.e. the candidate must present an argument for product design.	e.g. balance between design and quality is required to ensure customer satisfaction
		Medium Level 4: 6 marks Evaluation must be present with both sides in context	e.g. reduced cost of manufacturing cars to ensure competitive prices may compromise quality/safety of the Yaris
		High Level 4: 7 marks A convincing and balanced answer in specific context 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.	e.g. advanced product design is essential in the competitive/dynamic car market but price is important in a period of recession

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