

Mark Scheme (Results)

GCSE

GCSE Applied Business (5308)

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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.

GCSE Applied Business: Business Finance

Question Number	Answer	Mark
1	(a) Direct debit (b) Credit card / Debit card (c) Cheque (d) Cash 1 mark for each method	4 marks

Question Number	Answer	Mark
2(a)	<ul style="list-style-type: none"> • Invoice and Purchase Order are in the wrong positions/switch the order of Invoice and Purchase Order/switch Invoice to 2 and Purchase Order to 1/ Purchase Order is first • Delivery Note is sent by 'Sweet Silents' not to customer/change 'Customer' to 'Sweet Silents' • Statement of Account is sent by 'Sweet Silents' not by 'Customer'/change 'Customer' to 'Sweet Silents' • Cheque and Receipt are in the wrong positions/switch the order of Cheque and Receipt/switch Cheque to 5 and Receipt to 6/Receipt is last 1 mark for each error	4 marks

Question Number	Answer	Mark					
2(b)	1 mark for number and date 3 x 1 mark for rows with full description 1 mark for VAT (no OFR) 1 mark for Total (OFR) see below	6 marks					
<table border="1"> <tr> <td>Number</td> <td>743</td> <td rowspan="2">(1) both</td> </tr> <tr> <td>Date</td> <td>(exam date)</td> </tr> </table>			Number	743	(1) both	Date	(exam date)
Number	743	(1) both					
Date	(exam date)						
1	DVD 'Robin Hood'	5.50	5.50	(1) all			
2	DVD 'Pandora's Box'	6.10	12.20	(1) all			
1	Poster 'Wings'	3.50	3.50	(1) all			
Reason for credit:		GOODS TOTAL	21.20	(1) no OFR			
Faulty DVDs, poster damaged in transit		VAT at 17.5%	3.71				
		TOTAL	24.91				
R							

Question Number	Answer	Mark
2(c)	<ul style="list-style-type: none"> • To tell Edna Dana/Movies 4us they are owed money for the faulty DVDs and poster • To repay Edna Dana/Moves 4us for the faulty DVDs and poster • To refund the amount owed by <i>Sweet Silents</i> • So <i>Sweet Silents</i> can credit the account of Edna Dana/Movies 4us <p>(Purpose must be related to named parties and/or items in the C/N: do not accept generic comments about use of C/Ns: 'they', 'supplier', 'customer' are too vague)</p> <p>(Do not accept reference to £ amounts unless clarified eg by name of either party)</p> <p style="text-align: right;">1 mark for purpose</p>	1 mark

Question Number	Answer	Mark
3(a)	<ul style="list-style-type: none"> • Ross can delay payment/he doesn't pay the credit card bill immediately - the debit card payment is taken straight from his bank account • Ross needn't pay the whole amount/Ross can choose to spread the cost - whereas with a debit card the whole payment is taken • Ross can buy the DVDs even if he doesn't have the money in his bank account - but with a debit card, he would need the money in his account/the transaction will be declined • The purchase gives Ross insurance against the purchase - which he will not receive if he buys it with his debit card <p style="text-align: right;">1 mark for advantage to Ross 1 mark for outline (1 + 1) x 2</p>	4 marks

Question Number	Answer	Mark
3(b)	<ul style="list-style-type: none"> • Profits/revenues will be lower than they should be by £90 - this will affect the accuracy of the final accounts of <i>Sweet Silents</i>/Billie will think the business is less successful than it is • Cash will be lower than it should be by £90 - Billie will have less cash to reinvest/to spend/will have to make up the difference • Profits/cash will be lower by £90 - <i>Sweet Silents</i>/Billie will need to issue another Invoice/will have to chase up the amount still owing <p style="text-align: center;">1 mark for the effect and the amount 1 mark for assessing the effect on <i>Sweet Silents</i></p>	2 marks

Question Number	Answer	Mark
4(a)	<p><u>Any two from</u></p> <ul style="list-style-type: none"> • Member completes membership form and opts to pay by debit card • Card swiped through reader/machine reads the details on the card/the PIN is entered • Payment is automatically transferred from the member's account to the account of <i>Sweet Silents</i> <p>(Accept answers based on payment by telephone)</p> <p style="text-align: center;">1 mark for each point of description</p>	2 marks

Question Number	Answer	Mark
4(b)	<ul style="list-style-type: none"> • Debit card is an electronic payment/<i>Sweet Silents</i> receives the payment directly into its account - but cash or cheques would need taking to the bank/with cheques <i>Sweet Silents</i> must wait for them to clear • There is less need to worry about theft/<i>Sweet Silents</i> receives the payment directly into its account - cash could be stolen • Debit card transactions are more straightforward/less administration/no cash handling - <i>Sweet Silents</i> would need to count cash/cheques <p style="text-align: center;">1 mark for stating each advantage 1 mark for outlining each advantage (1 + 1) x 2</p>	4 marks

Question Number	Answer	Mark
4(c)	<ul style="list-style-type: none"> • Billie can plan her sales of DVDs/plans how much to spend on DVDs - compare with actual sales/amount she does spend - acts on the difference/spends or buys more or fewer DVDs • Billie sets a budget to spend on DVDs/to control spending - helps her set a selling price/how many to sell to make a profit/not to make a loss - can compare against actual sales (or actual profit) • Billie sets sales target/budgets how many DVDs to sell/buy - compare with actual bought - this helps her not overspend/buy too much • Billie sets a spending target/limit for DVD stock - she compares with actual amount of stock bought - if she keeps under target she gains/if she overspends (overstocks) she loses <p style="text-align: center;">1 mark for target, plan or control 1 mark for development eg effect on sales/profit/costs 1 mark for comparison budget to actual</p>	3 marks

Question Number	Answer	Mark
5(a)(i)	<p style="text-align: center;"><u>Start-up</u> <u>Running</u></p> <p style="text-align: center;">B Seats A Rent D Display stands C Drinks and snacks and soap E Stock of tissues</p> <p style="text-align: center;">(Accept reference by letter or by description)</p> <p style="text-align: center;">1 mark for each cost</p>	5 marks

Question Number	Answer	Mark
5(a)(ii)	<p><u>Fixed assets</u></p> <ul style="list-style-type: none"> • Seats - fixed asset because it is long-lasting/because its value does not fluctuate greatly/because it is not bought for resale • Display stands - fixed asset because it lasts a long time/because its value does not fluctuate greatly/because it is not bought for resale <p style="text-align: center;">1 mark for identifying a fixed asset 1 mark for explanation</p> <p><u>Current assets</u></p> <ul style="list-style-type: none"> • Cash - because its amount changes frequently/because it is used frequently • Stock (of DVDs/food and drink/tissues and soap) - because its amount changes frequently/because it is used frequently/because they regularly have to buy more/because they do not keep it for a long time <p>(Do not award marks for confusion with fixed costs and variable costs)</p> <p style="text-align: center;">1 mark for identifying a current asset 1 mark for explanation</p> <p style="text-align: center;">(1 + 1) x 2</p>	4 marks

Question Number	Answer	Mark
5(b)	<p><u>Membership cards</u></p> <p>Variable - because the number used depends on the number of members</p> <p style="text-align: right;">1 mark for variable 1 mark for outline</p> <p><u>Name plate</u></p> <p>Fixed - because the cost is not affected by the number of members who join/by the level of membership</p> <p style="text-align: right;">1 mark for fixed 1 mark for outline (1 + 1) x 2</p>	4 marks

Question Number	Answer	Mark
6	<ul style="list-style-type: none"> • Wages/bookkeeper/accountant (1) - because the computer/ software will do the work (1) - so fewer staff are needed (1) • Stationery (1) - because the software will print it/the computer will produce multiple copies/it will be stored electronically (not on paper) (1) - so there is less need to buy specialist stationery/paper/pens (1) • Rent (1) - there is less need for storage space (1) - so Billie may be able to reduce the cost of rent (1) <p style="text-align: right;">1 mark for cost 1 mark for reason 1 mark for why lower</p>	3 marks

Question Number	Answer	Mark
7(a)	<p>£3.32</p> <p style="text-align: right;">1 mark for amount</p>	1 mark

Question Number	Answer						Mark	
7(b)	1 mark for labelling each row of figures 2 x 1 mark for receipts 5 x 1 mark for payments 1 mark for Total Payments (no OFR) 1 mark for Net flow (OFR) 1 mark for December £190 See below						11 marks	
	2008	Jul (£)	Aug (£)	Sep (£)	Oct (£)	Nov (£)	Dec (£)	
	Inflow (Receipts)							(1) all rows labelled
	Membership fees	30	30	40	40	30	30	(1)
	Sale of DVDs	350	350	400	400	450	450	(1)
	Total Receipts	380	380	440	440	480	480	
	Outflow (Payments)							
	DVDs/ <i>Niko Films</i>	80	80	80	80	80	80	(1)
	Advertising	25	25	25	25	25	25	(1)
	Rent	180	180	180	180	180	180	(1)
	New seats		500					(1)
	Heat and light	100	100	125	125	125	125	(1)
	Total Payments	385	885	410	410	410	410	(1 no OFR)
	Net Inflow / Outflow	(5)	(505)	30	30	70	70	(1 OFR)
	Opening Balance	500	495	(10)	20	50	120	
	Closing Balance	495	(10)	20	50	120	190	(1)

Question Number	Answer		Mark																																																									
8	8 x 1 mark for costs 3 x 1 mark for revenues 1 mark for £735 profit (no OFR: 'profit' must be stated) See below: award 2 marks if ticket sales shown as a combined total of £1 120 award 3 marks if speakers/pianist shown as a combined total of £295		12 marks																																																									
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Festival expenses (costs)</th> <th style="width: 10%;">£</th> <th style="width: 40%;">Festival revenue (income)</th> <th style="width: 10%;">£</th> </tr> </thead> <tbody> <tr> <td>Speaker: Paul Mardon</td> <td style="text-align: center;">90 (1)</td> <td>Ticket sales:</td> <td></td> </tr> <tr> <td>Speaker: Louise Brooks</td> <td style="text-align: center;">105 (1)</td> <td>200 tickets at £5 each</td> <td style="text-align: center;">1 000 (1)</td> </tr> <tr> <td>Pianist: Neil Baron</td> <td style="text-align: center;">100 (1)</td> <td>40 tickets at £3 each</td> <td style="text-align: center;">120 (1)</td> </tr> <tr> <td>Film hire</td> <td style="text-align: center;">15 (1)</td> <td>Refreshment sales</td> <td style="text-align: center;">125 (1)</td> </tr> <tr> <td>Cost of refreshments</td> <td style="text-align: center;">60 (1)</td> <td></td> <td></td> </tr> <tr> <td>Advertising costs</td> <td style="text-align: center;">75 (1)</td> <td></td> <td></td> </tr> <tr> <td>Insurance</td> <td style="text-align: center;">45 (1)</td> <td></td> <td></td> </tr> <tr> <td>Printing and stationery</td> <td style="text-align: center;">20 (1)</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: center;">510</td> <td style="text-align: right;">Total</td> <td style="text-align: center;">1 245</td> </tr> <tr> <td colspan="4" style="padding: 10px;"> Profit or loss £735 profit (1) (no OFR) </td> </tr> </tbody> </table>					Festival expenses (costs)	£	Festival revenue (income)	£	Speaker: Paul Mardon	90 (1)	Ticket sales:		Speaker: Louise Brooks	105 (1)	200 tickets at £5 each	1 000 (1)	Pianist: Neil Baron	100 (1)	40 tickets at £3 each	120 (1)	Film hire	15 (1)	Refreshment sales	125 (1)	Cost of refreshments	60 (1)			Advertising costs	75 (1)			Insurance	45 (1)			Printing and stationery	20 (1)															Total	510	Total	1 245	Profit or loss £735 profit (1) (no OFR)			
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9(a)	1 mark for completed table See below: all must be correct for the mark	1 mark																												
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Question Number	Answer	Mark
9(b)	100 1 mark for number	1 mark

Question Number	Answer	Mark
9(c)	(i) £480 (ii) £6 (iii) £440 (iv) £160 loss (In part (iv) £160 and 'loss' must be stated for the mark)	4 marks
	1 mark for each answer	

Question Number	Answer	Mark
10(a)(i) + (ii)	<p>(i) <u>Billie and George</u></p> <ul style="list-style-type: none"> • Living/survival - they need to make profits in order to live/<i>Sweet Silents</i> is their business • Business decisions on investment/pricing/expansion - whether it is worth continuing running <i>Sweet Silents</i>/whether to change prices/whether to expand <p style="text-align: right;">1 mark for why (may be implied) 1 mark for judgement</p> <p>(ii) <u>Niko Films</u></p> <ul style="list-style-type: none"> • Future sales - if <i>Sweet Silents</i> is not profitable, <i>Niko Films</i> cannot sell its DVDs • Income/profits - if <i>Niko Films</i> cannot sell its DVDs it will lose income/profits/if <i>Sweet Silents</i> is making a loss, it cannot afford to buy the DVDs/cannot pay for them <p style="text-align: right;">1 mark for why (may be implied) 1 mark for judgement</p> <p style="text-align: center;">(1 + 1) x 2</p>	4 marks

Question Number	Answer	Mark
10(b)(i)	<ul style="list-style-type: none"> • Leasing means (a low initial payment but) continuing outflows - with buying the payment is made all at once • With leasing there is a low initial payment/the deposit is less compared with full payment when buying - but there are continuing outflows whereas with buying there is no further cash outflow/the only future cash outflow is for repairs <p style="text-align: center;">1 mark for initial effect 1 mark for ongoing effect</p> <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • Leasing means a continuing outflow of cash/it comes out of the company's money - with buying there is no outflow because the purchase is made by Billie and George rather than <i>Sweet Silents</i> <p style="text-align: center;">1 mark for continuing effect of leasing 1 mark for no effect of buying on outflows</p>	2 marks

Question Number	Answer	Mark
10(b)(ii)		8 marks
<p>1 mark for each factor discussed about leasing</p> <p>1 mark for each factor discussed about buying</p> <p>(the second [comparison] mark is given for a clear statement but not if an inference has to be made, ie the second mark will often be awarded where the candidate uses words such as 'whereas' or 'however' to link points)</p> <p>(maximum 6 marks for a one-sided answer, ie where candidate discusses factors related to either leasing or buying but not both)</p> <p>(accept any relevant argument in addition to those suggested in the exemplar answers)</p>	<ul style="list-style-type: none"> • (Ownership) Buying means the equipment is a fixed asset/owned by <i>Sweet Silents</i> - whereas leasing means the equipment still belongs to the shop • If bought/owned, <i>Sweet Silents</i> can resell if necessary/must depreciate - whereas if leased, the shop may repossess if payments not kept up/<i>Sweet Silents</i> cannot resell/does not have the problem of depreciating • (Own funds) If bought, Billie and George have to use their own money - whereas if leased, payment comes from the business • Paying from own funds may be difficult for Billie and George/they cannot use this money for other things/it increases their investment in the business - whereas payments made from business income don't affect Billie and George/may lead to liquidity problems for <i>Sweet Silents</i> • (Replacement) If bought, Billie and George will need to find the money to replace the equipment - whereas if leased, the shop will replace after four years/the shop may not replace after four years • If bought, the equipment may wear out before four years/may last longer than four years/Billie and George can sell it after four years - whereas if leased, the length of its life is known/Billie and George can plan for four years/after four years Billie and George will need to renew the lease/may need to look somewhere else for equipment • (Profits) Buying has no effect on profits/because it is a fixed 	

	asset, the equipment's depreciation will reduce profits - whereas leasing means the payments continually come out of profits/profits likely to be lower because of leasing payments
Total for paper 90 marks	

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