

# Mark Scheme (Results)

## January 2009

GCSE

### GCSE Applied Business (5308) Paper 1

Question	Answer	Mark
1	(a) Receipt (b) Statement of Account (c) Goods Received Note (d) Credit Note	1 mark for each document    (4)

Question	Answer	Mark
2(a)	£60.20	1 mark for error  (1)

Question	Answer	Mark
2(b)	Total Goods (1) VAT (1) Total to Pay (1) OF	1 mark as shown   (3)

<b>Total Goods</b>	<b>80 00 (1)</b>
Trade Discount @ 20%	16 00
Subtotal	64 00
<b>VAT @ 17.5%</b>	<b>11 20 (1)</b>
<b>Total to Pay</b>	<b>75 20 (1) OF</b>

Question	Answer	Mark
2(c)	<ul style="list-style-type: none"> <li>• Loss of future income (1) - because customers will go elsewhere (1)</li> <li>• Future cashflow problems (1) - because customers won't pay on time (1)</li> <li>• More time spent correcting errors (1) - which will increase costs (1)</li> <li>• Affects tax liability (1) - because profits will be wrongly calculated (1)</li> <li>• Undercharge the customer (1) - results in a loss of income (1)</li> <li>• Lose customers (1) - lose income (1)</li> <li>• Overcharge the customers (1) - means loss of customers (1)</li> <li>• Gain a bad name/image (1) - loss of orders (1)</li> <li>• Customers notice errors (1) - gives the company a bad reputation (1)</li> </ul>	<p>1 mark for effect on future</p> <p>1 mark for development</p> <p>(1 + 1) x 2 = (4)</p>

Question	Answer	Mark
3(a)	<ul style="list-style-type: none"> <li>• Collects or requests a direct debit form from the ferry company</li> <li>• Completes the form/gives account details to the ferry company</li> <li>• The ferry owners forward the form to the bank</li> <li>• The ferry owners deduct the amount owed</li> </ul> <p>(Accept any statements relating to how the D/D is set up, whether in person or by telephone or internet)</p>	<p>1 mark for each point of description</p> <p>(3)</p>

Question	Answer	Mark
3(b)	<ul style="list-style-type: none"> <li>• Money goes straight into the business account/automatic transfer (1) - this saves administrative costs/no need to handle money (1)</li> <li>• Secure (1) - no cash handling (1)</li> <li>• Easy to alter (1) - when the price changes (1)</li> <li>• Guaranteed payment (1) - no need to ask customers for the money (1)</li> <li>• Right amount (1) - because it is paid automatically (1)</li> </ul>	<p>1 mark for advantage</p> <p>1 mark for outline</p> <p>(2)</p>

Question	Answer	Mark
3(c) (i)	<ul style="list-style-type: none"> <li>• Credit card allows the tourists to defer payment/they do not have to find the cash now</li> <li>• Tourists have time to save up before they must pay</li> <li>• They may not have enough cash with them</li> <li>• More secure/they can cancel it if stolen</li> </ul>	<p>1 mark for each reason</p> <p>(2)</p>

Question	Answer	Mark
3(c) (ii)	<p><u>Advantage</u></p> <ul style="list-style-type: none"> <li>• Security (1) - no cash handling (1)</li> <li>• Administration (1) - easier/no need to bank cash/no need to balance till (1)</li> </ul> <p><u>Disadvantage</u></p> <ul style="list-style-type: none"> <li>• Less income - credit card company will deduct a fee</li> <li>• Machinery - investment needed</li> <li>• Time - takes longer to receive the money</li> </ul>	<p>1 mark for advantage</p> <p>1 mark for development</p> <p>1 mark for disadvantage</p> <p>1 mark for development</p> <p>(4)</p>

Question	Answer	Mark
4	<p>Fixed assets 3 x (1)</p> <p>Current assets 2 x (1)</p> <p>Liabilities (1)</p> <p>If chairs and tables combined and described fully ('chairs and tables') or 'Furniture', award 2 marks</p> <p>If 'Stock' only is mentioned, award 1 mark maximum</p>	<p>1 mark for each item categorised</p> <p>(6)</p>

Fixed Assets	Current Assets	Liabilities
Chairs	(Stock of) crisps & nuts	Mr Stoker/amount owed
Table	(Stock of) Pepsi	
Cash till		

Question	Answer	Mark
5	<p><u>Start-up costs</u></p> <ul style="list-style-type: none"> <li>Cost incurred only when the business is first set up (1) - examples of new sign (1) and special advert (1)</li> </ul> <p><u>Running costs</u></p> <ul style="list-style-type: none"> <li>Cost incurred on a regular basis (1) - examples of gas bill (1) and ticket (1)</li> </ul> <p>(Clear reference to both monthly costs [in Running costs] but not by name gains 1 mark for examples: eg "both monthly costs")</p>	<p>1 mark for definition</p> <p>1 mark for each example from list</p> <p>(3)</p> <p>1 mark for definition</p> <p>1 mark for each example from list</p> <p>(3)</p>

Question	Answer	Mark
6(a)	See below  (Total expenses is OF)  (Net profit' and '57 680' are both needed for the mark)	1 mark for each correct entry  <b>(8)</b>

	£	£
Sales		<b>150 500 (1)</b>
Cost of sales		<b>28 750 (1)</b>
Gross Profit		<b>121 750 (1)</b>
Expenses:		
Salaries and wages	37 500	
<b>Gas and electric/power</b>	<b>16 240</b>	<b>(1) both</b>
<b>Telephone</b>	<b>3 530</b>	<b>(1) both</b>
<b>Advertising and insurance</b>	<b>6 800</b>	<b>(1) both</b>
Total Expenses:		<b>64 070 (1) OF</b>
<b>Net profit</b>	<b>(both)</b>	<b>57 680 (1)</b>

Question	Answer	Mark
6(b) (i)	<p>Carla wants job security/relies on <i>The Inn</i> to earn a living (1)</p> <p>the P &amp; L shows whether <i>The Inn</i> is profitable/whether it is making enough profits/whether it is likely to survive (1)</p> <p><b>this P &amp; L indicates it makes profit OFR so Carla's job should be safe (1)</b></p>	<p>1 mark for relevance to Carla</p> <p>1 mark for role of any P &amp; L</p> <p>1 mark for relevance of <b>this</b> P &amp; L</p> <p>(3)</p>

Question	Answer	Mark
6(b) (ii)	<p>Mr Barris decides on loans/finance/ <i>The Inn</i> may need money from him (1)</p> <p>the P &amp; L shows whether <i>The Inn</i> is profitable/whether it is making enough profits to repay any debts (1)</p> <p><b>this P &amp; L indicates it makes profit OFR so Mr Barris is likely to lend money (1)</b></p>	<p>1 mark for relevance to Mr Barris</p> <p>1 mark for role of any P &amp; L</p> <p>1 mark for relevance of <b>this</b> P &amp; L</p> <p>(3)</p>

Question	Answer	Mark
6(c)	<ul style="list-style-type: none"> <li>• Storage (1) - can recall at the touch of a button/takes up less space (1)</li> <li>• Saving (1) - easily recalled/studied/ convenient/ safer than paper copies (1)</li> <li>• Printing (1) - multiple copies made (1)</li> <li>• Fewer staff (1) - so lower wage costs (1)</li> <li>• Can email (1) - quicker than posting (1)</li> <li>• Saves writing by hand (1) - saves time (1)</li> <li>• Display (1) - graphs/charts shown easily (1)</li> </ul>	<p>1 mark for advantage</p> <p>1 mark for description</p> <p>(2)</p>

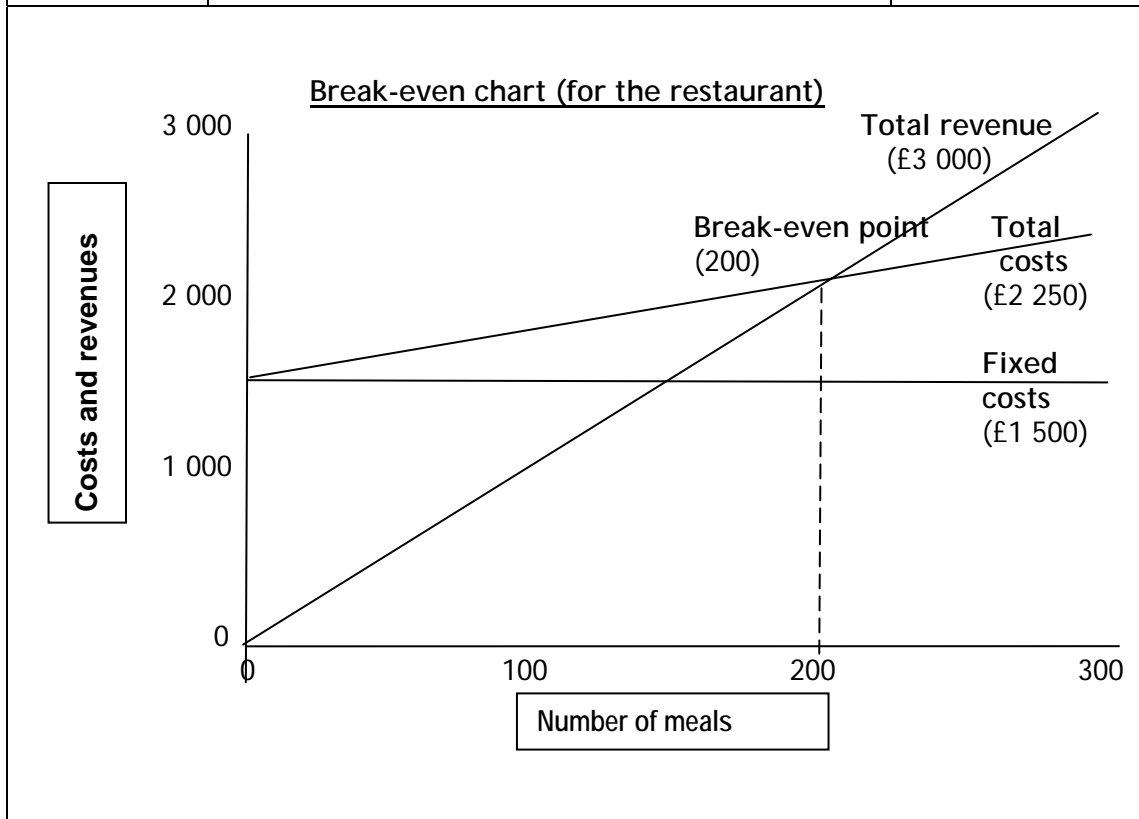
Question	Answer	Mark
7(a)	<p>All row descriptions (1)</p> <p>Individual inflows 2 x (1)</p> <p>Individual outflows 4 x (1)</p> <p>Total Outflows (1) (no OFR)</p> <p>£23 000 closing August balance (1) (no OFR)</p>	<p>See below</p> <p>(9)</p>

2009	March	April	May	June	July	August
	£	£	£	£	£	£
Inflow (Receipts)						
<b>Tourists</b>	<b>10 000</b>	<b>10 000</b>	<b>11 000</b>	<b>12 000</b>	<b>15 000</b>	<b>15 000</b>
<b>Local people</b>	<b>1 000</b>	<b>1 000</b>	<b>1 000</b>	<b>800</b>	<b>800</b>	<b>800</b>
Total Inflow	11 000	11 000	12 000	12 800	15 800	15 800
Outflow (Payments)						
Food and drink	2 500	2 500	2 500	2 500	2 500	2 500
<b>Salaries &amp; wages</b>	<b>3 000</b>	<b>3 000</b>	<b>3 000</b>	<b>3 000</b>	<b>3 000</b>	<b>3 000</b>
<b>Gas &amp; electric</b>	<b>1 400</b>	<b>1 400</b>	<b>1 400</b>	<b>1 200</b>	<b>1 200</b>	<b>1 000</b>
<b>Other</b>	<b>1 500</b>	<b>1 500</b>	<b>1 500</b>	<b>1 500</b>	<b>1 500</b>	<b>1 500</b>
<b>Furniture</b>		<b>6 000</b>				
Total Outflow	<b>8 400</b>	<b>14 400</b>	<b>8 400</b>	<b>8 200</b>	<b>8 200</b>	<b>8 000</b>
Net Inflow/Outflow	2 600	(3 400)	3 600	4 600	7 600	7 800
Opening Balance	200	2 800	(600)	3 000	7 600	15 200
Closing Balance	2 800	(600)	3 000	7 600	15 200	<b>23 000</b>



Question	Answer	Mark
7(b)	<ul style="list-style-type: none"> <li>£600 negative figure/overdrawn in April OFR (1) - Bella can plan to cover this with her bank OFR (1)</li> <li>Large balances/increasing net inflows/large surpluses June, July and August OFR (1) - Bella can plan to spend/invest/use the surplus cash OFR (1)</li> </ul> <p>(Accept points based on figures on page 12)</p>	<p>1 mark for statement with figure(s) or month(s)</p> <p>1 mark for how this helps Bella plan her finances</p> <p>(2)</p>

Question	Answer	Mark
8(a)	<p>Lines plotted and <b>fully</b> labelled 3 x (1)</p> <p>Heading <b>and</b> axes labelled (no '£' sign needed for vertical axis label)(1)</p> <p>Labelling break-even point at 200 (or OFR where total revenue = total costs) (1)</p>	<p>See below</p> <p>(5)</p>



Question	Answer	Mark
8(b) (i)	<p><u>Total Revenue line</u></p> <p>Moves downwards/moves to the right/becomes less steep/falls (1)</p> <p>because (unit) sales revenue falls/because they will not make as much money (per meal) (1)</p>	<p>1 mark for effect</p> <p>1 mark for reason (2)</p>

Question	Answer	Mark
8(b) (ii)	<p><u>Total Costs line</u></p> <p>Does not change/stays the same/not affected (1)</p> <p>because neither fixed nor variable costs are affected/they are the same/meal sales or prices do not affect costs (1)</p>	<p>1 mark for effect</p> <p>1 mark for reason (2)</p>

Question	Answer	Mark
8(b) (iii)	<p><u>Break-even point</u></p> <p>Moves to the right/increases/is higher (1)</p> <p>because more meals need to be sold to break even/contribution per meal has fallen/the restaurant receives less net income for each meal (1)</p>	<p>1 mark for effect</p> <p>1 mark for reason (2)</p>

Question	Answer	Mark								
9(a)	<table> <tr> <td>Car</td> <td>£3 920</td> </tr> <tr> <td>Car and caravan</td> <td>£2 100</td> </tr> <tr> <td>Van or lorry</td> <td>£6 160</td> </tr> <tr> <td>Total</td> <td>£12 180</td> </tr> </table>	Car	£3 920	Car and caravan	£2 100	Van or lorry	£6 160	Total	£12 180	<p>1 mark for all four amounts (1)</p>
Car	£3 920									
Car and caravan	£2 100									
Van or lorry	£6 160									
Total	£12 180									

Question	Answer	Mark
9(b)	<ul style="list-style-type: none"> <li>• <u>Cars</u> £100 more/over budget (1) OFR</li> <li>• <u>Caravans</u> £100 less/under budget (1) OFR</li> <li>• <u>Vans/lorries</u> £50 more/over budget (1) OFR</li> </ul> <p>(2 marks if analysis correct [accept OFR] using either 1 or 2 calculations)</p> <p>(1 mark if analysis correct [accept OFR] but no calculations used: eg "Cars and vans/lorries are over budget, and caravans are under budget")</p> <p><u>Conclusion</u></p> <p>Successful/more successful (1) OFR</p> <p>- because the total is £50 over budget/the total is £12 230 not £12 180 (1) OFR</p>	<p>1 mark for each comparison based on calculations (3)</p> <p>1 mark for conclusion based on calculations</p> <p>1 mark for comparing totals using figures (2)</p>

Question	Answer	Mark
10(a)	<p>To estimate/predict <u>future</u> profits/losses (1)</p> <p>Helps plan (eg) prices, costs, number of trips (1)</p> <p>They can make judgement about the likely profitability of the service (1)</p>	<p>1 mark for purpose</p> <p>1 mark for planning issue</p> <p>1 mark for how (judgement)</p> <p>(3)</p>

Question	Answer	Mark
10(b)	<p><u>Loan</u></p> <ul style="list-style-type: none"> <li>• Cash is received more quickly - profits take more time</li> <li>• Can pay the full amount immediately - may not be able to do this with profits</li> <li>• Known amount - amount of profit is uncertain</li> <li>• Known commitment/amount /can budget</li> <li>• Can benefit from bank guidance and support</li> </ul> <ul style="list-style-type: none"> <li>• Problem if cannot pay</li> <li>• 10-year commitment to pay interest/repay capital</li> </ul> <p><u>Profits</u></p> <ul style="list-style-type: none"> <li>• Own money - not relying on external lender</li> <li>• Retain control - bank may set conditions/want financial information/may become involved</li> <li>• No interest payments - with a loan, interest has to be paid</li> <li>• May be able to pay off quickly - with the loan, commitment for 10 years</li> </ul> <ul style="list-style-type: none"> <li>• If profits are used, they are not available for other use</li> <li>• No certainty that future profits will be made</li> </ul> <p>Accept any relevant argument in addition to those suggested in the exemplar answers</p> <p>Opposites, ie why one is recommended <u>together with</u> why the other is not, must be stated clearly for 2 marks: opposite point <u>cannot</u> be inferred</p> <p>Accept relevant disadvantage(s) of the selected source</p> <p>Maximum 6 marks for a one-sided answer where candidate bases answers on only one option</p>	<p>1 mark for each point why source is recommended</p> <p>1 mark for each point why other source is <b>not</b></p> <p>1 mark for each point why source is recommended</p> <p>1 mark for each point why other source is <b>not</b></p> <p>(8)</p>