

Mark Scheme (Results)

January 2010

GCSE

GCSE Applied Business (5308/01) 2306

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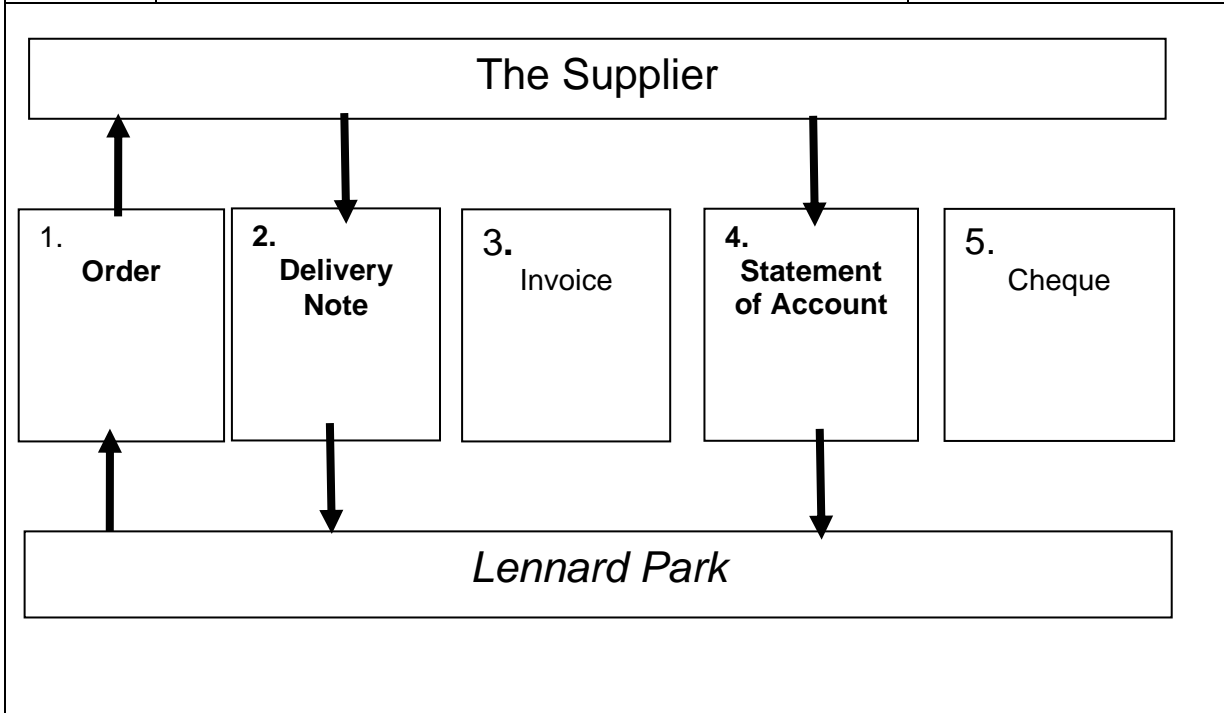
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Question	Answer	Mark
1	See below <i>(Both half of the arrows are not necessary as long as the arrow clearly indicates the direction of the document flow)</i>	1 mark each box 1 mark each arrow (6)



Question	Answer	Mark
2a	<ul style="list-style-type: none"> • Security (1) - need to buy a safe/buy a till/take money to the bank (1) • Banking (1) - cost/time of going to the bank/admin costs of counting cash and cheques/cost of the current account/additional charges for paying in cash or cheques at the bank/cheques may bounce/cheques take time to clear (1) 	1 mark for each cost 1 mark for each outline (4)

Question	Answer	Mark
2a	<ul style="list-style-type: none"> • Security (1) - need to buy a safe/buy a till/take money to the bank (1) • Banking (1) - cost of going to the bank/admin costs of counting cash and cheques/cost of the current account/additional charges for paying in cash or cheques at the bank (1) 	1 mark for each cost 1 mark for each outline (4)

Question	Answer	Mark
2b	<ul style="list-style-type: none"> • Owner hands over card/puts card into the chip and pin machine/owner phones <i>Lennard Park</i> • <i>Lennard Park</i> or Adie swipes through reader/card owner enters PIN/owner gives card details over phone • Statement/receipt is generated • Payment is automatically transferred from the owner's account to <i>Lennard Park's</i> 	1 mark for each point of description (3)

Question	Answer	Mark
2c(i)	<ul style="list-style-type: none"> • Preference/convenience (1) - owners expect to be able to pay by credit card/new owners may be encouraged to join and pay rent /owners can pay over the phone /owners can pay rent using their credit facility (1) • More secure (1) - less cash on premises (1) 	1 mark advantage 1 mark for development (2)

Question	Answer	Mark
2c(ii)	<ul style="list-style-type: none"> • Terminal rental/set-up costs/equipment costs • Transaction fee/processing fee • Annual/monthly fee 	1 mark for each cost

	<ul style="list-style-type: none"> • Cost of waiting for payment • Fraudulent use of cards • Training 	(2)
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Question	Answer	Mark
3a	<u>Drink sales</u> £345 better (1) <u>Travel</u> £185 worse (1) <u>Advertising</u> £132 worse (1)	1 mark for amount and description (3)

Question	Answer	Mark
3b	<ul style="list-style-type: none"> • To plan (1) - can budget for expected costs and revenues/what money she has and where it will be spent/can work out how much she might need to borrow from bank (1) • To assist with borrowing (1) - can present the budget to a lender/bank to help gain finance (1) • To control income and expenditure/how much is coming in and going out (1) - can compare actual against budget (1) 	1 mark for way 1 mark for outline (4)

Question	Answer	Mark
4a	A Current asset B Liability C Current asset D Fixed asset E Current asset F Fixed asset	1 mark each item (6)

Question	Answer	Mark
4b(i)	<u>Start-up</u> Kitchen equipment/Filing cabinets <u>Running</u> Stock of bird food/debts to suppliers	1 mark start-up 1 mark running (2)

Question	Answer	Mark
4b(ii)	<u>Start-up</u> A one-off cost/initial cost for <i>Lennard Park</i> /only buy when starting up/paid for only once by <i>Lennard Park</i> <u>Running</u> (bird food) constantly bought by <i>Lennard Park</i> /it is a frequent activity for <i>Lennard Park</i> (debts) a frequent activity for <i>Lennard Park</i> /Adie	1 mark why start-up 1 mark why running

	needs to pay suppliers regularly	(2)
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Question	Answer	Mark
5a	<ul style="list-style-type: none"> To refund/reduce the amount owed by <i>Lennard Park</i>/by Adie (1) - because goods were damaged in transit (1) So <i>HCG Ltd</i> can credit Adie/<i>Lennard Park</i> (1) - with the overpayment due to damaged goods (1) <p>('They', 'the supplier', 'the business' are too vague for reference to parties but 1 mark can be awarded if candidate notes that the goods were damaged in transit)</p>	<p>1 mark for reference to parties</p> <p>1 mark for reference to content</p> <p>(2)</p>

Question	Answer	Mark
5b(i)	<p>VAT has been deducted/VAT should have been added</p> <p>(Error needs to refer to VAT but need not state the correct amount)</p>	<p>1 mark for error</p> <p>(1)</p>

Question	Answer	Mark						
5b(ii)	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: right;">GOODS TOTAL</td> <td style="text-align: right;">550.00</td> </tr> <tr> <td style="text-align: right;">VAT at 17.5%</td> <td style="text-align: right;">96.25</td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td style="text-align: right;">646.25</td> </tr> </table>	GOODS TOTAL	550.00	VAT at 17.5%	96.25	TOTAL	646.25	<p>1 mark correct Total</p> <p>(1)</p>
GOODS TOTAL	550.00							
VAT at 17.5%	96.25							
TOTAL	646.25							

Question	Answer	Mark
5b(iii)	<p>It will lose cash/money/ profit (1) - of £192.50/accounts will not be accurate (1)</p>	<p>1 mark for effect</p> <p>1 mark consequence</p> <p>(2)</p>

Question	Answer	Mark
6	<p>Correct row labels (1)</p> <p>Correct inflows (3 x 1)</p> <p>Correct total inflows (1) no OFR</p>	As indicated

	Correct outflows (5 x 1)	
	Closing May balance 925 (1) no OFR	(11)

2010	March (£)	April (£)	May (£)
Inflow (Receipts)			
Rents	6 000	6 000	6 000
Restaurant	4 000	4 500	6 000
Other	500	500	500
Total Receipts	10 500	11 000	12 500
Outflow (Payments)			
Staff salaries	3 000	3 000	3 000
Power	3 000	3 000	2 500
Maintenance	200	200	200
Restaurant	2 400	2 800	3 600
Other	475	475	475
Business rates		6 500	
Total Payments	9 075	15 975	9 775
Net Inflow / Outflow	1 425	(4 975)	2 725
Opening Balance	1 750	3 175	(1 800)
Closing Balance	3 175	(1 800)	925

Question	Answer	Mark
7a	(i) 25 (ii) £1 000 (iii) £1 800 (iv) £400 profit (both for the mark) (v) £40	1 mark for each figure (5)

Question	Answer	Mark
7b	• Fixed costs will increase/fixed costs line becomes steeper (1)	1 mark for each point

	<ul style="list-style-type: none"> • Variable costs will stay the same (1) • Total costs will increase/total costs line becomes steeper (1) • Total revenue stays the same (1) • Breakeven point will be increased /will be higher/moves to the right (1) <p>(Points must refer to the chart and not to future effects on the business)</p>	(5)
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Question	Answer	Mark
7c	(i) Variable (1) - depends on usage/the number of holidaymakers/caravans (1) (ii) Fixed (1) - does not depend on the number of holidaymakers/caravans (1)	1 mark for water 1 mark for reason 1 mark for light/heat 1 mark for reason (4)

Question	Answer	Mark
8a	<u>Caravan owners</u> To see whether the Park is likely to stay open/continue/survive (1) - because the P&L shows profitability/success/whether <i>Lennard Park</i> will stay in business/whether owners will need to move their caravans (1)	1 mark reason 1 mark why profit & loss (2)

Question	Answer	Mark
8b	<u>Bert Milton</u> To see whether he is likely to get paid (1) - because the balance sheets show liquidity/ability to meet debts (1)	1 mark reason 1 mark why balance sheet (2)

Question	Answer	Mark
9a	Correct expenses 2 x (1) Correct income 2 x (1) Correct totals (1) both, no OFR Correct profit amount and description (1)	See below (6)

Expenses (costs)		£	Revenue (income)		£
Food & drink	(1) for all	30 000	Rent/restaurant income (1)		135 000
Salaries		35 000	Other sales (1)		5 400

Maintenance		2 250		
Other costs		5 750		
Power	(1)	34 800		
		107 800	(1) for both (no OFR)	140 400
Profit or loss <u>£ 32 600 Profit</u> (1) amount and 'profit' (no OFR)				

Question	Answer	Mark
9b	Higher (1) - by £700 (1)	1 mark for higher 1 mark for amount (2)

Question	Answer	Mark
9c	<ul style="list-style-type: none"> The use of formulae (1) - means this change is calculated automatically (1) Spreadsheet automatically calculates the new profit/new figures (1) - because formulae are used (1) 	1 mark for advantage 1 mark for development (2)

Question	Answer	Mark
10a(i)	<ul style="list-style-type: none"> To plan/predict cash inflows and outflows (Inflows and outflows needed: do not accept references to profit)	1 mark for purpose (1)

Question	Answer	Mark
10a(ii)	<ul style="list-style-type: none"> Check total of cash inflows and outflows (1) - see if balance is sufficient to meet extra costs/plan to obtain extra amount if necessary (1) (Do not accept references to profit)	1 mark for how 1 mark for explanation (2)

Question	Answer	Mark
10b	<p><u>Option 1 (savings)</u></p> <p>Advantages</p> <ul style="list-style-type: none"> • Definitely available • No cost of borrowing for savings • Adie is happy to invest the money • The money is immediately available • They can make a start immediately • Saves the business losing an asset (land) • The savings increase the business capital/do not come from the business <p>Disadvantages</p> <ul style="list-style-type: none"> • It may affect their working relationship if Jules loses his savings • They lose interest on their savings • There is not enough/more will be needed • They lose their savings/cannot use for themselves/cannot use for anything else • If this is used there may be no more money available/they may be struggling for money • Cost of borrowing additional amount needed <p><u>Option 2 (sell the land)</u></p> <p>Advantages</p> <ul style="list-style-type: none"> • Appropriate use for an asset not being used/it converts an unused asset into cash • The sale brings in enough money/more than is needed • Saves the cost of borrowing/no interest charges • They will still have their savings to fall back on <p>Disadvantages</p> <ul style="list-style-type: none"> • Formalities needed • May not be able to sell the land • It will be lost for other uses • Selling the land will reduce the value of the business 	<p>(No mark for selection)</p> <p>1 mark for each advantage of the chosen source (3 marks)</p> <p>1 mark for each disadvantage of the chosen source (3 marks)</p> <p>1 mark for each reason why the other source was not chosen (2 marks)</p> <p>(8)</p>

Question	A01	A02	A03	Total	Reference
1	6			6	A. Financial documents
2(a)	4			4	B. Making and receiving payments
2(b)	3			3	B. Making and receiving payments
2(c)	4			4	B. Making and receiving payments
3(a)	3			3	E. Budgets
3(b)	4			4	E. Budgets
4(a)	6			6	H. Understanding a balance sheet
4(b)	4			4	C. Costs of a new product or service
5(a)	2			2	B. Making and receiving payments
5(b)(i)	1			1	B. Making and receiving payments
5(b)(ii)	1			1	B. Making and receiving payments
5(b)(iii)		2		2	B. Making and receiving payments
6	11			11	D. Cash-flow forecasts
7(a)	5			5	F. Calculating the break-even point
7(b)		3	2	5	F. Calculating the break-even point
7(c)	2	2		4	F. Calculating the break-even point
8(a)			2	2	I. Importance of business accounts
8(b)			2	2	I. Importance of business accounts
9(a)	6			6	G. Calculating profit or loss
9(b)		2		2	G. Calculating profit or loss
9(c)	2			2	G. Calculating profit or loss
10(a)	3			3	K. Financial planning
10(b)			8	8	J. Sources of business finance
Total	67	9	14	90	

Reference	Mark range	Paper 1001
A. Financial documents B. Making & receiving payments	19 - 27	23
C. Costs of a new product or service	1 - 9	4
D. Cash-flow forecasts E. Budgets	10 - 18	18
F. Calculating the break-even point	10 - 18	14
G. Calculating profit or loss H. Understanding a balance sheet	10 - 18	16
I. Importance of business accounts	1 - 9	4
J. Sources of business finance K. Financial planning	10 - 18	11

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