

Version 1.0



**General Certificate of Secondary Education  
June 2010**

**Business Studies**

**413013**

**Business Start Up**

**Unit 13**

***Mark Scheme***

Mark schemes are prepared by the Principal Examiner and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation meeting attended by all examiners and is the scheme which was used by them in this examination. The standardisation meeting ensures that the mark scheme covers the candidates' responses to questions and that every examiner understands and applies it in the same correct way. As preparation for the standardisation meeting each examiner analyses a number of candidates' scripts: alternative answers not already covered by the mark scheme are discussed at the meeting and legislated for. If, after this meeting, examiners encounter unusual answers which have not been discussed at the meeting they are required to refer these to the Principal Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of candidates' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

Further copies of this Mark Scheme are available to download from the AQA Website: [www.aqa.org.uk](http://www.aqa.org.uk)

Copyright © 2010 AQA and its licensors. All rights reserved.

#### COPYRIGHT

AQA retains the copyright on all its publications. However, registered centres for AQA are permitted to copy material from this booklet for their own internal use, with the following important exception: AQA cannot give permission to centres to photocopy any material that is acknowledged to a third party even for internal use within the centre.

Set and published by the Assessment and Qualifications Alliance.

**1****Total for this question: 16 marks**

<b>1 (a)</b>	<i>What is meant by the term 'profit'?</i>	<i>(2 marks)</i>
--------------	--	------------------

The surplus once total costs have been deducted from revenue.  
Revenue minus costs (2).

Level	Descriptor	Marks	Assessment Objective
2	Candidate shows an accurate understanding of the term.	2	AO1
1	Candidate shows some understanding of the term.	1	
0	No valid response.	0	

<b>1 (b)</b>	<i>Explain <b>two</b> benefits to Charlotte of producing a business plan.</i>	<i>(4 marks)</i>
--------------	---	------------------

**Possible responses may include:**

- thinks things through
- raise finance
- identify financial and other resources needed
- spot problems in advance.

Level	Descriptor	Marks	Assessment Objective
2	Candidate explains benefit (s) to Charlotte.	4 - 3	AO2
1	Candidate identifies benefit(s).	2 - 1	AO1
0	No valid response.	0	

**1 (c)** *Charlotte needs to choose where to locate her café. Her ideal location would be:*

- *easy for her target customers to get to*
- *cheap to rent.*

*Recommend to Charlotte which factor you consider to be the more important.*

*Give reasons for your choice.*

*(10 marks)*

**Possible responses may include:**

- convenience for target market – close to schools?
- cost – needs to keep costs low to ensure she can keep prices low.

Level	Descriptor	Marks	Assessment Objective
3	Candidate offers judgment with good justification. Ideas are communicated with a clear structure and use of technical terms.	7 - 6	AO3 and Quality of Written Communication
2	Candidate offers judgment with some valid justification. Ideas are communicated with some structure and use of technical terms. There are occasional errors in accepted convention.	5 - 3	
1	Candidate offers judgement with limited support. Ideas are communicated in a simplistic way with limited use of technical terms. Errors in accepted convention are noticeable.	2 - 1	

**Note:** AO3 also assesses candidates' quality of written communication. When deciding on the AO3 level to be awarded, consider the degree to which the candidate orders and communicates his/her ideas.

In addition, and separately, award marks for knowledge and application using the grid below.

Level	Descriptor	Marks	Assessment Objective
2	Candidate explains relevant point(s) for the Console Café.	3 - 2	AO2
1	Candidate states relevant point.	1	AO1
0	No valid response.	0	

**2****Total for this question: 24 marks**

<b>2 (a)</b>	<i>Fernando uses job production to make wooden toys. What is meant by the term 'job production'?</i>	<i>(2 marks)</i>
--------------	--	------------------

Production of one-off items, made to order to individual specifications.

Level	Descriptor	Marks	Assessment Objective
2	Candidate shows an accurate understanding of the term.	2	AO1
1	Candidate shows some understanding of the term.	1	
0	No valid response.	0	

<b>2 (b)</b>	<i>State and explain a suitable objective for the toy shop.</i>	<i>(2 marks)</i>
--------------	---	------------------

**Possible responses include:**

- survival – given precarious position of business
- profit – would be needed in the medium-term to ensure survival
- customer satisfaction – would boost customer numbers – currently seems to be a problem
- increase sales.

Level	Descriptor	Marks	Assessment Objective
2	Candidate explains objective in context.	2	AO2
1	Candidate states relevant objective.	1	AO1
0	No valid response.	0	

**2 (c)** *Item B states that Fernando chose to recruit an assistant manager externally rather than promoting his current employee. Explain **two** benefits to Fernando of using external recruitment. (4 marks)*

**Possible responses include:**

- brings in new ideas – Fernando has no experience in running a toy shop
- larger pool of applicants from which to choose – there is currently only 1 possible internal candidate
- prevents the creation of a vacancy lower down the firm – Fernando probably wants to avoid the time needed to go through the recruitment process twice – he has plenty of other issues to address.

Level	Descriptor	Marks	Assessment Objective
2	Candidate explains benefit(s) in the context of Fernando's toy shop.	4 - 3	AO2
1	Candidate states relevant benefit(s).	2 - 1	AO1
0	No valid response.	0	

**2 (d)** *The cash-flow forecast worried Fernando. Explain **two** problems shown by the cash-flow forecast. (6 marks)*

**Possible responses include:**

- sales figures do not rise significantly in Christmas period which must be a problem for a toy shop
- other cash outflows (including wages?) stay at a higher level after the Christmas period – its not the fact they are rising, its that they don't drop back down again in line with sales
- expenditure on stock seems to remain higher than expected in the new year
- there is no marketing expenditure – this could present an underlying problem in attempts to turn the business round
- net cash flow is negative in last two months shown – though one might expect this for a toy shop in January, December's figure is particularly worrying
- closing balances shows an unerring downward trend that seems to inevitably lead into an overdraft within the next month or two.

Level	Descriptor	Marks	Assessment Objective
2	Candidate explains relevance of problem in context.	3 - 2	AO2
1	Candidate states relevant problem.	1	AO1
0	No valid response.	0	

**Apply twice.**

**2 (e)** *Fernando is thinking about changing the marketing mix to increase sales. He is considering:*

- *cutting prices*
- *spending more money on promotion*
- *selling a small range of electronic toys.*

*Using Items B and C, recommend how the marketing mix should be changed in order to increase sales. Justify your recommendation. (10 marks)*

**Possible responses include:**

- reduce prices – may attract extra customers looking for a bargain, or those who previously considered his prices too high. However, he needs to be careful that increased customer numbers outweigh the reduction in revenue per item
- increased advertising – to raise awareness which seems to have been a problem, or other increased promotional activity – may include reference to shop window, or local leafleting to attract customers, whilst special deals may bring new customers too
- selling electronic toys – was originally identified as a key weakness and may attract a different type of customer.

Level	Descriptor	Marks	Assessment Objective
3	Candidate offers judgment with good justification. Ideas are communicated with a clear structure and use of technical terms.	7 - 6	AO3 and Quality of Written Communication
2	Candidate offers judgment with some valid justification. Ideas are communicated with some structure and use of technical terms. There are occasional errors in accepted convention.	5 - 3	
1	Candidate offers judgement with limited support. Ideas are communicated in a simplistic way with limited use of technical terms. Errors in accepted convention are noticeable.	2 - 1	

**Note:** AO3 also assesses candidates' quality of written communication. When deciding on the AO3 level to be awarded, consider the degree to which the candidate orders and communicates his/her ideas.

In addition, and separately, award marks for knowledge and application using the grid below.

Level	Descriptor	Marks	Assessment Objective
2	Candidate explains relevant point(s) for the Console Café.	3 - 2	AO2
1	Candidate states relevant point.	1	AO1
0	No valid response.	0	