



**General Certificate of Secondary Education**

**Business Subjects and  
Economics 4130**

**Unit 13      Business Start Up**

**Specimen Mark Scheme**

The specimen assessment materials are provided to give centres a reasonable idea of the general shape and character of the planned question papers and mark schemes in advance of the first operational exams.

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

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**1****Total for this question: 16 marks****1 (a)** What is meant by a 'bank loan'?*(2 marks)*

Money raised from a bank, or similar institution. Amount with interest needs to be paid back to the bank. Often used to buy assets. Security may be needed against non-payment.

1 mark for stating a point plus 1 mark for development

**1 (b)** Explain **two** ways Rachel could offer a better customer service at her hairdressing salon than the existing salon.

*(4 marks)*

Possible ways of offering customer service could include:

- complimentary tea/coffee provided;
- better environment in shop – décor, music, etc;
- get to know customers' names, show an interest;
- text message to remind of hair appointments;
- up-to-date equipment, branded shampoos, etc.

Do not allow lower prices or anything that is not actually a service.

| Level | Descriptor  | Marks | Assessment Objective |
|-------|---|-------|----------------------|
| 2     | Candidate explains way(s) Rachel could offer better customer service. | 3–4   | AO2                  |
| 1     | Candidate identifies way(s) of offering better customer service.      | 1–2   | AO1                  |
| 0     | No valid response.  | 0     |                      |

**1** (c) Do you think it would be better for Rachel to buy a franchise, or open a shop under her own name? Give reasons for your answer. *(10 marks)*

Possible areas for discussion include:

For own name:

- could be cheaper to set up, no franchise costs;
- no rules to have to stick to;
- more opportunity for individual approach to the business;
- could target a market not prepared to pay Stevie and Tom's prices.

For franchise:

- less risk, proven product;
- advice and support may be provided by franchiser;
- greater advertising than on your own;
- name is a brand so might attract more customers.

| Level | Descriptor                                  | Marks | Assessment Objective |
|-------|---|-------|----------------------|
| 2     | Candidate provides explanation of point(s). | 2–3   | AO2                  |
| 1     | Candidate states relevant point (s).        | 1     | AO1                  |
| 0     | No valid response.                          | 0     |                      |

In addition and separately award marks for evaluation using the grid below

**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 order and communicates his/her ideas.

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

**2****Total for this question: 24 marks****2 (a)** What is meant by a 'business objective'?*(2 marks)*

Aim or target of a business over a particular period of time. Resources will be allocated to ensure the objective is achieved.

1 mark for stating a point plus 1 mark for development

**2 (b)** Give a suitable 'business objective' for Ray and John.*(2 marks)*

Possible objectives include:

- Increase sales by 50% over the next two years;
- Modernise the facilities;
- Increase profits.

1 mark for stating a business objective plus 1 mark for development

**2 (c)** Explain **two** advantages to Ray and John of working as a partnership, rather than having **two** separate businesses.*(4 marks)*

Possible advantages include:

- reduces the potential competition in the area;
- more skills between them;
- greater input of capital;
- share risks and responsibilities.

| Level | Descriptor  | Marks | Assessment Objective |
|-------|---|-------|----------------------|
| 2     | Candidate explains advantages(s) to Ray and John of working as a partnership. | 3–4   | AO2                  |
| 1     | Candidate identifies advantage(s) of working as a partnership.                | 1–2   | AO1                  |
| 0     | No valid response.  | 0     |                      |

**2 (d)** Explain **two** suitable ways Ray and John might use to motivate their mechanics.  
(6 marks)

Possible ways to motivate their mechanics include:

- providing good facilities for employees, eg restroom;
- offering potential for career enhancement eg have a supervisor for the mechanics;
- giving perks eg use of the garage to fix their own cars;
- provide bonus if sales increase;
- pay higher wages than other garages.

| Level | Descriptor  | Marks | Assessment Objective |
|-------|---|-------|----------------------|
| 3     | Candidate clearly explains suitable way(s) Ray and John might motivate their employees.   | 5–6   | AO2                  |
| 2     | Candidate partially explains suitable way(s) Ray and John might motivate their employees. | 3–4   |                      |
| 1     | Candidate identifies suitable way(s) of motivating employees.                             | 1–2   | AO1                  |
| 0     | No valid response.  | 0     |                      |

**2 (d)** Would *Good-as-New*'s profits increase if the business achieved its objective of increased sales? Give reasons for your answer. **(10 marks)**

Possible arguments:

For increase:

- more turnover means more money coming in so more profit;
- marketing could be undertaken economically and have desired results of increased sales.

Against increase:

- prices may be reduced to increase number of sales, which results in turnover falling;
- cost of refurbishment will reduce profits;
- cost of additional mechanic will reduce profits;
- cost of marketing might exceed increase in turnover.

Candidates might discuss what 'increase in sales' actually mean: greater turnover or more customers.

| Level | Descriptor                                  | Marks | Assessment Objective |
|-------|---|-------|----------------------|
| 2     | Candidate provides explanation of point(s). | 2–3   | AO2                  |
| 1     | Candidate states relevant point(s).         | 1     | AO1                  |
| 0     | No valid response.                          | 0     |                      |

In addition and separately award marks for evaluation using the grid below

**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 order and communicates his/her ideas.

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

**Assessment Grid**

| <b>Question</b> | <b>AO1</b> | <b>AO2</b> | <b>AO3</b> | <b>Total</b> |
|-----------------|------------|------------|------------|--------------|
| 1 (a)           | 2          |            |            | 2            |
| 1 (b)           | 2          | 2          |            | 4            |
| 1 (c)           | 1          | 2          | 7          | 10           |
| 2 (a)           | 2          |            |            | 2            |
| 2 (b)           |            | 2          |            | 2            |
| 2 (c)           | 2          | 2          |            | 4            |
| 2 (d)           | 2          | 4          |            | 6            |
| 2 (e)           | 1          | 2          | 7          | 10           |
| <b>Total</b>    | <b>12</b>  | <b>14</b>  | <b>14</b>  | <b>40</b>    |
| Weight (%)      | 30         | 35         | 35         | 100          |