

# Mark Scheme (Results)

## Summer 2010

GCSE

### GCSE Business & Economics (1171) Paper 4H

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Question Number	Indicative content
<p><b>1(a)</b></p> <p><b>Common</b></p>	<p>(A01 = 2 marks) (A02 = 2 marks)</p> <p>A trade union is an organisation that works on behalf of a group of employees in one industry or one profession. For example, the National Union of Teachers. The evidence uses the example of Unite. Award 2 marks for accurate definition. Up to 2 marks for appropriate examples to demonstrate understanding. This does not mean simply provide an example – e.g. ‘NUT’. This would receive 1 mark not 2.</p> <p style="text-align: right;"><b>4 marks</b></p>

Question Number	Indicative content
<p><b>1(b)</b></p>	<p>(A01 = 2 marks) (A02 = 2 marks)</p> <p>Examples include:</p> <ul style="list-style-type: none"> <li>• Negotiating</li> <li>• Collective bargaining</li> <li>• Payment for workers during the shutdown</li> <li>• Organising industrial action</li> <li>• Legal advice</li> </ul> <p>Award 1 mark for an aspect of the role of the trade union official, and up to 3 mark for development. The number of development marks will depend on the quality of the explanation. For example, where a candidate uses appropriate terms, then reward should be given. The candidate must apply knowledge to the type of context provided by the Honda example. If a candidate offers more than one role, award 1 mark for each role plus up to 2 marks for development</p> <p><b>4 marks</b></p>

Question Number	Indicative content
<p><b>1(c)</b></p> <p><b>Common</b></p>	<p>(A01 = 2 marks) (A02 = 2 marks)</p> <p><b>Examples include:</b></p> <ul style="list-style-type: none"> <li>- Re-training</li> <li>- Use of Job Centre/Job Centre Plus</li> <li>- Enrol with a recruitment agency</li> <li>- Education</li> <li>- Relocate to areas where more work available</li> </ul>

	<p>Award 1 mark for the reason and up to 3 marks for development. 3 development marks reserved for a response which includes terminology and shows convincing understanding. For example:  'Relocation (1 mark) – the individual may decide to move to an area where the demand for workers is greater. For example, the South East of England has more jobs available than many areas: this would improve chances'.</p> <p style="text-align: right;"><b>4 marks</b></p>
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Question Number	Indicative content
<p><b>1(d)</b></p>	<p><b>(A01 = 2 marks)</b>  <b>(A02 = 2 marks)</b></p> <p>Unemployment exists when people who are available and willing to work but cannot find employment. The official measurement of unemployment is Claimant Count, which is those people who are actively seeking work and claiming benefit.</p> <p>Examples might include topical references or worked examples to illustrate different types of unemployment – seasonal, structural, and technological.</p> <p>2 marks for accurate definition  2 marks for example which confirms understanding.</p> <p style="text-align: right;"><b>4 marks</b></p>

Question Number		Indicative content
<b>1(e)</b>		<p>(A01 = 1 marks)  (A02 = 1 marks)  (A03 = 2 marks)  (A04 = 2 marks)</p> <p><b>Methods include:</b>  Retraining/Training courses as being the most important method at government's disposal.  Benefits (such as Job Seekers' Allowance) can be provided to ensure unemployed workers can pay bills, buy necessities, etc.  Job Centres-used to help workers find new employment  Fiscal Policy to stimulate economic growth – unlikely response, but centres may have covered this type of method during the recession of 2008-9.</p> <p>For evaluation – required by the 'assess' in the question – candidates need to identify some drawbacks of their suggestion. So, retraining may be costly and difficult to target; benefits may provide a disincentive to find alternative employment, and so on. Time lags may also be referred to in evaluation.</p> <p style="text-align: right;"><b>6 marks</b></p>
Level	Mark	Descriptor
<b>Level 2</b>	<b>4-6</b>	Candidate offers one valid method and is able to develop the point coherently. The explanation at this level will demonstrate understanding of the issues relating to helping with possibly few qualifications and skills outside their realm of employment to find work. Simplistic evaluation will be in Level 2. For example: 'Fiscal policy could be used (1 mark – valid point) and this would be an excellent idea...'
<b>Level 1</b>	<b>1-3</b>	Candidate will offer a relevant suggestion. At the top of the level there will be development which reveals some understanding. A response with no evaluation will be in this level.

Question Number		Indicative content
<b>1(f)</b>  <b>Common</b>		<p>(A02 = 1 marks)  (A03 = 5 marks)  (A04 = 6 marks)</p> <p>Award 1 mark for the perspective/mood (angry, pleased, disappointed, etc.) clearly expressed. Up to 3 marks for the quality of development. We are looking for a well-constructed answer with evidence of understanding of the perspective supported by economic and business knowledge. If the perspective identified is clearly incorrect or misses the point, but where there are supported elaborations some reward can be given. Answers which give viewpoints not supported by economic and business terms and concepts will be examples of poorer quality development.</p> <p><b>(i) A trade union official at Honda's Swindon site. (4 marks)</b></p>

	<p>The role of a trade union is to protect the interests of members. As jobs are being lost the union official is likely to be angry/disappointed. On the one hand their role will be to try to work with the business to try to avoid or minimise the job losses. They will also have a role in helping members in terms of financial support and in finding alternative employment.</p> <p><b>(ii) Supplier of car parts to Honda (4 marks)</b></p> <p>The loss of such a major customer will be very damaging for any suppliers. In this case 50% of their trade was with Honda. However, this does mean that 50% of their sales is <u>not</u> with Honda. The evidence indicates that the business has been able to expand into new industries. On balance the decision by Honda is a bad thing, but is not catastrophic for this business.</p> <p><b>(iii) Honda employee made redundant for a short period. (4 marks)</b></p> <p>These employees will be upset and disappointed by Honda's decision. Less work is likely to mean less disposable income, which could mean fewer holidays, less luxuries, etc. However, the evidence suggests that the impact might not be too bad for some people. Herein lies an important insight; not everyone will be affected equally badly.</p>
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Question Number	Indicative content
<b>1(g)</b>	<p><b>(A01 = 2 marks)</b> <b>(A03 = 2 marks)</b></p> <p>Productivity relates to the amount of output per worker/machine per time. ICT can lead to productivity gains for a number of reasons: Improved technology – increases the amount of work that can be produced by each worker. Improved communication – speedier decision-making Need for fewer workers – think about how switchboards have been replaced by automated, voice-recognition alternatives. Award 1 mark for identifying a cause of rising productivity and up to 3 marks for development. Full development marks will be achieved when terminology is used proficiently to demonstrate clear understanding. Examples of 2, 3 and 4 mark responses will be provided at standardisation.</p> <p>For an accurate definition of productivity - <b>1 mark</b>. Where candidate refers to 'homeworking' (as one part of the Evidence makes reference to), ensure the link is made to ICT before awarding any marks.</p> <p style="text-align: right;"><b>4 marks</b></p>

Question Number	Indicative content
<b>1(h)</b>	<p><b>(A01 = 1 marks)</b> <b>(A02 = 3 marks)</b></p>

**Common**

**(A03 = 3 marks)**

**(A04 = 5 marks)**

**Arguments in favour**

Business may gain from greater worker motivation and therefore higher productivity, could help to keep control of/reduce costs, in a global market, access to key personnel 24 hours a day rather than only ‘office hours’ – particularly important in a more global economic environment, helps businesses retain workers with scarce skills, allows the business greater flexibility in terms of how to use its workforce.

**Against**

Setting up homeworking can be very expensive in terms of investment in ICT equipment and training, could mean the business loses ‘control’ over its workers who may not be as productive as they would be in a more traditional working environment, loss of corporate identity as workers attend the workplace less frequently.

For evaluation, candidates should think of the, ‘it depends’, rule. The strength of the case depends on the type of business. Corus has little chance to allow its steel workers to work from home; Stagecoach cannot allow its bus drivers to do this either! The focus is perhaps on the positive; certainly the growth of broadband means that homeworking is far more commonplace than once was. Be prepared to reward valid arguments. The quality of these arguments is key to a candidate getting into the top of Level 2/Level 3.

<b>Level</b>	<b>QWC</b>
<b>Level 3</b> Candidate offers a well-developed, well-written and balanced argument making full use of business and economics ideas and concepts. The judgements made show a degree of maturity and understanding of the benefits and costs of such a development. <b>(9-12 marks)</b>	Very good written communication. Candidates will present relevant information legibly and in a form that is completely suitable for purpose. It will feature almost faultless spelling, punctuation and grammar, and an excellent structure of writing.
<b>Level 2</b> A well-written and balanced answer that shows some understanding but contains some unoriginal remarks and a lack of quality in evaluation. Limited use of terminology and concepts will characterise the lower end of this level. An answer which only deals with one perspective (i.e. a single focus) and includes some assessment will achieve a maximum of 6 marks.	Good quality of written communication. Candidates will present information in a form reasonably well suited for purpose. It will include occasional errors in spelling, punctuation and grammar and a fair style and unity of structure.

	<b>(5-8 marks)</b>	
	<b>Level 1</b> An answer showing little understanding of the issues, lacking in balance and with little use of any economic or business concepts. The answer may be very simplistic and lack development. <b>(1-4 marks)</b>	Poor quality of written communication. Candidate presents information indifferently with number of errors in spelling punctuation and grammar. The style of writing will not be entirely appropriate.
<b>12 marks</b>		

Question Number	Indicative content
<b>2(a)</b>  <b>common</b>	<b>(A01 = 2 marks)</b> <b>(A02 = 2 marks)</b>  The private sector includes all organisations that are owned by individuals or shareholders. For examples accept any reference to clearly private businesses – from PLCs to sole traders.  Award 2 marks for accurate definition. Award up to 2 marks for an example which is used to demonstrate understanding.
<b>4 marks</b>	

Question Number	Indicative content	
<b>2(b)</b>	<b>(A01 = 2 marks)</b> <b>(A02 = 2 marks)</b> <b>(A03 = 2 marks)</b>  Fixed costs are those costs of production which have to be paid regardless of the level of output. Examples include rent, administration costs, insurance, etc. Variable costs are those which are directly related to the level of output. Examples include raw materials, direct labour, packaging, etc.	
<b>6 marks</b>		
Level	Mark	Descriptor
<b>Level 2</b>	<b>4-6</b>	Shows clear understanding of the difference and uses examples to demonstrate this understanding. Reserve 5-6 marks for those responses which use examples to show the difference (comparison).
<b>Level 1</b>	<b>1-3</b>	In Level the candidate will either show understanding of fixed or variable costs, or will show knowledge of both but without using examples.

Question Number	Indicative content
<b>2(c)</b>  <b>common</b>	<b>(A01 = 2 marks)</b> <b>(A02 = 1 marks)</b> <b>(A03 = 1 marks)</b>



	<p>BAA wants to expand Heathrow’s capacity for a number of reasons. These include:</p> <p>To generate higher sales revenue</p> <p>To increase profits</p> <p>To take advantage of economies of scale</p> <p>Accept any valid suggestions. Award 1 mark for a reason, with up to 3 marks for development. Development needs to make use of accurate concepts/terminology to be awarded the full 3 marks.</p> <p>Reward the use of data from the Evidence to support the explanation – e.g. <i>‘increase of 120,000 in the number of flights...’</i></p> <p style="text-align: right;"><b>4 marks</b></p>
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Question Number	Indicative content
<b>2(d)</b>	<p><b>(A01 = 2 marks)</b> <b>(A02 = 2 marks)</b></p> <p>Negative externalities are the costs to a third party of an economic decision. Some candidates may refer to individuals, parties or organisations outside the firm – this is acceptable as long as it is clear what is meant and that there is some recognition that this represents the third party. Candidates who confuse this with, for example, ‘a decision made by someone outside the firm’ will not be rewarded. Similarly, for 2 marks the definition must refer to the <u>costs</u> of the actions on others.</p> <p>To get the full 2 marks for the example, something more than just a simple one word example such as ‘pollution’ is required. Up to 2 marks for an accurate definition of externalities and up to 2 for an appropriate developed example. A simple definition will receive 1 mark. For example, ‘...the costs passed on to others...’.</p> <p>If students give a definition, then go on to mention that externalities can be positive or negative and then maybe give a one word example, could also get the full.</p> <p style="text-align: right;"><b>4 marks.</b></p>

Question Number	Indicative content
<b>2(e)</b>  <b>common</b>	<p><b>(A02 = 1 marks)</b> <b>(A03 = 5 marks)</b> <b>(A04 = 6 marks)</b></p> <p>Award 1 mark for the perspective/mood (angry, pleased, disappointed, etc.) clearly expressed. Up to 3 marks for the quality of development. We are looking for a well-constructed answer with evidence of understanding of the perspective supported by economic and business knowledge. If the perspective identified is clearly incorrect or misses the point, but where there are supported elaborations some reward can be given. Answers which give viewpoints not supported by economic and business terms and concepts will</p>

	<p>be examples of poorer quality development.</p> <p><b>(i) Environmental groups such as Greenpeace (4 marks)</b>  Will generally be disappointed with the decision as the rise in air travel will lead to higher emissions of greenhouse gases. The third runway will encourage more air journeys to be taken. This will lead to more negative externalities.</p> <p><b>(ii) UK government (4 marks)</b>  The government supports the expansion of Heathrow and will be pleased that the go-ahead has been granted. More jobs will be created, which will benefit the local area and the UK economy. Additionally, the expansion will consolidate Heathrow's position as a key airport which will further benefit the UK economy. This may lead to higher economic growth in the longer term. In the short term there may be a cost in terms of how much the expansion will cost BAA and taxpayers.</p> <p><b>(iii) Air passenger who regularly uses Heathrow (4 marks)</b>  Will be generally pleased with the expansion plans as this will ultimately lead to lower waiting times. This may lead to higher productivity for businesses whose workers need to use Heathrow.</p>
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Question Number		Indicative content
2(f)		<p><b>(A01 = 2 marks)</b>  <b>(A02 = 2 marks)</b>  <b>(A03 = 2 marks)</b>  <b>(A04 = 2 marks)</b></p> <p>The advantage from BAA's perspective is ultimately a larger business. The command word here is 'analyse', so we are expecting the candidate to offer some technical explanation of advantages and disadvantages, with the intention that this leads to a consideration of economies and diseconomies of scale (although these are not essential for full marks). BAA will be able to reduce its average costs due to its larger scale – these may be in purchasing, marketing and financial areas.</p> <p>The disadvantages for BAA are that as a larger organisation communication and co-ordination. The new airport will extend over a huge area and ensuring that workers are productive may be difficult. <b>8 marks</b></p>
Level	Mark	Descriptor
<b>Level 2</b>	<b>5-8</b>	Identifies at least one advantage and one disadvantage of expansion. At the top of this level the use of business and economics terms and concepts will be evident, as will clear recognition of the command word 'analyse'. At the bottom of the level the development may be simplistic but some attempt is made to explain both advantages and disadvantages.
<b>Level 1</b>	<b>1-4</b>	Candidate in Level 1 will consider one side only. Where both an advantage and disadvantage are offered, points will not be developed well. Examples will be provided at standardisation. The answer may be minimalist and/or

	the response will not be wholly appropriate. Candidate does not fully understand the idea of economies or diseconomies of scale, but does show a basic knowledge.
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Question Number	Indicative content						
<p><b>2(g)</b></p> <p><b>Common</b></p>	<p>(A01 = 2 marks) (A02 = 2 marks) (A03 = 3 marks) (A04 = 5 marks)</p> <p>The stem of the question is important. The intention of this question is to get candidates to think about the scale of the project and to identify – and evaluate – one particular source of finance. As a topic this can be dealt with in a fairly superficial way. Thus, some candidate will undoubtedly suggest that BAA should fund this expansion by, ‘extending its overdraft’. Clearly wrong, although in other contexts this is a valid source of finance.</p> <p>A share would be appropriate as it can be used to raise vast sums. This is more appropriate than, say, bank loans, which are used for much smaller amounts. Candidates may identify that external sources of finance are most appropriate for a project of this size. They may suggest that in light of the credit crunch – still much in evidence at the time of writing – bank loans are out of the question for this reason alone.</p> <p>One problem with share issues is the cost: they are expensive to conduct. A bigger problem may well concern the sums involved. The previous largest share issue is £3.6 billion. BAA need more than double that.</p> <p>Some candidates may well offer alternatives, such as government partially funding the investment, give the importance of Heathrow’s expansion to the economy. Reward this approach, despite not being explicitly required by the question.</p> <table border="1" data-bbox="539 1491 1437 2007"> <thead> <tr> <th>Level</th> <th>QWC</th> </tr> </thead> <tbody> <tr> <td> <p><b>Level 3</b> Candidate offers a well-developed, well-written and balanced argument making full use of business and economics ideas and concepts. The judgements made show a degree of maturity and understanding of the benefits and costs of such a development. <b>(9-12 marks)</b></p> </td> <td> <p>Very good written communication. Candidates will present relevant information legibly and in a form that is completely suitable for purpose. It will feature almost faultless spelling, punctuation and grammar, and an excellent structure of writing.</p> </td> </tr> <tr> <td> <p><b>Level 2</b> A well-written and balanced</p> </td> <td> <p>Good quality of written</p> </td> </tr> </tbody> </table>	Level	QWC	<p><b>Level 3</b> Candidate offers a well-developed, well-written and balanced argument making full use of business and economics ideas and concepts. The judgements made show a degree of maturity and understanding of the benefits and costs of such a development. <b>(9-12 marks)</b></p>	<p>Very good written communication. Candidates will present relevant information legibly and in a form that is completely suitable for purpose. It will feature almost faultless spelling, punctuation and grammar, and an excellent structure of writing.</p>	<p><b>Level 2</b> A well-written and balanced</p>	<p>Good quality of written</p>
Level	QWC						
<p><b>Level 3</b> Candidate offers a well-developed, well-written and balanced argument making full use of business and economics ideas and concepts. The judgements made show a degree of maturity and understanding of the benefits and costs of such a development. <b>(9-12 marks)</b></p>	<p>Very good written communication. Candidates will present relevant information legibly and in a form that is completely suitable for purpose. It will feature almost faultless spelling, punctuation and grammar, and an excellent structure of writing.</p>						
<p><b>Level 2</b> A well-written and balanced</p>	<p>Good quality of written</p>						

	<p>answer that shows some understanding but contains some unoriginal suggestions – e.g. bank loan - and a lack of quality in evaluation. Limited use of terminology and concepts will characterise the lower end of this level. An answer which only deals with one perspective (i.e. a single focus) and includes some assessment will achieve a maximum of 6 marks. <b>(5-8 marks)</b></p>	<p>communication. Candidates will present information in a form reasonably well suited for purpose. It will include occasional errors in spelling, punctuation and grammar and a fair style and unity of structure.</p>
	<p><b>Level 1</b> An answer showing some basic understanding of the issues, but lacking in balance and with limited use of any economic or business concepts. The answer may be simplistic and lack development, with candidate struggling to provide a coherent argument <b>(1-4 marks)</b></p>	<p>Poor quality of written communication. Candidate presents information indifferently with number of errors in spelling punctuation and grammar. The style of writing will not be entirely appropriate.</p>
<b>12 marks</b>		

Question Number	Indicative content
<b>3(a)</b> <b>common</b>	<p><b>(A01 = 2 marks)</b> <b>(A02 = 2 marks)</b></p> <p>Competition refers to a situation where a firm is in a position where it faces rival firms and thus consumers are able to exercise choice in the products and services they buy.</p> <p>Examples could include any aspect where two or more firms are offering goods or services of similar quality, but we might expect the evidence to be used.</p> <p>Award 2 marks for the definition and 2 for an appropriate example.</p> <p style="text-align: right;"><b>4 marks</b></p>

Question Number	Indicative content
<b>3(b)</b> <b>common</b>	<p><b>(A01 = 2 marks)</b> <b>(A02 = 2 marks)</b></p> <p>Monopoly is a situation where one firm has sufficient market power to exert</p>

	<p>control over a market. This is considered to be where a firm has 25% or more of market share in an industry. Monopoly is also a situation where there is just one firm in an industry. Examples include BT, Microsoft, etc.</p> <p>Award 2 marks for an accurate definition – the essence is that the candidate understands the dominant effect and the ability to control the market. 2 marks for an appropriate example.</p> <p style="text-align: right;"><b>4 marks</b></p>
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Question Number	Indicative content
<b>3(c)</b>	<p><b>(A01 = 2 marks)</b>  <b>(A02 = 1 marks)</b>  <b>(A03 = 1 marks)</b></p> <p>Methods include:</p> <p>Advertising/marketing  Buying competitors – mergers/takeovers  Product development  Unfair practices</p> <p>Award 1 mark for identifying the method and up to 3 marks for the development offered.</p> <p style="text-align: right;"><b>4 marks</b></p>

Question Number	Indicative content
<b>3(d)</b>	<p><b>(A01 = 2 marks)</b>  <b>(A02 = 1 marks)</b>  <b>(A03 = 2 marks)</b>  <b>(A04 = 1 marks)</b></p> <p>In a legal sense Tesco is a monopoly as it controls 25% of the market for groceries. However, the question suggests that 75% of sales in this market are with other retailers. This is a very different situation from situations of natural or pure monopoly, where one seller operates in isolation of any competition. Monopoly, according to the government definition, occurs when a business has sufficient market share to influence the market. In this case Tesco can be said to have a monopoly.</p> <p>Award 1 mark for a judgement  Award up to 3 marks for development justifying this decision.  Award a further 2 marks for any type of balancing argument which suggests the counter to the overall judgement.</p> <p style="text-align: right;"><b>6 marks</b></p>

Question Number	Indicative content
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<b>3(e)</b>		<p>(A01 = 2 marks)  (A02 = 3 marks)  (A03 = 2 marks)  (A04 = 1 marks)</p> <p>Reasons for mergers are varied and include:  Share ideas/product development  Reduce costs  Take advantage of economies of scale  Because of rising competition  To gain a monopoly position in a market  This question is designed to allow candidates to apply their knowledge of this area to a particular market. The question asks for reasons (plural), so expect to see at least 2 reasons in a Level 2 response.  Award 1 marks for an accurate definition of merger, although this is not required for full marks. The question does not ask for a definition.</p> <p style="text-align: right;"><b>8 marks</b></p>
Level	Mark	Descriptor
<b>Level 2</b>	<b>5-8</b>	Candidate offers at least 2 suggestions and accurately applies to the market for games. For example, the growth in competition from smaller retailers – Lush, Boots, etc. – may well be one reason for the merger. At the top of the level the development will demonstrate technical knowledge and understanding and appropriate application.
<b>Level 1</b>	<b>1-4</b>	Responses in Level 1 will be of two types. Firstly where a candidate offers just one reason, then the maximum mark to be awarded will be 4 (given strong development). Secondly, where a number of reasons are offered but lack development, then the mark will be in this level. A list of reasons with no development – the fabled ‘scattergun’ approach – should receive 3 marks.

Question Number	Indicative content
<b>3(f)</b>  <b>Common</b>	<p>(A02 = 1 marks)  (A03 = 5 marks)  (A04 = 6 marks)</p> <p>Award 1 mark for the perspective/mood (angry, pleased, disappointed, etc.) clearly expressed. Up to 3 marks for the quality of development. We are looking for a well-constructed answer with evidence of understanding of the perspective supported by economic and business knowledge. If the perspective identified is clearly incorrect or misses the point, but where there are supported elaborations some reward can be given. Answers which give viewpoints not supported by economic and business terms and concepts will be examples of poorer quality development.</p> <p><b>(i) Customers of The Body Shop</b> <span style="float: right;"><b>(4 marks)</b></span></p> <p>The Evidence suggests that some customers are not pleased by the merger, and are fearful of the possibility of The Body Shop’s ethical stance being</p>

	<p>damaged by being associated with a business such as L’Oreal.</p> <p><b>(ii) Competitors of The Body Shop and L’Oreal Group (4 marks)</b>  Will be opposed to the merger as this creates a very dominant market presence. This may be particularly pronounced for small independent retailers, as outlined in the Evidence. The effect may be to force these competitors to cut prices and accept lower profit margins.</p> <p><b>(iii) Shareholders of The Body Shop (4 marks)</b>  Shareholders will have generally positive views of the expansion plans. In a growing market should lead to growth in revenue and hopefully lead to higher profits. This may be passed on in the form of higher dividends.</p>
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Question Number	Indicative content
3(g)	<p><b>(A01 = 2 marks)</b>  <b>(A02 = 2 marks)</b>  <b>(A03 = 3 marks)</b>  <b>(A04 = 5 marks)</b></p> <p>Candidates need to act on the ‘assess’ command word, and consider the strength of the case for Competition Commission action to regulate the behaviour of monopolies. In terms of evaluation, candidates could counter this by suggesting why regulation may not be desirable. The specification (Unit 4 – Enquiry 4 – Can we control the giants?) makes clear that the costs and benefits of monopoly should be covered. Arguments include the development of products such as pharmaceuticals which require extensive investment; to encourage product development; large scale operations can lead to lower average costs (and therefore prices) due to economies of scale. The Evidence offers some insight which candidates should look to use.</p>

<b>Level</b>	<b>QWC</b>
<p><b>Level 3</b> Candidate offers a well-developed, well-written and balanced argument making full use of business and economics ideas and concepts. The judgements made show a degree of maturity and understanding of the benefits and costs of such a development. <b>(9-12 marks)</b></p>	<p>Very good written communication. Candidates will present relevant information legibly and in a form that is completely suitable for purpose. It will feature almost faultless spelling, punctuation and grammar, and an excellent structure of writing.</p>
<p><b>Level 2</b> A well-written and balanced answer that shows some understanding but contains some simplistic observations – e.g. ‘...because big businesses rip off consumers...’ - and a lack of quality in evaluation. Limited use of terminology and concepts will characterise the lower end of this level. An answer which only deals with one perspective (i.e. a single focus) and includes some assessment will achieve a maximum of 6 marks. <b>(5-8 marks)</b></p>	<p>Good quality of written communication. Candidates will present information in a form reasonably well suited for purpose. It will include occasional errors in spelling, punctuation and grammar and a fair style and unity of structure.</p>
<p><b>Level 1</b> An answer showing basic understanding of the issues, and lacking in balance. Limited use of any economic or business concepts. The answer may be simplistic and lack development which makes use of key terminology. <b>(1-4 marks)</b></p>	<p>Poor quality of written communication. Candidate presents information indifferently with number of errors in spelling punctuation and grammar. The style of writing will not be entirely appropriate.</p>

**12 marks**



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