

GCSE 2004

June Series



Mark Scheme

Business Studies Specification B *(Subject Code 3133/3F)*

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.

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Paper 3 Foundation Tier

Broad Principles:

- Most questions have a levels mark scheme, some have up to four levels, some up to three and some up to two.
- In all levels mark schemes, examiners must start at the top level and use the level descriptor to see if the candidate response matches that descriptor. If the response does not match the descriptor, examiners should move down to the next level until the appropriate descriptor is matched by the candidate response.
- Once the correct level has been identified, examiners will also have to decide which mark to award within that level. This will be done by using the level descriptor, any further guidance and where applicable the exemplar responses. At its simplest, this will require the examiner to decide if the candidate is operating at the top, middle or bottom of a level that has three marks available to be awarded.
- Examiners should take great care, when using the range of marks for each level, to award the right number of marks for each response.
- For most questions a list of possible points is included in the mark scheme. This is not intended to be a comprehensive list. Nor is the wording deemed to be the only acceptable form for which marks may be awarded. Examiners will need to use their judgement as to whether a point made by the candidate is relevant to the question. Team leaders may be used for advice where examiners are unable to make such a decision.

1**Total for this question: 56 marks**

(a) What is meant by the term <i>shift working</i> ?
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(2 marks)

Possible points include:

- Regular work taking place during non-standard hours i.e. not 9 a.m. – 5 p.m.
- Different workers take over from each other over
- Production is kept running over a long time with a change of staff
- A system where production can be continuous
- Changes in staff during the day

Level 1 Statement of Knowledge

(2 - 1 marks)

A typical example might read as follows:

“A system where different workers operate the same machines (1) so that they can keep running (1). There may be 3 x 8 hour shifts in one day (1)”

Note: 2 marks maximum

- (b) Explain the problems that the high turnover of staff might cause Lower Valley Ltd. (9 marks)

Possible answers include:

- High cost of recruiting staff
- Cost of training staff
- Time wasted training staff
- Increased costs for the business
- Time wasted advertising
- Mistakes made by new workers

Level 3 Selection/Organisation/Analysis/Interpretation

Information has been selected from the case study. Data is correctly interpreted and analysed so that the candidate effectively applies business terms/concepts to show at least 2 ways problems might arise. (9 - 6 marks)

Clear, good analysis based on the selection of appropriate information from the case study and effective application of business concepts to Lower Valley Ltd's situation. (9 marks)

Some analysis based on the selection of some appropriate information from the case study and including reasonably effective application of business concepts to Lower Valley Ltd's situation. (6 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. Relevant way costs might increase, or problems arise, which is linked to Lower Valley Ltd's situation. (5 - 4 marks)

Effective and accurate application of sound relevant business knowledge and understanding within the context of Lower Valley Ltd's situation. (5 marks)

Some use and application of relevant business knowledge and understanding within the context of Lower Valley Ltd's situation. (4 marks)

Level 1 Statement of Knowledge

Straight copying of case study material and limited understanding shown. Simple effects are given but not in the context of Lower Valley Ltd's situation. (3 - 1 marks)

Three separate undeveloped points are given without any link to Lower Valley Ltd's situation. (3 marks)

One point given with no link to Lower Valley Ltd's situation. (1 mark)

Note: Mention of Lower Valley Ltd's name is not sufficient to put an answer into context

- (c) Describe the advantages of the supervisors using an autocratic management style in the factory. Explain whether you think they would be better changing to a more democratic style. *(12 marks)*

Possible points for autocratic management style include:

Advantages

- Clear direction
- Workers know what is expected of them
- Orders carried out quickly
- Good safety

Disadvantages

- Boring for the workers
- Lack of motivation
- Workers might have good ideas that would benefit the factory
- Causes resentment

Possible points for democratic management style:

Advantages

- Motivates workers
- Get the benefit of workers good ideas
- Removes resentment

Disadvantages

- Workers unsure of what is expected of them
- Slows decision making down
- Lack of direction

Level 4 Evaluation

The candidate makes a conclusion or reasoned judgement from logical evaluation of the evidence in the case study and uses business studies knowledge and terminology correctly. An advantage of autocratic management explained and an advantage or a disadvantage of democratic style is given. The answer is in the context of the case study. Judgements made are justified. *(12 - 9 marks)*

Logical judgements are made and justified based on clear evidence of weighing up the pros and cons for Lower Valley Ltd. *(12 marks)*

Simple reasoned judgements are made based on some consideration of the evidence and relevant business knowledge to Lower Valley Ltd. *(9 marks)*

Level 3 Selection/Organisation/Analysis/Interpretation

Information has been selected from the case study. The candidate effectively applies business terms/concepts to address the problem situation. Both management styles discussed correctly. An advantage of autocratic style is explained and an advantage and/or a disadvantage of democratic style is given. The answer is in the context of the case study. (8 - 6 marks)

Clear, good analysis based on the selection of appropriate information from the case study and effective application of business concepts to Lower Valley Ltd. (8 marks)

Some analysis based on the selection of some appropriate information from the case study and including reasonably effective application of business concepts to Lower Valley Ltd. (6 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. Methods discussed correctly. An advantage of autocratic style is given or an advantage or disadvantage of democratic style is given. The answer is in the context of the case study. (5 - 4 marks)

Effective and accurate application of sound relevant business knowledge and understanding within the context of Lower Valley Ltd. (5 marks)

Some use and application of relevant business knowledge and understanding within the context of Lower Valley Ltd. (4 marks)

Level 1 Statement of Knowledge

Straight copying of case study material and limited understanding shown. Listed point(s) may be given and are not in context of the case study. (3 - 1 mark)

Three separate undeveloped points are given or two points are described but without any link to the Lower Valley Ltd situation. (3 marks)

One point given with no link to the Lower Valley Ltd situation. (1 mark)

Note: Mention of Lower Valley Ltd name is not sufficient to put an answer into context

- (d) Describe **two** ways in which Lower Valley Ltd could increase the motivation of its production workers. (9 marks)

Possible points include:

- Change management style to democratic
- Pay according to results
- Performance management
- Increase pay
- Increase benefits
- Introduce quality circles
- Provide promotion opportunities
- Improve training
- Improve working conditions

Level 3 Selection/Organisation/Analysis/Interpretation

Information has been selected from the case study. The candidate effectively applies business terms/concepts to address the situation of Lower Valley Ltd. Data is correctly interpreted and analysed. Two ways to increase the motivation of their production workers are correctly discussed. (9 - 7 marks)

Clear, good analysis based on the selection of appropriate information from the case study and effective application of business concepts to Lower Valley Ltd's situation. (9 marks)

Some analysis based on the selection of some appropriate information from the case study and including reasonably effective application of business concepts to Lower Valley Ltd's situation. (7 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. Relevant points are made suggesting one method to increase the motivation of their production workers is correctly discussed. (6 - 4 marks)

Effective and accurate application of sound relevant business knowledge and understanding within the context of Lower Valley Ltd's situation. (6 marks)

Some use and application of relevant business knowledge and understanding within the context of Lower Valley Ltd's situation. (4 marks)

Level 1 Statement of Knowledge

Straight copying of case study material and limited understanding shown. Listed points may be given and are not in the context of Lower Valley Ltd's business. (3 - 1 marks)

Three separate undeveloped points are given without any link to Lower Valley Ltd's situation. (3 marks)

One point given with no link to Lower Valley Ltd's situation. (1 mark)

Note: Mention of Lower Valley Ltd's name is not sufficient to put an answer into context

- (e) Some of the supervisors are concerned about the introduction of the third shift in the factory. Explain the most important steps that William Shore should take to introduce this change. (12 marks)

Possible points include:

- Consult with the workers
- Explain the need for the change
- Explain how the change would affect the workers
- Ensure that they understood how the pay method would work
- Consult with any unions
- Not rush the change
- Explain how the change would benefit the workers
- Advertising for workers

NB *Any conclusions do not have to be at the end of the candidate's answer.
Be prepared to reward reasoned judgements made within the body of the response.*

Level 4 Evaluation

The candidate makes conclusions or reasoned judgements from logical evaluation of the evidence in the case study and using business studies knowledge and terminology correctly. Candidates should be making justified judgements as to the most important 2 steps William should take. (12 - 9 marks)

Logical judgements are made and justified based on clear evidence of weighing up the important steps he should take. (12 marks)

Simple reasoned judgements are made based on some consideration of the evidence and relevant business knowledge to the factory situation. (9 marks)

Level 3 Selection/Organisation/Analysis/Interpretation

Information has been selected from the case study. The candidate effectively applies business terms/concepts to address the situation. The answer is in the context of the case study. At least 2 steps explained. (8 - 7 marks)

Clear, good analysis based on the selection of appropriate information from the case study and effective application of business concepts to Lower Valley Ltd. (8 marks)

Some analysis based on the selection of some appropriate information from the case study and including reasonably effective application of business concepts to Lower Valley Ltd. (7 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. 1 step involved in the management of change is discussed correctly. The answer is in the context of the case study.

(6 - 4 marks)

Effective and accurate application of sound relevant business knowledge and understanding within the context of Lower Valley Ltd. *(6 marks)*

Some use and application of relevant business knowledge and understanding within the context of Lower Valley Ltd. *(4 marks)*

Level 1 Statement of Knowledge

Limited understanding shown. Listed point(s) may be given and are not in context of the case study **(3 - 1 marks)**

Three separate undeveloped points are given or two points are described but without any link to Lower Valley Ltd's situation. *(3 marks)*

One point given with no link to Lower Valley Ltd's situation. *(1 mark)*

Note: Mention of Lower Valley Ltd's name is not sufficient to put an answer into context

- (f) Lower Valley Ltd will need to advertise the new vacancies for the night shift. Explain, giving reasons, the most effective ways in which to advertise the vacancies. (12 marks)

Possible points include:

- Local newspaper
- Local radio
- Outside the factory
- In the job centre

NB Any conclusions do not have to be at the end of the candidate's answer. Be prepared to reward reasoned judgements made within the body of the response.

Level 4 Evaluation

The candidate makes conclusions or reasoned judgements from logical evaluation of the evidence in the case study and using business studies knowledge and terminology correctly. Candidates should be making justified judgements as to 2 of the most effective ways to advertise the vacancies. (12 - 9 marks)

Logical judgements are made and justified based on clear evidence of weighing up the most effective ways to advertise the vacancies. (12 marks)

Level 3 Selection/Organisation/Analysis/Interpretation

Information has been selected from the case study. The candidate effectively applies business terms/concepts to discuss 2 ways to advertise the vacancies. The answer is in the context of the case study. (8 - 7 marks)

Clear, good analysis based on the selection of appropriate information from the case study and effective application of business concepts to Lower Valley Ltd. (8 marks)

Some analysis based on the selection of some appropriate information from the case study and including reasonably effective application of business concepts to Lower Valley Ltd. (7 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. 1 way to advertise the posts is discussed correctly. The answer is in the context of the case study. (6 - 4 marks)

Effective and accurate application of sound relevant business knowledge and understanding within the context of Lower Valley Ltd. (6 marks)

Some use and application of relevant business knowledge and understanding within the context of Lower Valley Ltd. (4 marks)

2**Total for this question: 44 marks**

(a) What is meant by the term <i>marketing mix</i> ?
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(4 marks)

Possible points include:

The 4 p's

Product, price, place and promotion

Level 1 Statement of Knowledge

(4 - 1 marks)

A typical example might read as follows:

“The marketing mix is the combination of choosing the appropriate product to sell (1) using a pricing method (1) such as cost plus (1) and using a method of advertising the product.” (1)

NB: No more than 2 marks for each element of the marketing mix i.e. the candidates need to explain at least 2 elements of the mix to obtain the 4 marks.

- (b) Look at the map showing the centre of Altown. When Felix and Jane were choosing a location for their fish and chip shop, they were able to choose between sites A, B or C.

Discuss the advantages and disadvantages of **each** of these sites and explain why you think they chose site A. (12 marks)

Possible points include:

- Location near competitors important so that customers make a choice
- Near car park so customers can stop and purchase fish and chips to eat at home
- On the high street so that passers by are tempted by the site and smell
- Close to the school
- Close to housing

Level 4 Evaluation

The candidate makes a conclusion or reasoned judgement from logical evaluation of the evidence in the case study and using business studies knowledge and terminology correctly. Both an advantage and a disadvantage of each site is given. The answer is in the context of the case study. Judgements made are justified. (12 - 9 marks)

Logical judgements are made and justified based on clear evidence of weighing up the pros and cons of each site. (12 marks)

Simple reasoned judgements are made based on some consideration of the evidence and relevant business knowledge to the location of the fish and chip shop. (9 marks)

Level 3 Selection/Organisation/Analysis/Interpretation

Information has been selected from the case study. The candidate effectively applies business terms/concepts to address the problem situation. All 3 sites discussed correctly. An advantage and a disadvantage is given for each site. The answer is in the context of the case study. (8 - 6 marks)

Clear, good analysis based on the selection of appropriate information from the case study and effective application of business concepts to the chip shop. (8 marks)

Some analysis based on the selection of some appropriate information from the case study and including reasonably effective application of business concepts to the chip shop. (6 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. An advantage and/or a disadvantage is given for all 3 sites. The answer is in the context of the case study. (5 - 4 marks)

Effective and accurate application of sound relevant business knowledge and understanding within the context of the chip shop. (5 marks)

Some use and application of relevant business knowledge and understanding within the context of the chip shop. (4 marks)

(c) Felix and Jane are considering ways to try and get their customers to return to them. They could:

- use a loss leader;
- advertise on local radio;
- obtain a mobile fish and chip van

Discuss the advantages and disadvantages of **each** of these methods and explain which you think would be the best way for Jane and Felix to attract customers. *(12 marks)*

Possible points include:

Use a loss leader

- People might question the quality
- Might not make a profit
- Not able to afford it
- Customers expect fish and chips to be cheap
- Likely to get back customers who like low prices
- Competition might retaliate

Advertise on local radio

- Most people will know that the fish and chip shop exists
- Costs money
- Can't afford it
- Good because local
- Might remind people

Obtain a fish and chip van

- Expensive
- Needs maintenance
- Difficult to park
- May need permission
- Convenient for customers
- May be unique in the area
- Able to attract people in a wider area

Level 4 Evaluation

The candidate makes a conclusion or reasoned judgement from logical evaluation of the evidence in the case study and using business studies knowledge and terminology correctly. Both an advantage and a disadvantage are given of each method of advertising is given. The answer is in the context of the case study. Judgements made are justified. *(12 - 9 marks)*

Logical judgements are made and justified based on clear evidence of weighing up the pros and cons of each method. *(12 marks)*

Simple reasoned judgements are made based on some consideration of the evidence and relevant business knowledge to the advertising of the fish and chip shop. *(9 marks)*

Level 3 Selection/Organisation/Analysis/Interpretation

Information has been selected from the case study. The candidate effectively applies business terms/concepts to address the problem situation. All 3 options discussed correctly. An advantage and a disadvantage is given for each method of advertising. The answer is in the context of the case study. (8 - 6 marks)

Clear, good analysis based on the selection of appropriate information from the case study and effective application of business concepts to the chip shop. (8 marks)

Some analysis based on the selection of some appropriate information from the case study and including reasonably effective application of business concepts to the chip shop. (6 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. An advantage and/or a disadvantage is given for at least 2 methods of advertising. The answer is in the context of the case study. (5 - 4 marks)

Effective and accurate application of sound relevant business knowledge and understanding within the context of the chip shop. (5 marks)

Some use and application of relevant business knowledge and understanding within the context of the chip shop. (4 marks)

Level 1 Statement of Knowledge

Straight copying of case study material and limited understanding shown. Listed point(s). Answer not in context of the case study. Only one method discussed correctly. (3 - 1 marks)

Three separate undeveloped points are given or two points are described but without any link to the chip shop situation. (3 marks)

One point given with no link to the chip shop situation. (1 mark)

- (d) If Felix and Jane were to buy a mobile fish and chip van, they would need to raise £12 000. To raise the money they could:
- obtain a bank loan;
 - find a further partner to join the business.

Explain the advantages and disadvantages of each of these options

(8 marks)

Possible points include:

- Interest rates
- Ownership of the van
- Cash flow
- Losing control of the business
- Availability of money

Level 3 Selection/Organisation/Analysis/Interpretation

Information has been selected from the case study. The candidate effectively applies business terms/concepts to address the situation of the fish and chip shop. The advantages and disadvantages of both methods of finance are correctly explained. **(8 - 7 marks)**

Clear, good analysis based on the selection of appropriate information from the case study and effective application of business concepts to the fish and chip shop's situation. *(8 marks)*

Some analysis based on the selection of some appropriate information from the case study and including reasonably effective application of business concepts to the fish and chip shop's situation. *(7 marks)*

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. The candidate effectively applies business terms/concepts to address the situation of the fish and chip shop. An advantage and disadvantage of 1 method of finance is correctly explained or an advantage and/or disadvantage of 2 methods is correctly explained. **(6 - 4 marks)**

Effective and accurate application of sound relevant business knowledge and understanding within the context of the fish and chip shop's situation. *(6 marks)*

Some use and application of relevant business knowledge and understanding within the context of the fish and chip shop's situation. *(4 marks)*

Level 1 Statement of Knowledge

Straight copying of case study material and limited understanding shown. Listed points may be given and are not in the context of the fish and chip shop's business. **(3 - 1 marks)**

Three separate undeveloped reasons are given without any link to the fish and chip shop's situation *(3 marks)*

One separate undeveloped reason is given without any link to the fish and chip shop's situation *(1 mark)*

- (e) Felix and Jane also decided to target school children by placing their mobile van outside the local secondary school at lunchtimes. Mrs Clarke, a parent, has written to the headteacher complaining about this plan. Explain why you think Mrs Clarke might be concerned.

(8 marks)

Possible points include:

- Aimed at children
- Encourages unhealthy eating
- The school is seen to be advertising one business

Level 3 Selection/Organisation/Analysis/Interpretation

Information has been selected from the case study. The candidate effectively applies business terms/concepts to address the situation of the fish and chip shop. 2 or more reasons explained in context. **(8 - 7 marks)**

Clear, good analysis based on the selection of appropriate information from the case study and effective application of business concepts to the fish and chip shop's situation. *(8 marks)*

Some analysis based on the selection of some appropriate information from the case study and including reasonably effective application of business concepts to the fish and chip shop's situation. *(7 marks)*

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. The candidate effectively applies business terms/concepts to address the situation of the fish and chip shop. 1 reason explained in context. **(6 - 4 marks)**

Effective and accurate application of sound relevant business knowledge and understanding within the context of the fish and chip shop's situation *(6 marks)*

Some use and application of relevant business knowledge and understanding within the context of the fish and chip shop's situation *(4 marks)*

Level 1 Statement of Knowledge

Straight copying of case study material and limited understanding shown. Listed points may be given and are not in the context of the fish and chip shop's business. **(3 - 1 marks)**

Three separate undeveloped reasons are given without any link to the fish and chip shop's situation *(3 marks)*

One separate undeveloped reason is given without any link to the fish and chip shop's situation *(1 mark)*

Marking Criteria for Quality of Written Communication

High performance	Candidates spell, punctuate and use the rules of grammar with almost faultless accuracy, deploying a range of grammatical constructions. They use a wide range of specialist terms adeptly and with precision.	5 - 4 marks
Intermediate performance	Candidates spell, punctuate and use the rules of grammar with considerable accuracy. They use a good range of specialist terms with facility.	3 - 2 marks
Threshold performance	Candidates spell, punctuate and use the rules of grammar with reasonable accuracy. They use a limited range of specialist terms appropriately.	1 mark
Below threshold performance	Candidates do not meet the threshold performance criteria	0 marks