

General Certificate of Secondary Education

Business Studies 3133/3F Specification B

Mark Scheme

2005 examination - June series

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.

1	Total for question: 52 marks
(a) Explain what is meant by the term "franchise".	(3 marks)
Possible points include:	

- Form of business ownership •
- Where the owner buys the right to trade under an established name •
- Rights are sold by the franchiser •
- Rights are sold to the franchisee
- Products provided by the franchiser •
- Like McDonald's, Prontaprint, Hertz, Dynarod, BSM, Wimpy, KFC, Burger King, Body Shop. •

Level 1 Statement of Knowledge

(3 - 1 marks)

A typical example might read as follows:

"A franchise is a form of business ownership (1) where the franchisee (1) buys from the franchiser (1) the right to trade under his name (1)" [max 3]

(b) Describe the likely benefits to the **franchisee** of running a MacB's franchise. (9)

(9 marks)

Possible points include:

- An established name
- A well known product
- Benefit from the advertising done by the franchiser
- Benefit from the research and development done
- Advice from the franchiser
- Less risk of failure
- Chance of more profit

Level 3 Selection/Organisation/Analysis and Interpretation.

Information has been selected from the case study. The candidate effectively applies business terms/concepts to address the problem situation. Data is correctly interpreted and analysed.

(9 - 7 marks)

For this level the context must be developed For example If you run a Mac B's franchise you will benefit from the burger being advertised nationally despite the fact that you only have one restaurant.

Clear good analysis based on the selection of appropriate information in the case study and effective application of knowledge of franchising to MacB's. (9 marks)

Some analysis based on the selection of some appropriate information from the case study and including reasonably effective application of franchising to MacB's. (7 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. (6 - 4 marks)

For this level there will only be simple reference to the context and it will not be developed. E.g. If you run a Mac B's franchise you will benefit from the burger being advertised.

Effective and accurate knowledge is used and applied to the case study and effective application of franchising is applied to MacB's. (6 marks)

Some use and application of knowledge of franchising and understanding within the context of MacB's. *(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.(3 - 1 marks)

Three separate undeveloped points are given or two points are described but without any link to MacB's. (3 marks)

One point is given with no link to MacB's.

(1 mark)

(c) Explain which of these benefits you think could be the most important for a new franchisee. *(4 marks)*

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. Judgements made are justified often in terms of the advantages and disadvantages of a course of action or in terms of a consideration of alternatives. (4 - 1 marks)

The candidate chooses a suitable benefit and fully justifies why it would be the most important. *(4 marks)*

The candidate chooses a benefit and gives a reason for the choice. (1 mark)

- (d) Williams Ltd, a local private limited company, is considering applying to run six MacB's Restaurants franchises. To enable it to do this Williams Ltd will need to raise £900 000. It could raise the money by:
 - obtaining a loan;
 - using retained profit.

Describe the advantages and disadvantages of **each** of these methods and explain which would be the best for Williams Ltd. *(12 marks)*

Loan

Advantages	Disadvantages
Allows the business to keep profit for other purposes	Interest
Will need to prepare a detailed plan so they will need to prepare well	Need detailed plan
Know what the repayments will be so aids planning	May not be able to afford repayments

Retained profit

Advantages	Disadvantages
Does not require borrowing money	Nothing left to fall back on
No interest to pay	May not be sufficient

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. Judgements made are justified often in terms of the advantages and disadvantages of a course of action or in terms of a consideration of alternatives. (12 - 10 marks)

The candidate makes a reasoned conclusion based upon a clear description of an advantage and disadvantage of each of the two methods of raising finance. (12 marks)

The candidate gives a clear description of an advantage and disadvantage of each of the two methods of raising finance and states which would be the most effective. (10 marks)

Level 3 Selection/Organisation/Analysis and Interpretation

Information has been selected from the case study. The candidate effectively applies business terms/concepts to address the problem situation. Data is correctly interpreted and analysed. (9 - 7 marks)

The candidate gives a clear description of an advantage and disadvantage of each of the two methods of raising finance. (9 marks)

The candidate gives a basic description of an advantage and disadvantage of each of the two methods of raising finance. (7 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. (6 - 4 marks)

The candidate gives a clear description of an advantage or disadvantage of each of the two methods of raising finance for Williams Ltd. (6 marks)

The candidate gives a basic description of an advantage or disadvantage of a method of raising finance for Williams Ltd. *(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. (3 - 1 marks)

The candidate gives 2 listed	l advantages or dis	sadvantages.	(3 marks)
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The candidate gives an advantage or disadvantage of a method of finance. (1 mark)

- (e) Describe how MacB's supplier could use the following methods to ensure the high quality of its burgers:
 - Total Quality Management (TQM);
 - checks on the finished burger.

Explain which you think would be the best method for the supplier to use.

(12 marks)

Possible methods include:

TQM

- Everybody is involved in ensuring quality at all stages in the production.
- Workers on the shop floor contribute and are responsible for quality.
- Quality starts with the design of the burger.
- Suppliers and materials are part of the quality.
- Quality needs to be built into the whole process of production of the burger.
- May be slow.
- May be expensive to begin with in terms of training and time.

CHECKS

- Checks at the end of production process.
- Burgers not up to standard are destroyed.
- Results in wastage.
- Employees concentrate on speed of production.
- May cost more in the long run.

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. Judgements made are justified often in terms of the advantages and disadvantages of a course of action or in terms of a consideration of alternatives. (12 - 10 marks)

The candidate makes a reasoned conclusion based upon a clear description of the two methods of quality control applied to burgers. (12 marks)

The candidate gives a clear description of the two methods of quality control applied to burgers and states which would be the most effective. (10 marks)

Level 3 Selection/Organisation/Analysis and Interpretation

Information has been selected from the case study. The candidate effectively applies business terms/concepts to address the problem situation. Data is correctly interpreted and analysed. (9 - 7 marks)

The candidate gives a clear description of the two methods of quality control applied to burgers. (9 marks)

The candidate gives a basic description of two methods of quality control applied to burgers.

(7 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. (6 - 4 marks)

The candidate gives a clear description of one method of quality control applied to burgers.

(6 marks)

The candidate gives a basic description of a method of quality control applied to burgers. (4 marks)

Level 1 Statement of Knowledge

Straight copying of case study material and limited understanding shown. Li not in context of the case study.	sted point(s) Answer (3 - 1 marks)
The candidate makes two very basic statements about methods of quality control.	(3 marks)
The candidate makes a basic statement about a method of quality control.	(1 mark)

- (f) MacB's needs to think about the methods it could use to price the new healthier, low-fat burger. It is considering:
 - cost plus pricing;
 - creaming / skimming;
 - loss leaders.

Describe the advantages and disadvantages to MacB's of using these methods. Discuss which of these methods might be the most effective in persuading people to try the new burger. (12 marks)

Possible points include:

Cost plus pricing

Advantages	Disadvantages
Adds up all the costs involved in making the burgers and adds a percentage for the profit. Therefore profit built in.	Does not take into account competitors
Simple to calculate	Does not take into account what customers are prepared to pay
	People may think it is too expensive

Creaming/Skimming

Advantages	Disadvantages
Charge a high price to begin with so people will purchase the burger thinking it is better quality.	More suitable for unique goods not burgers.
In time when other competitors have copied MacB's can lower the price.	People may not be prepared to pay a high price for a burger.

Loss leaders

Advantages	Disadvantages
They will expect other customers to buy full price	Will mean that they charge a low price making no
items with the burgers and make a profit on these.	profit on that Burger.
Customers will think well of the business.	People may associate low price with poor quality.
Customers will be attracted by the offer.	Other businesses may follow.

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. Judgements made are justified often in terms of the advantages and disadvantages of a course of action or in terms of a consideration of alternatives. (12 - 10 marks)

The candidate makes a reasoned conclusion based upon a clear description of an advantage and disadvantage of each of the three methods of pricing. (12 marks)

The candidate gives a clear description of an advantage and disadvantage of each of the three methods of pricing and states which would be the most effective. (10 marks)

Level 3 Selection/Organisation/Analysis and Interpretation

Information has been selected from the case study. The candidate effectively applies business terms/concepts to address the problem situation. Data is correctly interpreted and analysed.

3 methods must be correctly described

The candidate gives a clear description of an advantage and disadvantage of each of the three methods of pricing. (9 marks)

The candidate gives a basic description of an advantage or disadvantage of each of the three methods of pricing. (7 marks)

Level 2 **Application of Knowledge and Understanding**

Business studies knowledge is used and applied to the case study. (6 - 4 marks)

The candidate gives a clear description of an advantage or disadvantage of two methods of pricing. (6 marks)

The candidate gives a basic description of an advantage or disadvantage of a method of pricing. (4 marks)

Level 1 Statement of Knowledge

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

The candidate gives three listed advantages or disadvantages. (3 marks)

The candidate gives an advantage or disadvantage of a method of pricing. (1 mark)

(9 - 7 marks)

Total for question: 45 marks

(a) Applicants who contact Helen about the Park Ranger post are sent a job description.

(i) Explain what information this job description should contain. (10 marks)

Possible points include:

Job description needed so that candidates can find out

- Main duties
- Hours worked
- Where based
- Pay
- Conditions of service
- Who they are responsible to

Level 3 Selection/Organisation/Analysis and Interpretation

Information has been selected from the case study. The candidate effectively applies business terms/concepts to address the problem situation. Data is correctly interpreted and analysed. (10 - 9 marks)

The candidate describes three key suitable items that should be included in a job description for a Park Ranger and explains why it would be included. *(10 marks)*

The candidate describes three key suitable items that should be included in a job description for a Park Ranger. (9 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. (8 - 6 marks)

The candidate describes two suitable items that should be included in a job description for a Park Ranger and explains why they would be included. *(8 marks)*

The candidate describes a suitable item that should be included in a job description for a Park Ranger. *(6 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. (5 - 1 marks)

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(ii) Explain what information in the job description could be the most important to the applicants. (4 marks)

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. Judgements made are justified often in terms of the advantages and disadvantages of a course of action or in terms of a consideration of alternatives. (4 - 1 marks)

The candidate chooses a suitable item(s) of the job description and fully justifies why it would be the most important. (4 marks)

The candidate chooses a suitable item of job description and gives a reason for the choice. (1 mark)

(b) The job advertisement could be :

- placed on a website on the internet that lists UK job vacancies;
- placed in a local newspaper;
- sent directly to universities.

Describe the advantages and disadvantages of these options. Explain which you think could be the most effective for Welford County Council. (12 marks)

Possible points include:

Placed on a website on the internet that lists UK job vacancies;

Advantages	Disadvantages
Internet easily available at job centres	Internet only available to some (a few)
Available at libraries	People interested in countryside may not have the skills to access it
Becoming a popular way to look for a job	
Cheap	

Placed in a local newspaper;

Advantages	Disadvantages
Available at libraries	Not enough qualified people will see the advert
Will be seen by most people in the area	Needs to be advertised for more than one day/week?
	Needs to be advertised over a wider area

Sent directly to universities

Advantages	Disadvantages
Cheap	May not pass on details of the job
Qualified people will see the advert	Needs someone with 2 years experience so will have left university

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. Judgements made are justified often in terms of the advantages and disadvantages of a course of action or in terms of a consideration of alternatives. (12 - 10 marks)

The candidate makes a reasoned conclusion based upon a clear description of an advantage and disadvantage of each of the three methods of advertising the jobs. (12 marks)

The candidate gives a clear description of an advantage and disadvantage of each of the three methods of advertising the jobs and states which would be the most effective. (10 marks)

Level 3 Selection/Organisation/Analysis and Interpretation

Information has been selected from the case study. The candidate effectively applies business terms/concepts to address the problem situation. Data is correctly interpreted and analysed. (9 - 7 marks)

The candidate gives a clear description of an advantage and disadvantage of each of the three methods of advertising the jobs. (9 marks)

The candidate gives a basic description of an advantage or disadvantage of each of the three methods of advertising the jobs. (7 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. (6 - 4 marks)

The candidate gives a clear description of an advantage and/or disadvantage of each of two methods of advertising the jobs. (6 marks)

The candidate gives a basic description of an advantage or disadvantage of advertising the jobs.

(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. (3 - 1 marks)

The candidate gives three listed advantages or disadvantages.	(3 marks)
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The candidate gives an advantage or disadvantage of a method of advertising the jobs. (1 mark)

(c) Welford County Council has received less funding this year. To help solve this problem, the council is keen to reduce its labour costs.

Explain how Welford County Council will be able to reduce its costs by employing a person with at least two years experience as a Park Ranger. (10 marks)

Possible points include:

- Less training needed
- Less supervision needed
- More efficient, knows the best way to do things
- Less waste of materials

Level 3 Selection/Organisation/Analysis and Interpretation

Information has been selected from the case study. The candidate effectively applies business terms/concepts to address the problem situation. Data is correctly interpreted and analysed. (10 - 9 marks)

The candidate fully explains two reasons why costs would reduce if they employ rangers with experience. *(10 marks)*

The candidate fully explains one reason why **costs** would reduce if they employ rangers with experience (9 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study.	(8 - 6 marks)
The candidate gives two reasons why they should employ rangers with experience.	(8 marks)

The candidate gives a reason why they should employ rangers with experience. (6 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. (5 - 1 marks)

- (d) In its advertisement for the Park Ranger, Welford County Council gives the following information:
 - the variety of duties of a Park Ranger;
 - the salary scale of £14 000 £16 000;
 - the availability of subsidised staff accommodation.

Describe how **each** of these aspects of the job might motivate a Park Ranger and explain which aspect you think is likely to be the most effective. (12 marks)

Likely points include:

- The ranger appears to have a varied job so there is some job enrichment
- You don't have to work every weekend or bank holiday so you get some time off
- Reasonable salary for someone with only 2 years experience
- Subsidised staff accommodation could save you a lot of money
- Accommodation available

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. Judgements made are justified often in terms of the advantages and disadvantages of a course of action or in terms of a consideration of alternatives. (12 - 10 marks)

They need to refer to **variety** of task and not just imply that it is a nice job.

The candidate makes a reasoned conclusion based upon a clear description of how each of the methods could motivate a Park Ranger. (12 marks)

The candidate gives a clear description of how each of the methods could motivate a Park Ranger and states which would be the most effective. (10 marks)

Level 3 Selection/Organisation/Analysis and Interpretation

Information has been selected from the case study. The candidate effectively applies business terms/concepts to address the problem situation. Data is correctly interpreted and analysed. (9 - 7 marks)

The candidate gives a clear description of how each of the methods could motivate a Park Ranger. They need to refer to **variety** of task and not just imply that it is a nice job. (9 marks)

The candidate gives a basic description of how each of the methods could motivate a Park Ranger. (7 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. (6 - 4 marks)

The candidate gives a clear description of how two of the methods could motivate a Park Ranger. *(6 marks)*

The candidate gives a basic description of one of the methods which could motivate a Park Ranger. (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. (3 - 1 marks)

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