



General Certificate of Secondary Education

Business Studies 3133

Specification B

3133/3F

Mark Scheme

2006 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.

Foundation Tier

Broad Principals

- 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 judgment 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: 34 marks

(a) Explain what is meant by the term target market.
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(4 marks)

Possible answers include:

- the market into which a business aims to sell (1);
- a group of consumers with similar needs (1) or likes (1);
- a group of potential customers (1) who have been identified (1);
- this can be called a market segment (1).

Level 1 Statement of Knowledge

(4-1 marks)

The candidate gives 4 listed points

(4 marks)

The candidate gives 1 listed point

(1 mark)

A typical example might read as follows:

“A target market is the group of possible customers (1) that have been chosen by the producers (1) based on their market research (1) for example the target market for gameboys is teenage youths (1).”

“The target market is the market which the business is targeting” (1 mark)

NB Max of two examples at (1 mark) each

- (b) Explain why the milk producers would want to identify a target market before launching a £3m campaign. (9 marks)

Possible answers include:

- they want to know as much as they can about their potential customers in order to reduce the risk of trying to sell them the wrong goods or at the wrong price or advertise in the wrong places;
- they will be able to save money by targeting their spending more accurately;
- they will be able to spend the £3m more effectively;
- examples of how they might spend the £3m more effectively if they know it is teenage girls they want to attract;
- they cannot hope to produce advertisements (or any part of the marketing mix) with universal appeal;
- £3m may be a very large amount of money for them to spend and they must spend it wisely;
- they cannot do this type of campaign very often so must get it right.

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 like that of milk producers. Data is correctly interpreted and analysed. At least one reason relates to the cost or scale of the campaign. (9–7 marks)

The candidate fully explains two reasons why the milk producers would want to identify a target market before launching a £3m campaign, including reference to either the cost or the scale of the campaign. (9 marks)

Either two reasons simply explained or one reason well explained. (8 marks)

The candidate simply explains one reason why the milk producers would want to identify a target market before launching a £3m campaign, including reference to either the cost or the scale of the campaign. (7 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. Relevant points are made describing the possible reasons for a group like the milk producers to identify a target market. (6-4 marks)

The candidate describes well two reasons why they should identify a target market but not related to the cost or scale of the campaign. (6 marks)

Either one reason well described or two reasons simply described. (5 marks)

The candidate simply describes one reason why they should identify a target market but not related to the cost or scale of the campaign. (4 marks)

Level 1 **Statement of Knowledge**

Straight copying of case study material and limited understanding shown. Listed point(s) are given, either as suggested by the data or from the candidates' ideas, but with no additional description or explanation. (3-1 marks)

The candidate gives three reasons for identifying a target market. (3 marks)

The candidate gives one reason for identifying a target market. (1 mark)

- (c) Discuss the advantages and disadvantages to the milk producers of giving away samples of milk and yogurt in supermarkets. Explain whether you think this would be more effective than magazine advertising. (12 marks)

Possible answers include:

Giving free samples

Advantages	Disadvantages
Encourages customers to try the product without purchasing.	Who will pay for the samples, the supermarket, milk producers or the Milk development council.
Can target young females who come near the display.	May not have any lasting effect.
Goodwill.	Most teenage girls know what milk tastes like and either like it or not.

Magazine advertising

Candidates will give either advantages or disadvantages of magazine advertising depending on whether they think it will be more or less effective than free samples.

Advantages	Disadvantages
If correct magazine seen by hundreds of teenagers.	Expensive.
Will have it to look at again.	May not have any lasting affect, as magazines are thrown away quickly.
Can be endorsed by a celebrity.	Parents buy products not teenagers.

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. 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, justified conclusion based upon a clear comparison of giving away samples of milk and yogurt in supermarkets with magazine advertising. (12 marks)

The candidate makes a simple judgement based upon a simple comparison of giving away samples of milk and yogurt in supermarkets with magazine advertising. (10 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. Data is correctly interpreted and analysed. (9-7 marks)

The candidate gives a clear comparison of both an advantage and a disadvantage of giving samples in supermarkets with magazine advertising. (9 marks)

The candidate gives a comparison of either one advantage or one disadvantage of giving samples in supermarkets with magazine advertising. (8 marks)

The candidate gives a basic comparison of at least one advantage and one disadvantage of giving samples in supermarkets. (7 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. No comparison is made at this level. (6-4 marks)

The candidate gives a clear description of both an advantage and a disadvantage of giving samples in supermarkets. (6 marks)

The candidate gives a basic description of both an advantage and a disadvantage of giving samples in supermarkets. (5 marks)

The candidate gives a basic description of either an advantage or disadvantage of giving samples in supermarkets. (4 marks)

Level 1 Statement of Knowledge

Straight copying of case study material and limited understanding shown. Listed advantages and/or disadvantages are given, either as suggested by the data or from the candidates' ideas, but with no additional description or explanation. (3-1 marks)

Mark at (1 mark) per simple advantage and/or disadvantage to a max of (3 marks). (3-1 marks)

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|--|
| (d) Describe the advantages to milk producers of joining together for the marketing of their products. (9 marks) |
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Possible answers include:

- can afford to employ specialists in marketing;
- can develop expertise in marketing;
- individual producers do not have the time or skills to market their own products;
- it would be too expensive to try and market milk products in this way for small producers;
- small producers could not afford to spend £3m;
- can commission market research;
- can share expertise and knowledge;
- can support each other;
- have similar problems to each other.

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 address the situation like the milk producers. Candidates give reasons for joining together including reference to either the cost or scale of the marketing campaign. (9-7 marks)

The candidate fully explains two reasons why milk producers would want to join together for the marketing of their products. At least one reason relates to the cost or potential scale of the marketing. (9 marks)

Either one reason well explained or two simply explained. (8 marks)

The candidate simply explains one reason why milk producers would want to join together for the marketing of their products. The reason relates to the cost or potential scale of the marketing. (7 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. Relevant points are made describing the possible reasons for a group like the milk producers to join together for the marketing of their products. No comparison is made at this level. (6-4 marks)

The candidate describes well two reasons why they should join together for the marketing of their products but not related to either the cost or scale of the marketing. (6 marks)

Either one reason well described or two reasons simply described. (5 marks)

The candidate simply describes one reason why they should join together for the marketing of their products but not related to either the cost or scale of the marketing. (4 marks)

2

Total for this question: 66 marks

- (a) Describe the most important factors to consider when deciding upon the location of a golf club. Explain and justify which you think would have been the most important factor for Glackin Glade Golf Club. (12 marks)

Possible answers include:

From the case study:

- a large enough site (150 acres);
- not near any competition;
- room to expand;
- near enough to people (medium sized town) for customers and employees;
- a site with outbuildings which could be developed.

Other possible factors:

- near to other tourist attractions;
- near to other towns;
- in an area known for good weather conditions;
- not near unsightly buildings etc.

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 a conclusion or reasoned judgement from logical evaluation of the evidence in the case study and using business studies knowledge and terminology correctly. Judgements about the decision made must be based on and justified by a thorough weighing up of at least two factors when deciding upon a location for a business like Glackin Glade Golf Club. (12-10 marks)

The candidate makes a reasoned, justified conclusion about the most important factor, based upon a clear explanation of at least two important factors, one of which is from the case study regarding the location of a golf club. (12 marks)

The candidate makes a simple conclusion about the most important factor, based upon a clear explanation of at least two important factors, one of which is from the case study regarding the location of a golf club. (11 marks)

The candidate makes a decision about the most important factor, based upon a clear explanation of at least two factors, one of which is from the case study regarding the location of a golf club. (10 marks)

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 address the situation like Glackin Glade Golf Club. Candidates are comparing the factors to consider when deciding upon the location of a similar business but either no justified judgement is made or the judgement is based on insufficient discussion and evaluation. (9-7 marks)

Factors must be correctly described

The candidate makes a clear explanation of at least two important factors, one of which must be from the case study regarding the location of a golf club. (9 marks)

The candidate gives a clear explanation of one important factor which must be from the case study, regarding the location of a golf club. (7 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. Relevant points are made describing the possible factors for a business like Glackin Glade Golf Club. (6-4 marks)

The candidate gives a simple description of any three factors in the location of a golf club. (6 marks)

The candidate gives a simple description of any two factors in the location of a golf club. (5 marks)

The candidate gives a simple description of one factor in the location of a golf club. (4 marks)

Level 1 Statement of Knowledge

Straight copying of case study material and limited understanding is shown. Listed factors are given, either suggested by the data or from the candidate's ideas, but with no additional description or explanation.

Mark at (1 mark) per listed factor to a max of (3 marks). (3-1 marks)

(b) If Glackin Glade Golf Club Ltd were to go ahead and develop the hotel they would need to raise £450 000. Describe the advantages and disadvantages of **two** methods of finance which they could use for this development. Justify your choices. (12 marks)

Owners funds/retained profit

Advantages	Disadvantages
No interest to be paid.	May not be enough.
May be available quickly.	May be needed for a rainy day.
Does not need paying back.	

Grants

Advantages	Disadvantages
Can be obtained from a wide range of sources, eg Local Council, the Government, EC, Rural enterprise organisations.	Not readily available.
No interest or repayments.	Hard to find out entitlement.
	May involve a lot of paperwork.

Long term loan, Medium term or loan (Do not accept short term loan, overdraft)

Advantages	Disadvantages
Planning needs to be done which will help the business.	Interest to pay over a number of years.
Can be budgeted for.	Capital borrowed needs to be paid back.
Can be spread over a large number of years.	Detailed business plan needed which is time consuming to complete.

Mortgage

Advantages	Disadvantages
Specialist form of finance.	Available on property.
Can be fixed or variable rate of interest.	Interest to pay over a number of years.
Can be budgeted for.	Capital borrowed needs to be paid back.
Can be spread over a large number of years.	Detailed business plan needed which is time consuming to complete.

Selling additional shares

Advantages	Disadvantages
No interest to be paid.	May not be enough.
May be available quickly.	Additional share holders will expect a share of the profits.
Does not need paying back.	

Becoming a plc

Advantages	Disadvantages
No interest to be paid.	May not be enough potential shareholders interested.
Reduces risk for owners.	Much more paperwork.
Does not need paying back.	More shareholders to split the profit between.

Selling surplus land

Advantages	Disadvantages
No interest to be paid.	May not be enough land/money/interest from buyers.
May be available quite quickly.	May be needed for a rainy day.
Does not need paying back.	May spoil outlook of club (land may be built on etc).
	May not get planning permission for land.

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 gives a clear description of an advantage and disadvantage of each of two methods of raising finance. Both choices made are justified. (12 marks)

The candidate gives a clear description of an advantage and disadvantage of each of two methods of raising finance. An attempt is made to justify one of the choices. (10 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. Data is correctly interpreted and analysed. (9-7 marks)

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

The candidate gives a basic description of an advantage and a disadvantage of each of 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 **two** methods of raising finance. (6 marks)

The candidate gives a basic description of one advantage or one disadvantage of **one** method of raising finance. (4 marks)

Level 1 Statement of Knowledge

Straight copying of case study material and limited understanding is shown. Advantages and/or disadvantages are listed either as suggested in the data or from the candidates' ideas, but with no additional description or explanation. (3-1 marks)

Mark at (1 mark) per listed advantage and/or disadvantage to max of (3 marks). (3-1 marks)

- (c) Compare the advantages and disadvantages of **two** suitable methods of advertising the new job. Explain and justify which you think Phil should use. (12 marks)

Possible answers include:

Adverts in local newspaper

Advantages	Disadvantages
Quite cheap.	Not seen by enough suitable people.
Seen by people likely to want a job in the area.	Will need to be re-advertised over several days if it is a local daily paper.
Candidates unlikely to travel far for the job so targeting the right people.	Local newspapers not specialist for this type of job.

Advert in golf club

Advantages	Disadvantages
Seen by people with a liking for golf and knowledge of the business.	Very limited audience.
Can spread through word or mouth.	May not be noticed easily.
Very cheap.	

Advert in specialist magazine (Hotel, catering or golf)

Advantages	Disadvantages
Seen by people with a liking for golf and knowledge of the business.	Very limited audience.
Can spread through word or mouth.	May not be noticed easily.
	Quite expensive.
	Probably monthly so will take some time to re-advertise if necessary.

Any conclusions do not have to be at the end of the candidates' 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. Judgements about the decision made must be based on and justified by a thorough comparison and weighing up of the advantages and disadvantages of different methods of advertising a vacancy in a business like Glackin Glade Golf Club. (12-9 marks)

Logical judgements are made and justified based on clear evidence of weighing up the advantages and disadvantages of the two methods of advertising the new job. At least one advantage and one disadvantage of the methods of advertising the new job is given, plus one additional advantage and one additional disadvantage of a method of advertising is given. (12 marks)

Simple reasoned judgement is made based on some consideration and evaluation of the advantages and disadvantages of the methods of advertising the new job. At least one advantage and one disadvantage of both methods of advertising the new job is given. (9 marks)

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 address the situation of someone like Glackin Glade Golf Club. Candidates are comparing the advantages and disadvantages of two methods of advertising but either no justified judgement is made or the judgement is based on insufficient discussion and evaluation. (8-7 marks)

Clear, good analysis - based on the selection of appropriate information from the case study and effective application of business concepts that compares the advantages and/or disadvantages of the methods of advertising the new job. No judgement made. At least one advantage and one disadvantage of each methods of advertising the new job. Plus one additional advantage and one additional disadvantage of methods of advertising the new job is required. (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 situation that compares the advantages and/or disadvantages of the two methods of advertising the new job. No judgement made. At least one advantage and one disadvantage of each methods of advertising the new job is given. (7 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. Relevant points are made describing the possible advantages or disadvantages of two suitable methods of advertising for a business like Glackin Glade Golf Club. No comparison is made at this level.

(6-4 marks)

Effective and accurate application of sound relevant business knowledge and understanding, describing at least one advantage and one disadvantage of both methods of advertising the new job. No comparison. (6 marks)

Some use and application of relevant business knowledge and understanding of the methods of advertising the new job. Describing one advantage and one disadvantage of one of the methods of advertising the new job. No comparison. (4 marks)

Level 1 Statement of Knowledge

Straight copying of case study material and limited understanding is shown. Listed advantages and disadvantages are given, either as suggested by the data or from the candidates' ideas, but with no additional description or explanation. **(3-1 marks)**

The candidate gives three advantages or disadvantages of a method of advertising the new job. (3 marks)

The candidate gives an advantage or disadvantage of a method of advertising the new job. (1 mark)

(d) Phil has received 30 applications for the job of Hotel Manager. Advise Phil how he could select the best applicant for the job. Justify your methods. (12 marks)

Possible answers include:

- interview – not all applicants;
- long list, shortlist;
- use a job description and person specification when assessing candidates – look for certain criteria like a minimum number of years experience or certain qualifications;
- take references or personal recommendation;
- make sure there are enough candidates to choose from;
- ask other employees;
- in-tray exercises;
- word of mouth;
- careful scrutiny of letter of application/form/CV;
- choose someone with the right skills (well organised, good with people, suitable experience);
- trial (must be realistic).

Any conclusions do not have to be at the end of the candidates' 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. Judgements about the decision made must be based on and justified by a thorough description of the methods of selecting the best applicants in a business like Glackin Glade Golf Club. (12–10 marks)

The candidate gives a clear description how he should select the best applicant for the job. At least three procedures are mentioned including interview. Choices are well justified. (12 marks)

The candidate gives a clear description how he should select the best applicant for the job. At least three procedures are mentioned including interview. Choices are justified. (10 marks)

Level 3 Selection/Organisation/Analysis/Interpretation

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

The candidate gives a clear description of how he could select the best applicant for the job. At least three procedures are mentioned. (9 marks)

The candidate gives a basic description of how he could select the best applicant for the job. At least three procedures are mentioned. (7 marks)

- (e) Compare the advantages and disadvantages of team working at Glackin Glade Golf Club Ltd. (5 marks)

Possible answers include:

Advantages

- more efficient;
- morale improved because staff are happier;
- more motivated staff;
- able to swap jobs and cover sickness and holidays;
- help each other, come up with ideas etc;
- lower turnover of staff.

Disadvantages

- people are less specialist;
- having to do jobs that they are not trained for;
- demand more pay.

Level 2/1

(5-1 marks)

The candidate compares an advantage and a disadvantage of team working for Glackin Glade Golf Club. (5 marks)

The candidate describes an advantage or disadvantage of team working for Glackin Glade Golf Club. (4 marks)

The candidate lists three advantages or disadvantages of team working. (3 marks)

The candidate lists two advantages or disadvantages of team working. (2 marks)

The candidate lists an advantage or disadvantage of team working. (1 mark)

- (f) Explain whether you think Glackin Glade Golf Club Ltd should continue using team working. (4 marks)

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. 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 whether team working should continue and fully justifies their choice. (4 marks)

The candidate makes a decision by choosing whether team working should continue. (1 mark)

An example would be:

‘I think that team working should continue because if you do not use team working then when someone like the hotel manager is away on holiday it will be harder for someone to take responsibility to accept a large booking.’ (4 marks)

- (g) Explain what should be included in an induction programme for the new hotel manager. (9 marks)

Possible answers should not be job specific but may include:

- location of facilities for customers and workers, eg toilets etc;
- health and safety, including fire procedures;
- meeting key personnel;
- information about the golf club;
- plan of golf club;
- methods of remuneration;
- what will be expected of the manager, eg style of dress etc.

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 address the situation of someone like Glakin Glade Golf Club. Candidates explains the need for aspects of an induction programme for someone like a Hotel Manager. (9-7 marks)

The candidate fully explains the **need** for at least **two** aspects of an induction programme for someone like the new hotel manager. (9 marks)

Either simply explain two aspects of fully explains one aspect. (8 marks)

The candidate simply explains the **need** for **one** aspect of an induction programme for someone like the new hotel manager. (7 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. Relevant points are made describing the possible items included in an induction programme for someone like a new hotel manager. (6-4 marks)

The candidate simply describes three items on an induction programme for the new hotel manager. (6 marks)

The candidate simply describes two items on an induction programme for the new hotel manager. (5 marks)

The candidate simply describes one item of content of an induction programme for the new hotel manager. (4 marks)

Level 1 Statement of Knowledge

Straight copying of case study material and limited understanding is shown. Listed items are given, either as suggested by the data or from the candidates' ideas, but with no additional description or explanation. (3-1 marks)

Mark at (1 mark) per listed item to a max of (3 marks). (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