



General Certificate of Secondary Education

Business Studies 3133 **Full and Short Course** *Specification B*

Paper 2 Foundation Tier

Mark Scheme

2007 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.

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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** *Liquid Gold plc* is thinking of introducing a new soft drink. Describe the reasons why *Liquid Gold plc* might decide **not to** introduce a soft drink for the 2012 London Olympics. (14 marks)

Possible problems include:

- negative publicity against their products;
- slowdown/decline in soft drink sales;
- risk associated with a new product and heavy launch costs;
- high forecast break-even sales for the new product;
- made a loss last year;
- strong competition including launch of a new drink;
- problem with previous product – took a while to take off and reach BE;
- competitor’s product has link to Africa which may be difficult to counter.

A - Selection/organisation/interpretation and use of data to analyse the business problem.

- Level 5 The candidate selects and interprets the most relevant data and consistently uses and organises information appropriately and accurately to analyse effectively the situation. (10-9 marks)
- Level 4 The candidate shows some ability to select and interpret the most relevant data, using and organising this information appropriately to analyse the problem. (8-6 marks)
- Level 3 The candidate makes use of and interprets simply some data and shows some ability to organise the information to address the problem. (5-3 marks)
- Level 2 The candidate refers to some of the data in attempting to address the problem. (2-1 marks)
- Level 1 No attempt made to select, use, analyse or interpret the data. (0 marks)

B - Application of knowledge and understanding of appropriate terms, concepts, theories and methods to address the problem.

- Level 5 The candidate consistently demonstrates the ability to apply effectively extensive knowledge and understanding of relevant business terms/concepts. (4 marks)
- Level 4 The candidate is able to apply accurately knowledge and understanding of relevant terms/concepts to address the problem. (3 marks)
- Level 3 The candidate shows some ability to apply knowledge to the set tasks and with some business understanding of key terms. (2 marks)
- Level 2 The candidate shows some knowledge of a narrow range of business terms. (1 mark)
- Level 1 The candidate shows no knowledge of business terms within the case study. (0 marks)

Total: 14 marks

- 2** Identify and describe the data that suggest that *Liquid Gold plc* **should** launch a new drink for the 2012 London Olympics. **(14 marks)**

Possible data includes:

- successful campaign with previous product;
- change in market in Data 2 towards more healthy drinks;
- workforce survey especially if seen as consumer survey;
- general upward trend in drinks sales;
- high Gross profit;
- need a new product because a competitor has one;
- total consumption over the last ten years steady although demand for different type of drinks has varied.

A - Selection/organisation/interpretation and use of data to analyse the business problem.

- Level 5 The candidate selects and interprets the most relevant data and consistently uses and organises information appropriately and accurately to analyse effectively the situation. (10-9 marks)
- Level 4 The candidate shows some ability to select and interpret the most relevant data, using and organising this information appropriately to analyse the problem. (8-6 marks)
- Level 3 The candidate makes use of and interprets simply some data and shows some ability to organise the information to address the problem. (5-3 marks)
- Level 2 The candidate refers to some of the data in attempting to address the problem. (2-1 marks)
- Level 1 No attempt made to select, use, analyse or interpret the data. (0 marks)

B - Application of knowledge and understanding of appropriate terms, concepts, theories and methods to address the problem.

- Level 5 The candidate consistently demonstrates the ability to apply effectively extensive knowledge and understanding of relevant business terms/concepts. (4 marks)
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- Level 3 The candidate shows some ability to apply knowledge to the set tasks and with some business understanding of key terms. (2 marks)
- Level 2 The candidate shows some knowledge of a narrow range of business terms. (1 mark)
- Level 1 The candidate shows no knowledge of business terms within the case study. (0 marks)

Total: 14 marks

- 3** Outline what you feel are the **three** pieces of data that would be most useful to the directors in making their decision. Explain the reasons for your choices. *(14 marks)*

Any can be chosen as long as they are justified. They could say why they did not select the others.

B - Application of knowledge and understanding of appropriate terms, concepts, theories and methods to address the problem.

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- Level 4 The candidate is able to apply accurately knowledge and understanding of relevant terms/concepts to address the problem. (3 marks)
- Level 3 The candidate shows some ability to apply knowledge to the set tasks and with some business understanding of key terms. (2 marks)
- Level 2 The candidate shows some knowledge of a narrow range of business terms. (1 mark)
- Level 1 The candidate shows no knowledge of business terms within the case study. (0 marks)

C - Evaluation of evidence, making reasoned judgements and presenting conclusions accurately and appropriately.

- Level 5 The candidate's conclusions arise from logical and critical evaluation of the evidence. Recommendations are realistic in the context of the case study and are present appropriately, accurately and consistently. (10-9 marks)
- Level 4 The candidate makes reasoned judgements and draws appropriate conclusions supported by valid evidence and/or specific, additional knowledge. Comments about the lack of/quality of evidence may be rewarded, including suggestions of other data requirements. (8-6 marks)
- Level 3 The candidate makes some attempt to evaluate the evidence and draws simple conclusions, which may be supported by some knowledge. (5-3 marks)
- Level 2 The candidate draws simple conclusions which have some connection to the problem. No additional knowledge displayed. (2-1 marks)
- Level 1 No attempt made to evaluate the evidence to draw conclusions. (0 marks)

Total: 14 marks

4 Should *Liquid Gold plc* produce a new drink?
 Make a recommendation, using the data to explain and justify your answer. (14 marks)

Candidate can recommend any strategy using a mix of ideas raised in Questions 1, 2 & 3. Level 5 candidates will weigh up alternatives against each other or question the evidence base for making such a decision.

B - Application of knowledge and understanding of appropriate terms, concepts, theories and methods to address the problem.

- Level 5 The candidate consistently demonstrates the ability to apply effectively extensive knowledge and understanding of relevant business terms/concepts. (4 marks)
- Level 4 The candidate is able to apply accurately knowledge and understanding of relevant terms/concepts to address the problem. (3 marks)
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 - Level 2 The candidate draws simple conclusions which have some connection to the problem. No additional knowledge displayed. (2-1 marks)
 - Level 1 No attempt made to evaluate the evidence to draw conclusions. (0 marks)
- Total: 14 marks**

Marking Criteria for Quality of Written Communication

Level 4	Information is clearly and logically presented using an appropriate form. The text is legible. Candidates spell, punctuate and use the rules of grammar accurately, enabling the meaning to be clearly understood.	3 marks
Level 3	Information is presented in an appropriate form. The text is legible. Candidates generally spell, punctuate and use the rules of grammar accurately, although there may be some errors. The meaning is clear.	2 marks
Level 2	Some of the information presented is in an appropriate form. Generally the text is legible. Although there are errors in spelling, punctuation and grammar, the meaning can be understood.	1 mark
Level 1	Candidates have not reached the standard required for the award of a mark.	0 marks