



General Certificate of Secondary Education

Business Studies 3133

Full Course

Specification B

Paper 3 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.

Further copies of this Mark Scheme are available to download from the AQA Website: www.aqa.org.uk

Copyright © 2007 AQA and its licensors. All rights reserved.

COPYRIGHT

AQA retains the copyright on all its publications. However, registered centres for AQA are permitted to copy material from this booklet for their own internal use, with the following important exception: AQA cannot give permission to centres to photocopy any material that is acknowledged to a third party even for internal use within the centre.

Set and published by the Assessment and Qualifications Alliance.

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: 40 marks

(a) Explain what is meant by the term 'partnership'.

(3 marks)

Possible answers include:

- shared ownership;
- shared decision making;
- an agreement (1) between 2 or more people (1) to take joint responsibility for running a business (1), to share profits (1) and risks (1). **Note max of 3 marks.**

Level 1 Statement of Knowledge

(3 – 1 marks)

Listed points are given.

The candidate gives three listed points.

(3 marks)

The candidate gives one listed point.

(1 mark)

- (b) Before starting to produce potato crisps, Sally and David are thinking of making their business a private limited company. Compare the advantages and disadvantages of becoming a private limited company with that of remaining a partnership. Explain which you think would be better and justify your decision. (12 marks)

Advantages of Private Limited Company	Disadvantages of Private Limited Company/Advantages of remaining a partnership
Sally and David and any other shareholder would have limited liability – no personal risk of bankruptcy.	Legal formalities before the company can be set up when it is set up of ltd but partnership has fewer constraints.
The business has continuity because it has a separate legal identity.	In ltd divorce of ownership from control. If there are other owners they may have different ideas.
It is easier to borrow money.	The company must produce accounts which are available to the public a partnership can remain private.
	The company is accountable to its shareholders whereas a partnership is just to its partners.

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 – 9 marks)

The candidate makes a reasoned conclusion based upon some sort of comparison between changing to a private limited company and remaining as a partnership. The conclusion needs to be justified by comparing at least one advantage and one disadvantage of each option plus one additional advantage or one additional disadvantage of either option. (12 marks)

The candidate makes a reasoned conclusion based upon a comparison between changing to a private limited company and remaining as a partnership. The conclusion needs to be justified by comparing at least one advantage and disadvantage of each option. (11 marks)

The candidate makes a simple conclusion based upon a comparison between changing a private limited company and remaining as a partnership. The conclusion needs to be justified by comparing at least one advantage and one disadvantage of each option plus one additional advantage or one additional disadvantage of either option. (10 marks)

The candidate makes a simple and justified judgement based on a comparison between changing to a private limited company and remaining as a partnership. The conclusion needs to be justified by comparing at least one advantage and one disadvantage of each option. (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 like that of Sally and David. Data is correctly interpreted and analysed. (8 – 6 marks)

The candidate gives a clear comparison of at least one advantage and one disadvantage of each option plus one additional advantage or disadvantage of either option but no judgement is made. (8 marks)

The candidate gives a simple comparison of at least one advantage and one disadvantage of each option for a business like that of Sally and David. No judgement made. (6 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. (5 – 4 marks)

The candidate gives a description of one advantage and one disadvantage of both options but no comparison is made. (5 marks)

The candidate gives a description of either one advantage or one disadvantage from both options but no comparison is made. (4 marks)

Level 1 Statement of Knowledge

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

Mark at (1) mark per listed point for either option to a max of (3).

(c) Sally and David need equipment to start producing crisps. They are investigating possible sources of finance and are considering:

- leasing the equipment
- getting a loan to buy the equipment.

Discuss the advantages and disadvantages of both of these options. Explain and justify which you think would be better. (12 marks)

Leasing the equipment.

Advantages	Disadvantages
Fixed period of time then can update equipment.	Don't own the asset.
Regular payments.	Can be very expensive.
Leasing company responsible for repair often.	Fixed period of time may be too long.

Getting a loan.

Advantages	Disadvantages
You own the goods.	Going into debt to someone.
Can be over a long period of time.	Interest charge.
	Maybe for longer than assets last.

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 – 9 marks)

The candidate makes a reasoned and justified judgement based upon a comparison of at least one advantage and one disadvantage of each option plus one additional advantage or one additional disadvantage of either option. (12 marks)

The candidate makes a reasoned and justified judgement based upon a comparison of at least one advantage and one disadvantage of each option. (11 marks)

The candidate makes a simple and justified judgement based upon a comparison of at least one advantage and one disadvantage of each option plus one additional advantage or one additional disadvantage of either option. (10 marks)

The candidate makes a simple and justified judgement based on a comparison of at least one advantage and one disadvantage of each option. (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 like that of Sally and David. Data is correctly interpreted and analysed. (8 –6 marks)

The candidate gives a clear comparison of at least one advantage and one disadvantage of each option plus one additional advantage or disadvantage of either option but no judgement is made. (8 marks)

The candidate gives a simple comparison of at least one advantage and one disadvantage of each option but no judgement made. (6 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. (5 – 4 marks)

The candidate gives a description of one advantage and one disadvantage of both options but no comparison is made. (5 marks)

The candidate gives a description of either one advantage or one disadvantage from both options but no comparison is made. (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)

Mark at (1) mark per listed point for either option to a max of (3).

- (d) Sally and David plan to distribute their crisps through the local wholesaler. Compare the advantages and disadvantages of using a local wholesaler as the channel of distribution for their crisps. (9 marks)

Advantages	Disadvantages
Easy to deliver to as nearby.	Will sell them for less.
Breaks bulk so more convenient to deliver.	May just be local market.
Easier to get payment from 1 customer than many.	May not push the goods with the retailers.
Breaks bulk so will buy in large quantities.	Less direct contact with the customers.
Will be more likely to stock local produce.	

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 like that of Sally and David. Data is correctly interpreted and analysed. (9 – 7 marks)

The candidate gives a clear comparison of at least two advantages and two disadvantages of using a local wholesaler. (9 marks)

The candidate gives a simple comparison of at least one advantage and one disadvantage. (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 description of at least two advantages and two disadvantages of using a local wholesaler but no comparison is made. (6 marks)

The candidate gives a description of at least one advantage and one disadvantage but no comparison is made. (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)

Mark at (1) mark per listed point a max of (3).

-
- | |
|--|
| (e) Explain whether you think that Sally and David were right to use the local wholesaler.
<i>(4 marks)</i> |
|--|

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 whether the local wholesalers should be used and fully justifies their decision.
(4 marks)

The candidate makes a decision by choosing whether local wholesalers should be used with a simple justification.
(1 mark)

2**Total for this question: 50 marks**

(a) Explain, using examples, what is meant by the term 'business objectives'. (4 marks)

Possible answers include:

- a business aim;
- a target to achieve;
- to increase its share of the market;
- business objectives are the aims of a business (1) such as to be the best known brand of crisps (1) or to sell crisps over the whole of England (1). These are what the business hopes to achieve (1) in the short term (1).

Level 2&1 combined**Application of knowledge and understanding/Statement of knowledge (4 – 1 marks)**

Mark at (1) per point or example to a maximum of (4).

If examples are simply listed without being used to explain the term mark at a maximum of (1).

(b) Describe how *Phones for All* might try to increase its share of the market. (6 marks)

Possible methods include:

- forms of promotion;
- product expansion and/or product diversification;
- take over another firm;
- change channels of distribution;
- pricing strategies.

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 at least two methods that a business like Phones for All could use. (6 marks)

The candidate gives a simple description of one method that a business like Phones for All could use. (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 methods that a business like Phones for All could use. (3 marks)

The candidate gives a method that a business like Phones for All could use. (1 mark)

(c) *Phones for All* has chosen to use its website, rather than local newspapers, to advertise vacancies in its shops. Compare the two methods and justify why you think that it has made this decision. (12 marks)

Possible answers include:

Advantages Website	Disadvantages Website
Low cost.	Not everyone has the internet.
National.	Not the first place people out of work look.
Is there until removed.	World wide not necessary.
Easy for those already in a job to access.	May make it difficult for people to apply.
Can put on a lot of information.	Information overload with too many sites to look through.
Easily changed.	
Available 24/7.	

Advantages Local Newspapers	Disadvantages of Local Newspapers
Read by local target audience.	Will only cover a small area.
Large local circulation.	Adverts can be expensive.
Easy to arrange advert.	May need to repeat advert on a weekly basis.
	Job section not always looked at.

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 – 9 marks)

The candidate makes a reasoned and justified judgement based upon a comparison of at least one advantage and one disadvantage of each option plus one additional advantage or one additional disadvantage of either option. (12 marks)

The candidate makes a reasoned and justified judgement based upon a comparison of at least one advantage and one disadvantage of each option. (11 marks)

The candidate makes a simple and justified judgement based upon a comparison of at least one advantage and one disadvantage of each option plus one additional advantage or one additional disadvantage of either option. (10 marks)

The candidate makes a simple and justified judgement based on a comparison of at least one advantage and one disadvantage of each option. (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 like that of Phones for All. Data is correctly interpreted and analysed. (8 – 6 marks)

The candidate gives a clear comparison of at least one advantage and one disadvantage of each option plus one additional advantage or disadvantage of either option but no judgement is made. (8 marks)

The candidate gives a simple comparison of at least one advantage and one disadvantage of each option but no judgement is made. (6 marks)

Level 2 Application of Knowledge and Understanding

Business studies knowledge is used and applied to the case study. (5 – 4 marks)

The candidate gives a description of one advantage and one disadvantage of both options but no comparison is made. (5 marks)

The candidate gives a description of either one advantage or one disadvantage from both options but no comparison is made. (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)

Mark at (1) mark per listed point for either option to a max of (3).

The candidate gives an advantage or disadvantage of a website or local newspaper. (1 mark)

(d) (i) Give **two** other important pieces of information that *Phones for All* might need applicants to provide. (2 marks)

Possible answers include:

- schools attended (1);
- previous experience (1).

Level 1 Statement of Knowledge

Listed points are given. (2 – 1 marks)

The candidate gives two listed points. (2 marks)

The candidate gives one listed point. (1 mark)

NB Do not award name, address, contact phone numbers and email address as these are in the question stem.

(d) (ii) Explain why each of these is important for *Phones for All*. (6 marks)

Level 3 Selection/Organisation/Analysis/Interpretation (6 – 4 marks)

The candidate gives a clear explanation of why each item chosen is important for a business like Phones for All. (6 marks)

The candidate gives a clear explanation of why one item is important. (4 marks)

Level 2 & 1 comb Application of Knowledge and Understanding/Statement of knowledge (1 – 4 marks)

The candidate gives a simple description of why each item chosen is important for a business like Phones for All. (3 marks)

The candidate gives a simple description of why one item chosen is important for a business like Phones for All. (1 mark)

NB If candidates use different points to those given in part (i) still award them.

(e) Explain, using examples, what is meant by the term 'stakeholders'. (4 marks)
--

Possible examples:

- someone with an interest (1) in the success of the business (1) such as a shareholder (1);
- employee (1);
- customer (1);
- supplier (1).

Level 2 & 1 combined

Application of Knowledge and Understanding/Statement of knowledge (1 – 4 marks)

Mark at (1) per point or example to a maximum of (4).

If examples are simply listed without being used to explain the term mark at max of (1).

- | |
|--|
| (f) Describe how the local community might benefit from having a <i>Phones for All</i> shop in their town. (7 marks) |
|--|

Possible points include:

- access to cheaper phones;
- jobs;
- better town centre – less empty shops;
- more modern;
- appealing to younger people;
- people with more money to spend;
- more people attracted to the town.

Level 3/2 Application of Knowledge and Understanding/Analysis

Business studies knowledge is used and applied to the case study. (7 – 3 marks)

The candidate gives a clear description of three ways in which the community would benefit from having a business like Phones for All in their area. (7 marks)

The candidate gives a clear description of two ways in which the community would benefit from having a business like Phones for All in their area. (6 marks)

The candidate gives a simple description of two ways in which the community would benefit from having a business like Phones for All in their area. (4 marks)

The candidate gives a simple description of one way in which the community would benefit from having a business like Phones for All in their area. (3 marks)

Level 1 Statement of knowledge (2 – 1 marks)

Listed points are given.

The candidate gives two listed points. (2 marks)

The candidate gives one listed point. (1 mark)

(g) Compare the advantages and disadvantages of using off the job training for its shop managers. (9 marks)

Advantages	Disadvantages
Opportunity to concentrate.	Expensive in transport.
Good for morale.	Expensive as need to cover staff.
Easier to train more people at once.	May not be relevant to all staff.
Opportunity to meet people in the same job.	Inconvenient for some staff with kids.

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 like that of Sally and David. Data is correctly interpreted and analysed. (9 – 7 marks)

The candidate gives a clear comparison of at least two advantages and two disadvantages of using off the job training. (9 marks)

The candidate gives a simple comparison of at least one advantage and one disadvantage of using off the job training. (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 description of at least two advantages and two disadvantages of using off the job training but with no comparison. (6 marks)

The candidate gives a description of at least one advantage and one disadvantage of using off the job training but with no comparison. (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)

Mark at (1) mark per listed point a max of (3).

Quality of Written Communication

Candidates have not reached the required standard.	0 marks
Candidates spell, punctuate and use some rules of grammar with reasonable accuracy. Candidates use simple expression of ideas using few or no specialist terms.	1 mark
Candidates spell, punctuate and use the rules of grammar with reasonable accuracy. The text makes sense and the business meaning can be understood. They use a limited range of specialist terms.	2 marks
Candidates generally spell, punctuate and use the rules of grammar accurately although there may be some errors. They use a good range of specialist terms and explanations are clear and accurate.	3 marks
Information is clearly and logically presented. Candidates spell, punctuate and use the rules of grammar accurately, enabling the meaning to be clearly understood. A wide range of specialist terms are used appropriately.	4 marks