



General Certificate of Secondary Education

Business Studies 3133

Specification B

3133/9/2H

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.

Higher 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 it's 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.

Your role

You work for a business adviser. You have been appointed to give advice to the board of PizzaWorld plc on whether it should consider trying to buy Sammy's Ltd.

Your task

Use the data in the case study booklet and your knowledge of business studies to write a report for the board of directors of PizzaWorld plc.

Your report should:

- Identify and describe the strengths and weaknesses of Sammy's Ltd;

Possible strengths and weaknesses include:

- S - Large chain of outlets
- S - Current profit position
- S - Large turnover, rising sales
- S - 30 prime high street locations
- W - Slowdown in rate of profit growth
- S or W - Cheap image
- W - Poor choice/variable quality/hygiene
- W - Overworked management
- W - Low staff morale/motivation
- W - High staff costs
- W - Low net profit ratio 5.9%
- S or W - 70.5% gross margin
- W - Internal employees survey results – low motivation
- W - Poor quality advertising
- W - Report from environmental health inspectors.

- Describe possible advantages and disadvantages to PizzaWorld plc of buying Sammy's Ltd;

Possible advantages and disadvantages include:

- A - Could develop a new area of the market
- A - Chance to change production method
- A - Large cash balance available – current ratio of 3.8, acid test ratio of 3.4
- A - Potential to develop catering and delivery
- D - Possible closure of shops due to Environmental Health Checks
- D - Cost of take-over
- D - Competitors/Newspaper article
- D - The risk associated with each source of finance
- D - Having to tackle the weaknesses identified above.

- Explain the most useful areas of market research information that PizzaWorld plc will require to help it to make its decision and justify the reasons for your choices;

Candidates should choose from those in Data 8, but any can be chosen as long as they are justified. They could say why they did not select the others.

- Give the board of directors at PizzaWorld plc some overall advice on whether to buy Sammy's Ltd.

Candidates can recommend either course of action using a mix of ideas (probably already covered in their report, but new ideas can be introduced). Level 5 candidates will weigh up alternatives against each other or question the evidence base for making such a decision.

Your report will be assessed on your ability to:

- A - select, organise, interpret and use information to analyse the business problem; *(20 marks)*
- B - apply your knowledge and understanding of appropriate terms, concepts, theories and methods to address the problem; *(16 marks)*
- C - evaluate evidence, make reasoned judgements, and present accurate and appropriate conclusions; *(20 marks)*
- demonstrate appropriate quality of written communication. *(3 marks)*

(Total: 59 marks)

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 problem. **20-16 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. **15-11 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. **10-6 marks**
- Level 2 The candidate refers to some of the data in attempting to address the problem. **5-1 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. **16-13 marks**
- Level 4 The candidate is able to apply accurately knowledge and understanding of relevant terms/concepts to address the problem. **12-9 marks**
- Level 3 The candidate shows some ability to apply knowledge to the set tasks and with some business understanding of key terms. **8-5 marks**
- Level 2 The candidate shows some knowledge of a narrow range of business terms. **4-1 marks**
- 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 contents of the case study and are presented appropriately, accurately and consistently. **20-16 marks**
- Level 4 The candidate makes reasoned judgements and draws appropriate conclusions 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. **15-11 marks**
- Level 3 The candidate makes some attempt to evaluate the evidence and draws simple conclusions, which may be supported by some knowledge. **10-6 marks**
- Level 2 The candidate draws simple conclusions which have some connection to the problem. No additional knowledge displayed. **5-1 marks**
- Level 1 No attempt made to evaluate the evidence or draw conclusions. **0 marks**

Marking Criteria of 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**