



General Certificate of Secondary Education

Business Studies 3133/3139

Full and Short Course

Specification B

Paper 2 Foundation Tier

Mark Scheme

2008 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

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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	Describe the various problems that the cancelled supermarket order might cause for <i>Flag City Ltd.</i>	(14 marks)
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Possible problems include:

- the effect this will have on their cash-flow;
- the effects on their profits and company future (many foundation candidates will not refer to 'cash-flow' specifically and will talk about 'money not coming in' etc. Ensure that this is rewarded);
- the need to obtain an overdraft;
- the extra materials and machinery they now possess;
- the possible surplus labour on their hands;
- competitors who have a wider product range and better advertising;
- lack of variety in the products they sell;
- they may be forced to sell flags at less than cost price;
- competition from imports.

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)

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 possible ways for <i>Flag City Ltd</i> to survive.	<i>(14 marks)</i>
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Possible ways include:

- accept the other quotations from supermarkets, even though they would be selling at a loss;
- diversify into other areas;
- market themselves to meet changing consumer demands;
- cut costs wherever possible;
- cancel the forthcoming order for materials;
- develop a niche market for 'made in Britain' or target the ethical consumer;
- seek mergers with current competitors.

Candidates must consider more than one way to go to level 3, but do not accept different types of diversification or different types of costs to be cut, etc, as being different ways.

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

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|---------|--|--------------|
| 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) |

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

- 3** Choose the **two** pieces of data that will be **most useful** to *Flag City Ltd* when it is deciding what to do to survive. Explain the reasons for your choices. (14 marks)

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

Max of level 3 if only one piece of data is considered.

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)

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 presented 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** Recommend an appropriate course of action for *Flag City Ltd* to survive and succeed as a business in the future.
 Explain how the advantages of this course of action outweigh the disadvantages.
 Use the data to support your answer. (14 marks)

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

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)

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

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- 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

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