

# Mark Scheme June 2007

Results Mark  
Scheme

GCSE Business Studies (1503.01)

1503 BUSINESS STUDIES - 2007  
FOUNDATION PAPER - MARK SCHEME

1 (a) For each of the questions write the letter A, B, C or D ...  
(AO1 - Demonstrate = 5)

- (i) A
- (ii) B
- (iii) D
- (iv) D
- (v) C

5

(b)(i) Define the term profit.  
(AO1 – Demonstrate = 1)

revenue – cost

(ii) State ONE example of visual communication.  
(AO1 – Demonstrate = 1)

charts/tables/graphs/photograph/film/video

(iii) What is a shortlist?  
(AO1 – Demonstrate = 1)

small number of applicants selected for interview from a larger number

(iv) Identify ONE method of training.  
(AO1 – Demonstrate = 1)

on-the-job, off-the-job, induction

(v) What is a wage?  
(AO1 – Demonstrate = 1)

payment for work

5

(c)(i) What age group has 1 500 NHS patients?

(AO1 – Demonstrate = 1)

30-39 1

(ii) State the number of private patients who are 50+.

(AO1 – Demonstrate = 1)

750 1

(iii) Calculate the total number of patients aged 21 - 29.

(AO2 - Apply = 1)

3 500 1

(iv) Calculate the income ... will receive from its private patients..

(AO3 - Select/Analyse = 2)

$2\,500 \times 55 = \text{£}137\,500$  2

(1 for method, 1 for answer)

(v) Suggest why it helps the Practice Manageress to know how many patients there are when ordering materials for the dentists.

(AO4 - Evaluate = 2)

**Valid points could include:**

gives her a good idea of the quantities to order so has enough - does not run out - no treatments cancelled 2

(vi) Explain ONE reason Lucy might have for opening another dental practice.

(AO3 - Select/Analyse = 3)

**Valid points could include:**

enables more patients to be seen which will give more income - more NHS dentists needed - expand 3

2 (a) Complete the cash flow forecast above.

(A02 - Apply = 3)

£6 500

£64 000

£86 200

3

(b) Why do you think the closing balance in January is negative?

(A03 - Select/Analyse = 2, A04 - Evaluate = 1)

**Valid points could include:**

because of other payments £158 000, total payments £176 300 exceed total receipts £80 000 to give (£96 300) - wages and materials also up

net cash flow in January is large and negative, which is greater than the positive opening balance at start of January

(no need to mention figures)

Level 2

Candidate makes judgement(s)

3

Level 1

Candidate analyses

1-2

(c) Explain what actions Dovecotes could take when it has a cash flow problem.

(A02—Apply = 3, A03—Select/Analyse = 2)

**Valid points could include:**

arrange an overdraft – high interest rates but flexible short-term loan – interest less than an o/d – not as flexible

encourage debtors to pay more quickly by offering discounts

extend trade credit with suppliers means payment of goods delayed

reduce stock levels – saves on storage

leave rather than buy expensive capital items – no high outlay reduce owners' withdrawals

Level 2

Candidate analyses

4-5

Level 1

Candidate applies knowledge

1-3

(d)(i) What does a Balance Sheet show?

(A01 - Demonstrate = 3)

**Valid points could include:**

assets/liabilities at precise point in time - usually end of financial year - what business owns and owes - shows where capital comes from (accept profit)- how capital is used - assets = liabilities which is why it is called a balance sheet

3

(ii) Explain why a Profit & Loss Account and a Balance Sheet are prepared.  
(AO4 - Evaluate = 6)

Valid points could include:

keep a record of finances - financial position / for tax purposes  
shows how have done over year - can compare with previous years/other businesses  
because they show performance it allows decisions to be made  
because they show strengths/weaknesses they are important - good business practice  
plcs have to publish their final accounts

Level 2

Candidate makes sound judgement(s)

4-6

Level 1

Candidate makes basic judgement(s)

1-3

3 (a) State TWO ways Dovecotes could advertise the vacancy for a dental nurse.  
(AO1 - Demonstrate = 2)

job centre/local newspaper/dental hospital/careers service

2

(b) Analyse the differences between a job description and a job/person specification for a dental nurse.

(AO1 - Demonstrate = 2, AO2 - Apply = 2, AO3 - Select/Analyse = 2)

Valid points could include:

(job description) - description of the job - lets applicant know exactly what job is - practice knows what it wants the person to do - may include purpose/position in organisation - which dentist the nurse will be working with - specific duties/other responsibilities - what chairside duties are required/planning appointments so no delays/clean surgery and equipment - conditions - hours/holidays

(job/person specification) - description of sort of person needed - patient manner able to put patients at ease - ability to work with children - will include qualifications needed/training undertaken/specialist skills/ type of personality - essential/desirable - experience required

Level 3

Candidate analyses differences

5-6

*A job description lets the applicant know exactly what the job he/she is applying for so it is suitable for him/her. It may include the position in the business, specific duties and any other responsibilities. It may say which dentist the nurse will be working with. It may also include what chairside duties are required for example keeping the surgery and all equipment cleaned to ensure no risk of infection. A person specification is about the type of person needed, not about the job. It states what qualifications are needed so any applicant would know whether they were suited to the job or not, has the nurse got her dental nurse qualification? It may include desirable qualities like ability to work in a team and ability to work with children or being able to put patients at ease.*

Level 2

Candidate applies knowledge

3-4

Level 1

Candidate demonstrates basic knowledge

1-2

**(c) Explain the purpose of ONE of the above.**  
(A02 - Apply = 2, A03 - Select/Analyse = 2)

**Valid points could include:**

letter - introduce oneself/why want job/why feel suitable - ability to work with anxious patients/children/ literacy  
CV - resume of person's qualifications/experience/interests/education/referees - previous dental practices worked in/details of dental nurse qualifications  
can both help in selection process

Level 2  
Candidate analyses 3-4

Level 1  
Candidate applies knowledge 1-2

**(d) How could applicants prepare themselves for an interview?**  
(A02 - Apply = 2, A03 - Select/Analyse = 2)

**Valid points could include:**

do homework/research - size/what type of treatments they do/think of suitable questions to ask  
dress carefully - clean/tidy/well presented - untidy/grubby won't make a good impression when applying for a nursing post  
find out exactly where to go so not late - practice beforehand otherwise looks unreliable which is important for patient care  
arrive in plenty of time - so not flustered

Level 2  
Candidate analyses 3-4

Level 1  
Candidate applies knowledge 1-2

**(e) Why is a motivated workforce important for Dovecotes?**  
(A04 - Evaluate = 4)

**Valid points could include:**

a happy, well motivated workforce can lead to  
low absenteeism as staff take little time off through ill health low staff turnover as staff are settled in their jobs  
high productivity as staff work hard/keen to see business succeed no industrial unrest - settled in their jobs  
combine to provide a practice where patients are happy to come/successful

Level 2  
Candidate makes sound judgement(s) 3-4

Level 1  
Candidate makes basic judgement(s) 1-2

4 (a)(i) List the other TWO sectors.

(AO Demonstrate = 2)

primary, secondary

2

(ii) Explain how each of these services could support Dovecotes.

(A03 – Select/Analyse = 6)

**Valid points could include:**

(advertising) specialist agencies design/plan campaigns in order to create/increase demand for services – advertisements appearing in local press informing patients of service

(banking) specialist financial services – loans/overdrafts/advice/banking facilities/bank accounts – EPOS

(communication services) telephone/internet services – wireless network in practice – practice website – inform patients of location – communicate with patients/suppliers – computer connection to NHS

Level 2

Candidate makes sound analysis

4-6

Level 1

Candidate makes basic analysis

1-3

NB If only 2, max 4



(b)(i) Explain THREE reasons Lucy might have had for forming a partnership with Dominic.

(AO1 - Demonstrate = 1, AO2 - Apply = 6, AO3 - Select/Analyse = 1)

Valid points could include:

More capital - can be used to extend/refurbish/expand

More skills/knowledge - offer other services eg sedation

Shares running/decision making - less pressure

Personal freedom - holidays/illness

Level 3

Candidate analyses

8

*Another partner would bring in more capital which can be used to expand or extend the surgery for example opening one in another part of the town or another town. It may also be used to refurbish by putting in new equipment and furniture. The new partner might have skills and be able to do things which the existing partner cannot do like cosmetic work which might bring in more patients. Having more than one partner means less pressure as decisions and the running of the practice can be shared. It also enables the partners to have a holiday or be ill knowing there is someone there to run the practice so there is no interruption to patient care.*

Level 2

Candidate applies knowledge

2-7

Level 1

Candidate demonstrates basic knowledge

1

QWC - 5 marks

Quality of Written Communication (QWC)

There are 5 marks available for Quality of Written Communication for this question using the following criteria:

Level 3

Candidate write in sentences which are clear, structured and coherent. They spell, punctuate and use the rules of grammar with few errors using a range of specialist terms appropriately and with precision

4-5 marks

Level 2

Candidates write in sentences with a clear and structured style. They spell, punctuate and use the rules of grammar and considerable accuracy.

2-3 marks

Level 1

Candidates write in sentences with a limited structure. They spell, punctuate and use the rules of grammar with reasonable accuracy.

1 mark

(ii) Consider the effects of unlimited liability on Dominic as a partner.  
(A04 – Evaluate = 4)

**Valid points could include:**

limited liability means being liable for the debts of the business only - up to the value of shareholding – partners do not have this – there is no distinction between the partners and the business – owner(s) can therefore lose all of their possessions to pay debts – it may put prospective partners off joining the business because of the risk

Level 2

Candidate makes sound judgement(s)

3-4

Level 1

Candidate makes basic judgement(s)

1-2

5 (a)(i) Describe how EFTPOS works.

(A01 – Demonstrate = 2)

Payment for service is via debit or credit cards which are swiped/chip and pin through an EFTPOS terminal - immediate transfer of funds

2

(ii) Consider the benefits that EFTPOS might bring to Dovecotes.

(A02–Apply = 4, A04 – Evaluate = 2)

**Valid points could include:**

No need to take/store as much cash on premises - safer

Less use of cheques – no need to go to bank as often

- More convenient for patients as nearly all shops use them as well

Level 2

Candidate makes judgement(s)

5-6

Level 1

Candidate applies knowledge

1-4

(b)(i) Explain what the minimum wage means for employees at Dovecotes.

(A01 – Demonstrate = 1, A02 – Apply = 2)

employees are guaranteed they will at least be paid this which is the least amount Dovecotes can pay them – its set by the government

Level 2

Candidate applies knowledge

2-3

Level 1

Candidate demonstrates knowledge

1

(ii) Consider whether it might be expensive ... to apply the relevant laws to one of the areas above.

(AO3 - Select/Analyse = 3, AO4 - Evaluate = 6)

Valid points could include:

(discrimination) - all workers either part-time or full-time have protection against being discriminated against - all people doing the same job get the same pay can't pay women less - the disabled should not be treated less favourably so may need to make adaptations to buildings/equipment which means may increase wage bill if not already paying all staff the same or equivalent rates of pay - may have to install specialist desks/chairs/ramps for disabled employees

(health and safety) - provide the necessary environment/equipment to ensure workers are safe and without risks - provide training so workers know how to handle/store/life goods/substances safely - provide adequate supervision/information/instruction which means that again may have to purchase specialist clothing/equipment - provide training either in house or off site- produce leaflets/posters/safety policy/carry out risk assessment - time and money/ liability insurance

Level 3

Candidate makes sound judgement(s)

7-9

*The EO Act states that a business must not discriminate against an employee with regard to pay or if they are disabled. This means all employees doing the same job or one considered equivalent should be paid the same. A man can't be paid more than a woman if they're doing the same job. If there are some female employees who are paid less for the same job then Dovecotes will have to pay them the same which will increase their wage bill. If they don't do this the female employee(s) could take the business to the EOC to demand equality of pay leading to even more expense in legal fees and possibly giving the business a bad name.*

Level 2

Candidate makes basic judgement(s)

4-6

Level 1

Candidate analyses

1-3