## **Specimen Papers with Mark Schemes**

# **Edexcel GCSE in Business Studies (Short Course)** (3503)

First examination 2003 December 2000



## **Contents**

## **Question Papers**

Paper 1F		p 1
Paper 2H		p 13
	Mark Schemes	
Paper 1F		p 24
Paper 2H		p 34

The GCSE awarding bodies have prepared new specifications to incorporate the range of features required by the new GCSE and subject criteria. The specimen assessment material accompanying the new specifications is provided to give centres a reasonable idea of the general shape and character of the new planned question papers in advance of the first operational examination.

Centre Number			Paper Reference	Surname
Candidate Numbe	r		Candidate Signature	Other Names

## 3503/01F

## **Edexcel GCSE**

## **Business Studies (Short Course)**

Paper 1

**FOUNDATION TIER** 

1 OUTIDITITION TIER			
		Question Number	Leave Blank
		1	
Specimen paper		2	
1 1		3	
Time: 1½ Hours	N0000	4	
Materials required for the examination	Items included with these question papers		
None	None		
Instructions to Candidates			
In the boxes above, write your centre number, candi surname and other names. The paper reference is sl	idate number, the paper reference, your signature, your		
Write your answers in the spaces provided in this qu	-		
Information for Candidates			
The total mark for this paper is 60. The marks for the (2).	he various questions are shown in round brackets: e.g.		
	c pages are indicated. You may not use a dictionary.		
Advice to Candidates		Total	

You are reminded that you will be awarded up to 3 marks on the quality of your written communication.

N0000 © 2000 Edex



For Examiner's

For Team Leader's

use only

### **Context – Velde Ltd** (issued in the Autumn Term of the year of the examination)

Fredric Velde moved from Holland with his family in 1933 to live in the south of England. In 1936 he set up as a sole trader, making bread and selling it from a van. His business prospered until 1939 but then he needed to expand. He moved to a small factory and opened an on-site shop. In the mid-1950s, he purchased a fleet of bakery vans and employed a small team of drivers.

The council decided on the compulsory purchase of the factory and bakery shop in 1968 in order to redevelop the site. Fredric Velde had to decide whether to take the money offered by the council and change direction, or invest the money to expand the bakery business. He decided to stay in the bakery business.

The business became Velde Ltd, a private limited company, in 1970 and Fredric's daughter, Sonja, became the managing director. A new, larger factory was opened and an automated plant installed. The business began to diversify into large-scale production of a broad range of bakery and confectionery products, supplying a wide cross-section of customers and clients.

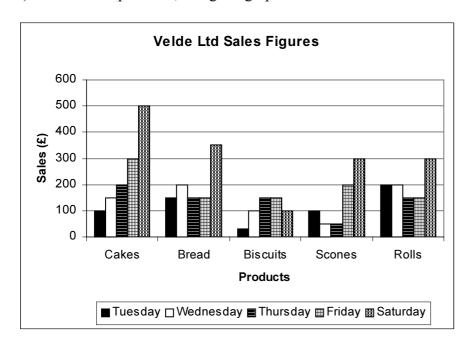
Since 1984, the company has had a contract for the distribution of Dutch cheese and biscuits throughout the year. This has assisted cash flow. The directors are now considering:

further expansion; introducing new products; selling abroad; the possibility of becoming a public limited company.

Bread and confectionery manufacturers are supported by trade associations such as The Association of Master Bakers.

(a)	(i)	Before designing a new product, Velde Ltd will carry out		
	A	an advertising campaign		
	В	quality control		
	C	market research		
	D	training opportunities	Answer	
	(ii)	Velde Ltd will have assets and liabilities. Liabilities are		
	A	how the company communicates		
	В	what the company owns		
	C	what the company advertises		
	D	what the company owes	Answer	
	(iii)	Most of the revenue of Velde Ltd comes from		
	A	mail order		
	В	telesales		
	C	pricing	Answer	
	D	direct sales		
				(3)
				_

b) Answer the questions, using the graph below.



(1)	Which product had the lowest sales on Tuesday?	
		(1)
(ii)	On which day were most cakes sold?	
••		
••		(1)
(iii)	Calculate the total value of bread sales for the week.	(1)
••		

(1)

•••	
•••	
(v)	If Velde Ltd wanted to try out a new product on their customers, which day of the week would you recommend they did this on? Explain your answer.
kery ar	ng whether to stay in business in 1968, Fredric Velde had to be sure that the market and confectionery products would grow. Market research was carried out by Fredric Veldeg his business decision. He could have used either desk research or field research.
kery ar e makir	d confectionery products would grow. Market research was carried out by Fredric Vel
ıkery ar e makir	and confectionery products would grow. Market research was carried out by Fredric Vellag his business decision. He could have used either desk research or field research.  Which method of research would you have recommended he use? Give reasons to
akery ar	and confectionery products would grow. Market research was carried out by Fredric Velley his business decision. He could have used either desk research or field research.  Which method of research would you have recommended he use? Give reasons to

(ii) Why, in market research, is using a telephone more reliable than using a writte questionnaire?	en	
	•••••	
	, <b></b>	
	(2)	
Total 15	marks	

	What is meant by 'batch production' and why is it used by Velde Ltd?	
		(4)
re	ctors of Velde Ltd have a large advertising budget for their business.	(4)
	ctors of Velde Ltd have a large advertising budget for their business.  Discuss the importance of advertising to Velde Ltd.	(4)
		(4)
	Discuss the importance of advertising to Velde Ltd.	(4)
	Discuss the importance of advertising to Velde Ltd.	(4)
	Discuss the importance of advertising to Velde Ltd.	(4)
	Discuss the importance of advertising to Velde Ltd.	(4)

(i) State what is mean	by the term 'secondary sector	' as applied to Velde Ltd.	
			(2)
d uses services provid	ed by the tertiary sector.		
(ii) Select one of the p	eople below and complete the	table.	
MINER	TOOL MAKER	FISHERMAN	
FARMER	MACHINIST	BANK MANAGER	
			_
	TERTIARY		
Delivery Driver	Insurance Agent		
			(1)
(iii) Explain TWO wa	ys that ONE of the people from	n the table would support Velde	Ltd.
			••••
			••••
			••••
			••••

	wer	bansion has been an objective since Fredric Velde started business in 1936. Examples of the decisions to open the on-site shop; to take on more vans and drivers; to develop ducts; to open a new factory and install an automated plant; and offering frozen hampers.	
	(a)	Choose FOUR of the decisions listed above and explain how they have helped the busine to expand.	ess
			(4)
Part	of t	he expansion has been financed by a bank loan.	(4)
	(b)	(i) State TWO features of a bank loan.	
The	han	k loan was used to purchase assets.	(2)
THE	oun	(ii) List THREE assets.	
			(3)

Below is an extract showing Velde Ltd's profit	ts for 1999.	
1999 Sales Less: Payments to Velde Ltd. for ice-cream products Gross profit	£ 50 000  12 500 ?	
Other expenses: Van running costs Net profit	7 500 ?	
(c) (i) Calculate the Gross profit figure.		
		(1)
(ii) Why is it important for Velde Ltd	d to monitor each year's profits?	(1)
		(5)
	Total 15 ma	ırks

Fre	dric Velde's business continued to prosper and grow. He remained a sole trader until 1970	).
(a)	To what extent was this a good business decision for Fredric Velde?	
		(6)
hen th	ne new factory opened in 1970 the business became a private limited company.	
(b)	List TWO features of a private limited company.	
		<b>(2)</b>

As an outcome of discussions the directors of Velde Ltd decided to become a public limited company.	
(c) Evaluate the extent to which this would be a benefit to Velde Ltd.	
	(7)
Total 15 mar	ks

## **END**

Centre Number	Paper Reference	Surname
Candidate Number	Candidate Signature	Other Names

## 3503/02H

## **Edexcel GCSE**

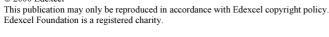
## **Business Studies (Short Course)**

Paper 2

HIGHER TIER		Question Number	Leave Blank
IIIOIIER IIER		1	
Specimen paper		2	
Specificit paper		3	
Time: 1½ Hours	N0000	4	
Materials required for the examination I	tems included with these question papers		
None N	None		
Instructions to Candidates			
In the boxes above, write your centre number, candida	, 11		
your surname and other names. The paper reference is s Write your answers in the spaces provided in this question	÷		
Information for Candidates			
The total mark for this paper is 60. The marks for the $\frac{1}{2}$	various questions are shown in round brackets:		
e.g. (2). There are 11 pages in this question paper. All blank pag	ges are indicated.		
You may not use a dictionary.			
Advice to Candidates			
You are reminded that you will be awarded up to 3 mark	ss on the quality of your written communication.		
		Total	



© 2000 Edexcel





For Examiner's

Leader's use only

use only

For Team

### **Context – Velde Ltd** (issued in the Autumn Term of the year of the examination)

Fredric Velde moved from Holland with his family in 1933 to live in the south of England. In 1936 he set up as a sole trader, making bread and selling it from a van. His business prospered until 1939 but then he needed to expand. He moved to a small factory and opened an on-site shop. In the mid-1950s, he purchased a fleet of bakery vans and employed a small team of drivers.

The council decided on the compulsory purchase of the factory and bakery shop in 1968 in order to redevelop the site. Fredric Velde had to decide whether to take the money offered by the council and change direction, or invest the money to expand the bakery business. He decided to stay in the bakery business.

The business became Velde Ltd, a private limited company, in 1970 and Fredric's daughter, Sonja, became the managing director. A new, larger factory was opened and an automated plant installed. The business began to diversify into large-scale production of a broad range of bakery and confectionery products, supplying a wide cross-section of customers and clients.

Since 1984, the company has had a contract for the distribution of Dutch cheese and biscuits throughout the year. This has assisted cash flow. The directors are now considering:

further expansion; introducing new products; selling abroad; the possibility of becoming a public limited company.

Bread and confectionery manufacturers are supported by trade associations such as The Association of Master Bakers.

1.	Expansion has been an objective since Fredric Velde started business in 1936. Examples of this were the decisions to open the on-site shop; to take on more vans and drivers; to develop new products; to open a new factory and install an automated plant; and offering frozen hampers.			
	(a)	Choose FOUR of the decisions listed above and explain how they have helped the business to expand.		
D	64	L	(4)	
Par	(b)	he expansion has been financed by a bank loan.  (i) State TWO features of a bank loan.		
The	ban	k loan was used to purchase assets.	(2)	
		(ii) List THREE assets.		
			(3)	

Below is an extract showing Velde Ltd's profits for 1999.

Sales Less: Payments to Velde Ltd. For ice-cream products		£ 50 000 12 500 ?					
	expen inning ofit		7500 ?				
(c)	(i)	Calculate the Gr	oss Profit fig	ure.			
	(ii)	Why is it importa	nt for Velde I	Ltd to monitor	each year's profi	its?	(1)
							(5)
						Total 15 m	

1970	leric Velde's business continued to prosper and grow. He remained a sole trader un 0.	
(a)	To what extent was this a good business decision for Fredric Velde?	
		•••••
		••••••
		••••••
		•••••
		(6)
n th	e new factory opened in 1970 the business became a private limited company.	
(b)	List TWO features of a private limited company.	
		(2)

As an compan	outcome of discussions the directors of Velde Ltd decided to become a public limited y.
(c)	Evaluate the extent to which this would be a benefit to Velde Ltd.
	(7)
	(7)
	Total 15 marks

The Sales Director of Velde Ltd wants to promote and sell the company's products abroad. The Directors are seeking advice from the UK Government to help them to export their products.  (b) Analyse ONE problem that the Sales Director must overcome when promoting and selling the company's products overseas.	<b>3</b> (a)	Briefly explain the best production method for Velde Ltd.	
The Sales Director of Velde Ltd wants to promote and sell the company's products abroad. The Directors are seeking advice from the UK Government to help them to export their products.  (b) Analyse ONE problem that the Sales Director must overcome when promoting and selling the company's products overseas.			
The Sales Director of Velde Ltd wants to promote and sell the company's products abroad. The Directors are seeking advice from the UK Government to help them to export their products.  (b) Analyse ONE problem that the Sales Director must overcome when promoting and selling the company's products overseas.			
The Sales Director of Velde Ltd wants to promote and sell the company's products abroad. The Directors are seeking advice from the UK Government to help them to export their products.  (b) Analyse ONE problem that the Sales Director must overcome when promoting and selling the company's products overseas.			
The Sales Director of Velde Ltd wants to promote and sell the company's products abroad. The Directors are seeking advice from the UK Government to help them to export their products.  (b) Analyse ONE problem that the Sales Director must overcome when promoting and selling the company's products overseas.			
The Sales Director of Velde Ltd wants to promote and sell the company's products abroad. The Directors are seeking advice from the UK Government to help them to export their products.  (b) Analyse ONE problem that the Sales Director must overcome when promoting and selling the company's products overseas.			
The Sales Director of Velde Ltd wants to promote and sell the company's products abroad. The Directors are seeking advice from the UK Government to help them to export their products.  (b) Analyse ONE problem that the Sales Director must overcome when promoting and selling the company's products overseas.			
Directors are seeking advice from the UK Government to help them to export their products.  (b) Analyse ONE problem that the Sales Director must overcome when promoting and selling the company's products overseas.			(3)
	Directo	ors are seeking advice from the UK Government to help them to export their products.  Analyse ONE problem that the Sales Director must overcome when promoting and	
(3)			
(3)			
(3)			
(3)			
(3)			
(3)			
			(3)

	Describe TWO main functions of <b>each</b> department within the context of Velde Ltd.
(9)	
(9)	
(9)	
(9)	
	(9)

plan	elde Ltd's second factory will specialise in a new range of luxury confectionery. It is lanned to sell the range to major UK supermarket chains and freezer centres but not irectly to the general public.				
(a)	The marketing department need to produce a marketing plan for the new range . Using your knowledge of marketing, outline a marketing strategy and analyse its appropriateness for the new range.				

selling to major UK supermarkets and freezer centres. (b) Identify and evaluate suitable methods of recruiting and selecting the new sales force.

The directors need a new sales force for the second factory. This sales force will specialise in

(7)	—
Total 15 marks	

## END

## 3503 Business Studies - Specimen Mark Scheme

### **General Instructions for marking**

- 1 The paper is to be marked to GCSE standard, including Quality of Written Communication.
- 2 Questions requiring extended responses are to be marked in levels of response.
- 3 Marking of levels should be 'top down'. Examiners should look for the highest level of response achieved by the candidate.
- 4 The level and the mark **must** be indicated in the right hand margin of the candidate's answer to the extended questions.
- In numerical responses, the 'own figure rule' **must** be applied. Candidates can only be penalised (that is not rewarded) once for an error.
- 6 Mark in red.
- Sub-totals must be carried forward to the top of the next page and part question and question totals must be written in the boxes provided.
- All Edexcel Foundation procedures must be followed because any script may be used in the awarding process or may be the subject of an enquiry or may be returned to the candidate.
- 9 The mark scheme indicates possible content that candidates might use in their answers, but it is neither exhaustive nor complete. Credit **must** be given to all valid points. If in doubt contact the Principal Examiner.
- 10 Marking **must** be positive. Negative marking is not allowed.

## 3503: Business Studies – Specimen Mark Scheme

## Foundation Paper – 1F

## **QUALITY OF WRITTEN COMMUNICATION (QWC)**

There are 3 marks available for Quality of Written Communication. This will be assessed where extended writing is required. This is highlighted in the relevant sections of the mark scheme below.

To meet the criteria, the candidate must:

notice in window

Opportunity for assessment of QWC)(v)

- present relevant information in a form that suits its purpose (use of appropriate business language)
- ensure text is legible and that spelling, punctuation and grammar are accurate so that meaning is clear
- use a suitable structure and style of writing (logical sequencing)

#### **QUESTION 1**

(a)		For each of the questions write the letter A, B, C or D $(A01 - Demonstrate = 3)$	
	(i) (ii) (iii)	C D D	3
(b)	(i)	Which product had the lowest sales on Tuesday? (AO1 - Demonstrate = 1)	
		biscuits	1
	(ii)	On which day were most cakes sold? (AO1 - Demonstrate = 1)	
		Saturday	1
	(iii)	Calculate the total value of bread sales for the week. $(AO2 - Apply = 1)$	
		£1 000	1
	(iv)	Explain what Velde Ltd could do about the low sale of scones on Wednesday and Thursday. $(AO3-Analyse=2)$	
		Valid points could include: reduce prices special offers	
		free samples	

2

(v) If Velde wanted to try out a new product on their customers, which day of the week would you recommend they did this on? Explain your answer.

(AO3 – Analyse = 2)

### Valid points could include:

Saturday – more customers to trial it with Tuesday – more time to administer it

2

(c) Which methods of research would you have recommended he use? Give reasons for your answer

(AO4 - Evaluate = 3)

#### Valid points could include:

field research - localised therefore accurate; desk research - wider sample

3

(ii) Why, in market research, is using a telephone more reliable than using a written questionnaire?

 $\overline{(AO3 - Analyse = 2)}$ 

### Valid points could include:

instant reply quicker overall feedback clarify queries

2

(Opportunity for assessment of QWC)

**Total 15 marks** 

## **QUESTION 2**

(a)		What is meant by batch production and why is it used by Velde Ltd? $(AOI - Demonstrate = 1; AO2 - Apply = 3)$	
		Valid points could include: the same product made at the same time - best for business which make a variety of usually to a specific order - can switch to another batch allows more than one product to be produced in a day - best method when not many each product economies of scale flexibility in production planning	
		Level 2 candidate applies knowledge to context	2-4
		Level 1 candidate demonstrates knowledge of batch production	1
		(Opportunity for assessment of QWC)	
(b)		Discuss the importance of advertising to Velde Ltd. $(AO4 - Evaluate = 4)$	
		Valid points could include: encourage or maintain sales – by retaining existing customers, encouraging new custincrease sales – new products, new outlets could increase market share provide information maintain/promote company image – competitions, promotions, sponsorship potential to increase sales	stomers to
		Level 3 candidate makes relevant sound judgements in context	4
		Level 2 candidate makes relevant judgements	3
		Level 1 candidate identifies relevant aspects of importance	1-2
		(Opportunity for assessment of QWC)	
c)	(i)	State what is meant by the term 'secondary sector' as applied to Velde Ltd. $(AOI-Demonstrate=1;\ AO2-Apply=1\ )$	
		manufactured/processed from wheat/flour	2
	(ii)	Select ONE of the people below and complete the table $(AOI-Demonstrate=1)$	
		Bank Manager	1

## (iii) Explain TWO ways that ONE of the people from the table would support Velde Ltd. (AO2-Apply=4)

## Valid points could include:

(bank manager) – cheque/account facilities, loans/overdrafts, financial advice (delivery driver) – type/methods of transport, products to right place, storage/warehousing

(insurance agent) – business protection, financial loss, damage personal protection, employee, customers

(Opportunity for assessment of QWC)

**Total 15 marks** 

## **QUESTION 3**

stock

## (a) Choose FOUR of the decisions listed above and explain how they have helped the business to expand. (AO3 - Analyse = 4)Valid points could include: vans and drivers new factory and plant new products frozen hampers 4 (Opportunity for assessment of QWC) (b) State TWO features of a bank loan. (i) (AO1 - Demonstrate = 2)Valid points could include: money borrowed interest payable regular payments security required 2 (ii) List THREE assets. (AO1 - Demonstrate = 3)Valid points could include: factory premises vehicles equipment plant

3

Calculate the gross profit figures. (i) (AO2 - Apply = 1)Gross profit = £37 500 Why is it important for Velde Ltd to monitor each year's profits? (ii) (AO3 –Analyse 5) Valid points could include: ensure they are improving take steps if profit reducing compare year on year compare with competitors Level 2 candidate makes relevant judgements 3-5 Level 1 candidate draws limited conclusions 1-2 (Opportunity for assessment of QWC)

(c)

**Total 15 marks** 

1

## **QUESTION 4**

(a)

(a)	To what extent was this a good business decision for Fredric Velde? $(AO2 - Apply = 3; AO4 - Evaluate = 3)$					
	Valid points could include:  control – not answerable to anyone independence – can make own decisions profit retention – keep all profits sharing load – problems if ill or on holiday sharing expertise – does not have benefit of others expertise finance – lack of					
	all aspects of a sole trader brought together candidate shows clear understanding of limitations of a sole trader within the context a holistic answer which effectively evaluates the advantages/disadvantages of a sole trader					
	Level 3 candidate makes relevant judgements using a two-sided argument	5-6				
	Level 2 candidate applies sound knowledge within the context	3-4				
	Level 1 candidate applies basic knowledge	1-2				
	(Opportunity for assessment of QWC)					
(b)	List TWO features of a private limited company. (AO1 – Demonstrate = 2)					
	Valid points could include: limited liability finance family business no need to publish accounts	2				

## Evaluate the extent to which this would be a benefit to Velde Ltd. (c) (AO2 - Apply = 2: AO4 - Evaluate = 5)Valid points could include: more capital – issue of shares on Stock Exchange, no limit to number of shareholders no restrictions on buying/selling of shares limited liability separate legal identity specialist staff economies of scale high status - easier to attract finance/suppliers/credit candidate makes relevant judgements giving a balanced argument 6-7 Level 2 candidate applies knowledge to make basic judgement 3-5 Level 1 candidate applies knowledge 1-2 (Opportunity for assessment of QWC)

**Total 15 marks** 

3503 - Foundation Tier Assessment Grid

Task	AO1	AO2	AO3	AO4	Total
1 (a)	3				
1 (b) (i)	1				
1 (b) (ii)	1				
1 (b) (iii)		1			
1 (b) (iv)			2		
1 (b) (v)			2		
1 (c) (i)				3	
1 (c) (ii)			2		15
2 (a)	1	3			
2 (b)				4	
2 (c) (i)	1	1			
2 (c) (ii)	1				
2 (c) (iii)		4			15
3 (a)			4		
3 (b) (i)	2				
3 (b) (ii)	3				
3 (c) (i)		1			
3 (c) (ii)			5		15
4 (a)		3		3	
4 (b)	2				
4 (c)		2		5	15
Totals	15	15	15	15	60

Plus 3 marks for QWC

## 3503 - Foundation Tier Content Grid

Task	Content section				
	1	2	3	4	5
1	✓	✓	✓	✓	✓
2				✓	✓
3	✓		✓		
4	✓				

## **Assessment of Quality of Written Communication**

Candidates will be assessed for the quality of written communication according to the following criteria:

Level 3	3 marks	Candidates 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.		
Level 2	2 marks	Candidates write in sentences with a clear and structured style. They spell,		
		punctuate and use the rules of grammar with considerable accuracy.		
Level 1	1 mark	Candidates write in sentences with a limited structure. They spell,		
		punctuate and use the rules of grammar with reasonable accuracy.		

## 3503 Business Studies – Specimen Mark Scheme

## **General Instructions for marking**

- 1 The paper is to be marked to GCSE standard, including Quality of Written Communication.
- 2 Questions requiring extended responses are to be marked in levels of response.
- 3 Marking of levels should be 'top down'. Examiners should look for the highest level of response achieved by the candidate.
- 4 The level and the mark **must** be indicated in the right hand margin of the candidate's answer to the extended questions.
- In numerical responses, the 'own figure rule' **must** be applied. Candidates can only be penalised (that is not rewarded) once for an error.
- 6 Mark in red.
- Sub-totals must be carried forward to the top of the next page and part question and question totals must be written in the boxes provided.
- 8 All Edexcel Foundation procedures must be followed because any script may be used in the awarding process or may be the subject of an enquiry or may be returned to the candidate.
- 9 The mark scheme indicates possible content that candidates might use in their answers, but it is neither exhaustive nor complete. Credit **must** be given to all valid points. If in doubt contact the Principal Examiner.
- 10 Marking **must** be positive. Negative marking is not allowed.

## 3503: Business Studies – Specimen Mark Scheme

## Higher Paper – 2H

#### **QUALITY OF WRITTEN COMMUNICATION (QWC)**

There are 3 marks available for quality of written communication (QWC). This will be assessed in questions where extended writing is required. This is highlighted in the relevant sections of the mark scheme below.

To meet the criteria, the candidate must:

- present relevant information in a form that suits its purpose (use of appropriate business language)
- ensure text is legible and that spelling, punctuation and grammar are accurate so that meaning is clear
- use a suitable structure and style of writing (logical sequencing)

#### **QUESTION 1**

(a) Choose FOUR of the decisions listed above and explain how they have helped the business to expand.

(AO3 - Analyse = 4)

### Valid points could include:

vans and drivers new factory and plant new products frozen hampers

4

(Opportunity for assessment of QWC)

(b) (i) State TWO features of a bank loan.

(AO1 - Demonstrate = 2)

#### Valid points could include:

money borrowed interest payable regular payments security required

2

(ii) List THREE assets.

(AO1 - Demonstrate = 3)

### Valid points could include:

factory premises vehicles equipment plant stock

3

Calculate the Gross Profit figure. (c) (i) (AO2 - Apply = 1)Gross profit = £37 500 1 Why is it important for Velde Ltd to monitor each year's profits? (ii) (AO3 - Analyse = 5)Valid points could include: ensure they are improving take steps if profit reducing compare year on year compare with competitors Level 2 candidate makes relevant judgements 3-5 Level 1 candidate draws limited conclusions 1-2 (Opportunity for assessment of QWC)

**Total 15 marks** 

## **QUESTION 2**

(a)	To what extent was this a good business decision for Fredric Velde? $(AO2 - Apply = 3; AO4 - Evaluate = 3)$					
	Valid points could include: control – not answerable to anyone independence – can make own decisions profit retention – keep all profits sharing load – problems if ill or on holiday sharing expertise – does not have benefit of others expertise finance – lack of					
	all aspects of a sole trader brought together candidate shows clear understanding of limitations of a sole trader within the context a holistic answer which effectively evaluates the advantages/disadvantages of a sole trader					
	Level 3 candidate makes relevant judgements using a two-sided argument	5-6				
	Level 2 candidate applies sound knowledge within the context	3-4				
	Level 1 candidate applies basic knowledge	1-2				
	(Opportunity for assessment of QWC)					
(b)	List TWO features of a private limited company. (AO1 – Demonstrate = 2)					
	Valid points could include: limited liability finance family business no need to publish accounts	2				

## Evaluate the extent to which this would be a benefit to Velde Limited? (c) (AO2 - Apply = 2; AO4 - Evaluate = 5)Valid points could include: more capital – issue of shares on Stock Exchange, no limit to number of shareholders no restrictions on buying/selling of shares limited liability separate legal identity specialist staff economies of scale high status - easier to attract finance/suppliers/credit candidate makes relevant judgements giving a balanced argument 6-7 Level 2 candidate applies knowledge to make basic judgement 3-5 Level 1 candidate applies knowledge 1-2 (Opportunity for assessment of QWC)

**Total 15 marks** 

### **QUESTION 3**

## (a) Briefly explain the best method of production for Velde Ltd (AO2 - Apply = 1; AO4 - Evaluate = 2)

### Valid points could include:

batch production runs of many similar products change production easily

3

(b) Analyse ONE problem...when promoting and selling the company's products overseas. (AO2 - Apply = 3)

### Valid points could include:

different language – affects packaging, product name and advertising establishing outlets – means visits and negotiations different currency – affect pricing policy, profits and packaging new competition – influence pricing and marketing policy

#### Level 2

candidate applies knowledge and understanding to context

3

#### Level 1

candidate applies basic knowledge

1-2

(Opportunity for assessment of QWC)

## Describe TWO main functions of each department within the context of Velde Ltd. (c) (AO1 - Demonstrate = 6; AO2 - Apply = 3)Valid points could include: **Production Department** decision on how to produce new lines production runs method of production **Finance Department** arranging borrowing check on cash-flow wages and salaries **Marketing Department** market research advertising public relations Level 3 candidate applies sound knowledge and understanding within the context 7-9 Level 2 candidate applies knowledge to context 4-6 Level 1

candidate demonstrates basic knowledge of functions

(Opportunity for assessment of QWC)

**Total 15 marks** 

1-3

#### **QUESTION 4**

## (a) Using your knowledge of marketing, outline a marketing strategy for Velde Ltd and analyse its appropriateness for the new range.

(AO2 - Apply = 2; AO3 - Analyse = 6)

#### Valid points could include:

(price) – low-price strategy, due to competition, supermarket purchasing power

(place) – distribution to supermarket depots policy, frequency will be dictated by chain, positioning in store outside Velde's control

(promotion) – must promote the chain, determines choice of medium, can still advertise to final consumer

(product) – chain determines product features, market research still needed to assess demand/competition, liaise with chain re labelling and packaging

#### Level 3

candidate discusses all parts of the marketing mix

6-8

### Level 2

candidate discusses some parts of the marketing mix

3-5

#### Level 1

candidate selects parts of the marketing mix

1-2

(Opportunity for assessment of QWC)

## (b) Identify and evaluate suitable methods of recruiting and selecting the new sales force.

(AO1 - Demonstrate = 2; AO4 - Evaluate = 5)

#### Valid points could include:

(recruit) – job description/spec; recruitment source, job centre, newspapers internal recruitment, interviews for selection, personality testing

#### Level 3

candidate makes relevant judgements based on sound knowledge and understanding 5-7

#### Level 2

candidate demonstrates sound knowledge and understanding

3-4

#### Level 1

candidate demonstrates basic knowledge

1-2

(Opportunity for assessment of QWC)

**Total 15 marks** 

## 3503 - Higher Tier Assessment Grid

Task	AO1	AO2	AO3	AO4	Total
1 (a)			4		
1 (b) (i)	2				
1 (b) (ii)	3				
1 (c) (i)		1			
1 (c) (ii)			5		15
2 (a)		3		3	
2 (b)	2				
2 (c)		2		5	15
3 (a)		1		2	
3 (b)		3			
3 (c)	6	3			15
4 (a)		2	6		
4 (b)	2			5	15
Totals	15	15	15	15	60

Plus 3 marks for QWC

## 3503 - Higher 2 Content Grid

Task	Content section				
	1	2	3	4	5
1	✓				
2	✓		✓		
3	✓			✓	✓
4		✓		✓	

## **Assessment of Quality of Written Communication**

Candidates will be assessed for the quality of written communication according to the following criteria:

Level 3	3 marks	Candidates 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.
Level 2	2 marks	Candidates write in sentences with a clear and structured style. They spell,
		punctuate and use the rules of grammar with considerable accuracy.
Level 1	1 mark	Candidates write in sentences with a limited structure. They spell, punctuate
		and use the rules of grammar with reasonable accuracy.

Order code: UG 009326
© 2000 EDEXCEL Foundation
This publication may only be reproduced in accordance with Edexcel copyright policy.
Edexcel Foundation is a Registered charity.

For more information on Edexcel qualifications please contact our Customer Response Centre on 020 7393 4500 or email: <a href="mailto:enquiries@edexcel.org.uk">enquiries@edexcel.org.uk</a> or visit our website: www.edexcel.org.uk

