

Mark Scheme Summer 2009

GCSE Business Studies
Short Course

GCSE Business Studies - Short Course (3503)

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

3503/1F Mark Scheme June 2009

Question Number	Answer	Mark
1(a)	<i>(AO1 - Demonstrate = 3)</i>	
	(i) promotion (ii) informative (iii) Secondary	(3)

Question Number	Answer	Mark
1(b)(i)&(ii)	<i>(AO1 - Demonstrate = 2)</i>	
	(i) B (ii) A	(2)

Question Number	Answer	Mark
1(c)(i)	<i>AO1 - Demonstrate = 2)</i>	
	<p>Valid points could include:</p> <p>eg</p> <ul style="list-style-type: none"> • the net amount of income - made by a business over a period of time • the financial reward - for the owner(s) of a business gross profit - less expenses <p>(Reference to 'money' 1 mark maximum)</p>	(2)

Question Number	Answer	Mark
1(c)(ii)	<i>(AO2 - Apply = 3)</i>	
	<p>Valid points could include:</p> <p>eg</p> <ul style="list-style-type: none"> • dealing with wages / calculating wages • constructing final accounts / financial statements • dealing with invoices / trading documents • advising on capital investment • constructing ratios / advising on financial performance • budgeting / costing • financial forecasting / cash flow forecasting 	(3)

Question Number	Answer	Mark
1(d)	<p style="text-align: center;"><i>(A04- Evaluate = 5)</i></p> <p>Valid points could include: eg</p> <ul style="list-style-type: none"> • easy to handle / carry - easy to store - can send by post as well as hand out -informative / a lot of information can go on a leaflet - can be colourful / appealing permanent / customer can keep - cheaper than many other media • can date quickly / change of information means reprint - may print too many or too few - can lack appeal if badly designed - customer can lose / choose to throw away <p>(maximum 3 marks advantage; maximum 3 marks disadvantage)</p>	(5)

Question Number	Answer	Mark
2(a)	<p style="text-align: center;"><i>(A03 - Select/Analyse = 2)</i></p> <p>Valid points could include: eg</p> <ul style="list-style-type: none"> • Bank may not grant it - because overdrafts are not designed for expensive purchases / so Andrew cannot buy the machine / so Andrew will need another source of finance • The overdraft may not be large enough - so the company will need other funding as well • Bank may withdraw it after a short time - so Andrew has to find the payments from another source 	(2)

Question Number	Answer	Mark
2(b)(i)	<p style="text-align: center;"><i>(A02 - Apply = 1)</i></p> <p>Valid points could include: eg</p> <ul style="list-style-type: none"> • creditors • tax due • dividends due • accrued expenses 	(1)

Question Number	Answer	Mark
2(b) (ii)	<p style="text-align: center;"><i>(AO2 - Apply = 2)</i></p> <p>Valid points could include: eg</p> <ul style="list-style-type: none"> • B & R's current liabilities represent what it owes in the short term - its current assets represent cash or near-cash that it owns • B & R's current liabilities have a negative effect on its working capital - its current assets have a positive effect on its working capital 	(2)

Question Number	Answer	Mark
2(c)	<p style="text-align: center;"><i>(AO2 - Apply = 2)</i></p> <p>Valid points could include: eg B & R's mission statement is a general statement of intent / a long-term goal - whereas its objectives are short term goals / its objectives focus on how the mission statement will be achieved</p>	(2)

Question Number	Answer	Mark
2(d)	<p style="text-align: center;"><i>(AO1 - Demonstrate = 2)</i></p> <p>Valid points could include: eg the dominant business - in a particular market / market segment</p>	(2)

Question Number	Answer	Mark
2(e)	<p><i>(AO3 - Select/Analyse = 4; AO4 - Evaluate = 2)</i></p> <p>Valid points could include:</p> <p>eg better</p> <ul style="list-style-type: none"> • Andrew has limited liability - with a sole trader his unlimited liability could lead to loss of personal possessions • it is easier for Andrew to pass on the business / the company will stay in existence if Andrew finishes - a sole trader business would have to end • it is easier for Andrew to raise capital - eg take on new shareholders <p>eg not better</p> <ul style="list-style-type: none"> • Andrew would have fewer formalities / fewer costs to deal with in a sole trader - a company has many formalities / more costs eg lodging final accounts <p>(4 marks for discussion + 2 marks for conclusion OR 6 marks for discussion)</p>	(6)

Question Number	Answer	Mark
3(a)(i)&(ii)	<p><i>(AO1 - Demonstrate = 2; AO2 - Apply = 2)</i></p> <p>Valid points could include:</p> <p>(i) eg Hierarchy the business's formal structure - the chart shows the Managing Director is at the top of the hierarchy / the hierarchy runs from the MD at the top to the apprentices at the bottom (2)</p> <p>(ii) eg Delegation passing authority down the hierarchy - the chart shows that the Accountant can delegate tasks to the Office Clerk (2)</p>	(4)

Question Number	Answer	Mark
3(b)	<p style="text-align: center;"><i>(AO3 - Select/Analyse = 2)</i></p> <p>Valid points could include: eg wording - cannot advertise for male only or female only employees</p>	(2)

Question Number	Answer	Mark
3(c)(i)	<p style="text-align: center;"><i>(AO3 - Select/Analyse = 2)</i></p> <p>Valid points could include: eg Job descriptions</p> <ul style="list-style-type: none"> • contain information about the job tasks / duties - Andrew and the Works Manager can match the candidates' qualifications / skills against them to help them draw up a shortlist • Andrew and the Works Manager can use job descriptions to help them draw up a shortlist - avoids wasting time spent with unsuitable candidates 	(2)

Question Number	Answer	Mark
3(c)(ii)	<p style="text-align: center;"><i>(AO3 - Select/Analyse = 3)</i></p> <p>Valid points could include: eg Interviews held at the factory</p> <ul style="list-style-type: none"> • Andrew and the Works Manager meet candidates face to face - can ask questions - to help judge candidates' suitability • Candidates' skills can be tested - because the interviews are where they will work - this helps Andrew and the Works manager recruit the best candidate 	(3)

Question Number	Answer	Mark
3(d)	<p><i>(AO3 - Select/Analyse = 2; AO4 - Evaluate = 2)</i></p> <p>Valid points could include: eg (AO3) employees become more efficient / faster - increases productivity / output by learning to use the software - these employees can operate the CAD/CAM equipment efficiently</p> <p>(AO4) but production will be lost whilst employees are training - which could mean orders are not met / loss of business but employees may expect more money as a result - which will lower company profits</p>	(4)

Question Number	Answer	Mark
4(a)	<p><i>(AO2 - Apply = 3)</i></p> <p>Valid points could include: eg</p> <ul style="list-style-type: none"> • because a single product is made to customer order • each tool is different / machine tools are built for a specific job only • customers have to set their own specifications 	(3)

Question Number	Answer	Mark
4(b)(i)	<p><i>(AO1 - Demonstrate = 4)</i></p> <p>Valid points could include: eg</p> <ul style="list-style-type: none"> • batch production makes a set quantity of a product - then a quantity of another product is made • flow production is continuous production - of the same product 	(4)

Question Number	Answer	Mark
4(b)(ii)	<p style="text-align: center;"><i>(AO2 - Apply = 2)</i></p> <p>Valid points could include: eg</p> <ul style="list-style-type: none"> • large demand / a mass market / millions of customers - so a continuous production run can stay operating • there are many components/parts / stages in a car - so the production and assembly lends itself to a 'flow' process 	(2)

Question Number	Answer	Mark
4(c)	<p style="text-align: center;"><i>(AO4- Evaluate = 6)</i></p> <p>Valid points could include: eg</p> <ul style="list-style-type: none"> • lower costs - because low stock held - so there is less need for storage space / less chance of stock losses • risk of stockout - because of reliance on supplier to meet deadlines - if a stockout occurs production stops / deadlines cannot be met 	(6)

3503 - Foundation Tier Assessment Grid

Task	A01	A02	A03	A04	Total
1a	3				3
1b	2				2
1c	2	3			5
1d				5	5
2a			2		2
2b		3			3
2c		2			2
2d	2				2
2e			4	2	6
3a	2	2			4
3b			2		2
3c			5		5
3d			2	2	4
4a		3			3
4b	4	2			6
4c				6	6
Totals	15	15	15	15	60

3503 - Foundation Tier Content Grid

Task	Content section				
	1	2	3	4	5
1			5 marks	10 marks	
2	10 marks		5 marks		
3		15 marks			
4					15 marks

3503/2H Mark Scheme June 2009

Question Number	Answer	Mark
1(a)(i)&(ii)	<p><i>(A01 - Demonstrate = 2: A02 - Apply = 2)</i></p> <p>Valid points could include:</p> <p>(i) eg Hierarchy the business's formal structure - the chart shows the Managing Director is at the top of the hierarchy / the hierarchy runs from the MD at the top to the apprentices at the bottom (2)</p> <p>(ii) eg Delegation passing authority down the hierarchy - the chart shows that the Accountant can delegate tasks to the Office Clerk (2)</p>	(4)

Question Number	Answer	Mark
1(b)	<p><i>(A03 - Select/Analyse = 2)</i></p> <p>Valid points could include: eg wording - cannot advertise for male only or female only employees</p>	(2)

Question Number	Answer	Mark
1(c)(i)	<p><i>(A03 - Select/Analyse = 2)</i></p> <p>Valid points could include:</p> <p>(i) eg Job descriptions</p> <ul style="list-style-type: none"> • contain information about the job tasks / duties - Andrew and the Works Manager can match the candidates' qualifications / skills against them to help them draw up a shortlist • Andrew and the Works Manager can use job descriptions to help them draw up a shortlist - avoids wasting time spent with unsuitable candidates 	(2)

Question Number	Answer	Mark
1(c)(ii)	<p style="text-align: center;"><i>(AO3 - Select/Analyse = 3)</i></p> <p>Valid points could include: (ii) eg Interviews held at the factory</p> <ul style="list-style-type: none"> • Andrew and the Works Manager meet candidates face to face - can ask questions - to help judge candidates' suitability • Candidates' skills can be tested - because the interviews are where they will work - this helps Andrew and the Works manager recruit the best candidate 	(3)

Question Number	Answer	Mark
1(d)	<p style="text-align: center;"><i>(AO3 - Select/Analyse = 2; AO4 - Evaluate = 2)</i></p> <p>Valid points could include: eg (AO3) employees become more efficient / faster - increases productivity / output by learning to use the software - these employees can operate the CAD/CAM equipment efficiently</p> <p>(AO4) but production will be lost whilst employees are training - which could mean orders are not met / loss of business but employees may expect more money as a result - which will lower company profits</p>	(4)

Question Number	Answer	Mark
2(a)	<p style="text-align: center;"><i>(AO2 - Apply = 3)</i></p> <p>Valid points could include: eg</p> <ul style="list-style-type: none"> • because a single product is made to customer order • each tool is different / machine tools are built for a specific job only • customers have to set their own specifications 	(3)

Question Number	Answer	Mark
2(b)(i)	<p style="text-align: center;"><i>(AO1 - Demonstrate = 4)</i></p> <p>Valid points could include: eg</p> <ul style="list-style-type: none"> • batch production makes a set quantity of a product - then a quantity of another product is made • flow production is continuous production - of the same product 	(4)

Question Number	Answer	Mark
2(b) (ii)	<p style="text-align: center;"><i>(AO2 - Apply = 2)</i></p> <p>Valid points could include: eg</p> <ul style="list-style-type: none"> • large demand / a mass market / millions of customers - so a continuous production run can stay operating • there are many components / parts / stages in a car - so the production and assembly lends itself to a 'flow' process 	(2)

Question Number	Answer	Mark
2(c)	<p data-bbox="699 315 970 349" style="text-align: center;"><i>(AO4- Evaluate = 6)</i></p> <p data-bbox="496 383 863 416">Valid points could include:</p> <p data-bbox="496 421 528 454">eg</p> <ul data-bbox="544 459 1166 723" style="list-style-type: none"><li data-bbox="544 459 1166 555">• lower costs - because low stock held - so there is less need for storage space / less chance of stock losses <li data-bbox="544 593 1166 723">• risk of stockout - because of reliance on supplier to meet deadlines - if a stockout occurs production stops / deadlines cannot be met	(6)

Question Number	Answer	Mark
3(a)(i)	<p style="text-align: center;"><i>(AO1 - Demonstrate = 2)</i></p> <p>Valid points could include: eg original research - because a business undertakes it for its own purposes / through techniques such as surveys</p>	(2)

Question Number	Answer	Mark
3(a)(ii)	<p style="text-align: center;"><i>(AO2 - Apply = 3)</i></p> <p>Valid points could include: eg Andrew can survey / contact / question existing customers - see if they would be interested in the reconditioned products - the information that he obtains through surveys / questioning will give him information on which to base his decision</p>	(3)

Question Number	Answer	Mark
3(b)	<p style="text-align: center;"><i>(AO3 - Select/Analyse = 6)</i></p> <p>Valid points could include: eg</p> <ul style="list-style-type: none"> • (Trend 1) lower costs for B & R - may be able to invest in more CAD/CAM equipment - may be able to replace more frequently - increases quality / output • (Trend 2) this increases demand for home-produced machine tools - B & R should be able to increase its sales - it will need to review factors such as space, capacity and numbers employed if demand is to increase 	(6)

Question Number	Answer	Mark
3(c)	<p style="text-align: center;"><i>(AO2 - Apply = 4)</i></p> <p>Valid points could include: eg Survival - competitive Improve technology - investing in CAD / CAM Keep low staff LTO - high staff retention Wealth creation - Andrew is sole shareholder</p>	(4)

Question Number	Answer	Mark
4(a)	<p style="text-align: center;"><i>(AO1 - Demonstrate = 4; AO2 - Apply = 1)</i></p> <p>Valid points could include: eg (AO1) advertising products relies on one set of rules - such as ASA - advertising for employees relies on different rules - eg equal opportunities advertising products seeks to persuade people to buy - advertising for employees is primarily informative advertising products uses one set of media - advertises for employees are placed using different media / sources</p> <p style="text-align: right;">(4)</p> <p>eg (AO2) reference to machine tools, skilled/specialist employees</p> <p style="text-align: right;">(1)</p>	(5)

Question Number	Answer	Mark
4(b)	<p><i>(AO1 - Demonstrate = 3: AO4 - Evaluate = 7)</i></p> <p>Valid points could include: eg (AO1: may be implied) additional capital is the personal investment of the owner - bank loan is a set amount of money for a stated purpose from a bank - medium term can be defined, for example as over 1 year but less than 5 years (3)</p> <p>eg (AO4) (additional capital) Andrew's own money so he will no longer have this available for any other spending/investment - permanent investment in the business - will increase Andrew's stake / will increase the value of the business - no interest paid so it should increase future profits available to Andrew</p> <p>(medium term bank loan) bank agrees / formal arrangement so it is guaranteed - costs are known in advance and can be budgeted for - it has to be repaid/not permanent / only for a medium term eg up to 5 years - interest payments have to be met or the company's future is uncertain (6)</p> <p>(justified decision) loan because.... OR capital because.... (1)</p> <p>(maximum 5 marks for a one-sided answer)</p>	(10)

3503 - Higher Tier Assessment Grid

Task	A01	A02	A03	A04	Total
3a	2	2			4
3b			2		2
3c			5		5
3d			2	2	4
4a		3			3
4b	4	2			6
4c				6	6
5a	2	3			5
5b			6		6
5c		4			4
6a	4	1			5
6b	3			7	10
Totals	15	15	15	15	60

3503 - Higher Tier Content Grid

Task	Content section				
	1	2	3	4	5
3		15 marks			
4					15 marks
5	10 marks			5 marks	
6			10 marks	5 marks	

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