

Oxford Cambridge and RSA Examinations
General Certificate of Secondary Education

BUSINESS STUDIES A
FOUNDATION TIER
BUSINESS COMMUNICATION AND MARKETING

1951/5

Specimen Paper 2003

Additional materials:
Candidates answer on the question paper.

TIME 1 hour

Candidate Name	Centre Number	Candidate Number												
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INSTRUCTIONS TO CANDIDATES

- Write your name in the space above.
- Write your Centre number and candidate number in the boxes above.
- Answer all the questions.
- Write your answers, in blue or black ink, in the spaces provided on the question paper.
- Read each question carefully and make sure you know what you have to do before starting your answer.

INFORMATION FOR CANDIDATES

- The number of marks is given in brackets [] at the end of each question or part question.
- The total number of marks for this paper is 60.
- The quality of your written communication will be taken into account when marking your answers to questions marked with an asterisk (*).

Question number	For examiner's use only
1	
2	
TOTAL	

Question 1

(a) Heathmatt Music Ltd sells CDs and tapes by mail order operating from a small business unit in Barndon. Most of their sales are paid for by credit card.

(i) State **one** advantage and **one** disadvantage to Heathmatt Music Ltd of accepting credit cards in payment for goods.

Advantage

Disadvantage

[2]

(ii) State **two** methods of payment, other than credit cards, that Heathmatt Music Ltd might accept.

[2]

(b) Heather and Matthew, the owners of Heathmatt Music Ltd, feel that their tapes and CDs should be sold through the Internet, and not just by mail order.

(i) Explain the advantages of communicating the availability of tapes and CDs to existing customers by mailshot.

[4]

(ii) Explain **two** possible problems for the consumer in buying goods through the Internet.

[4]

- (c) Both Heather and Matthew are concerned about the competition from other businesses selling CDs on the Internet. They both have ideas on how to make their business different to others.

Heather and Matthew's ideas

Heather's Ideas	Matthew's Ideas
Sell 4 CDs for the price of 3.	Promise 48 hour delivery or money back guarantee.
Sell other products such as T shirts, calendars and magazines.	Give a free audio tape with each CD.
Gift wrap the CD at no extra charge.	Every customer is entered in a free monthly prize draw.

Fig. 1

- *(i) Using the information in Fig 1, advise Heather and Matthew on whom you think has the better ideas for the business. Give reasons for your choice.

Choice

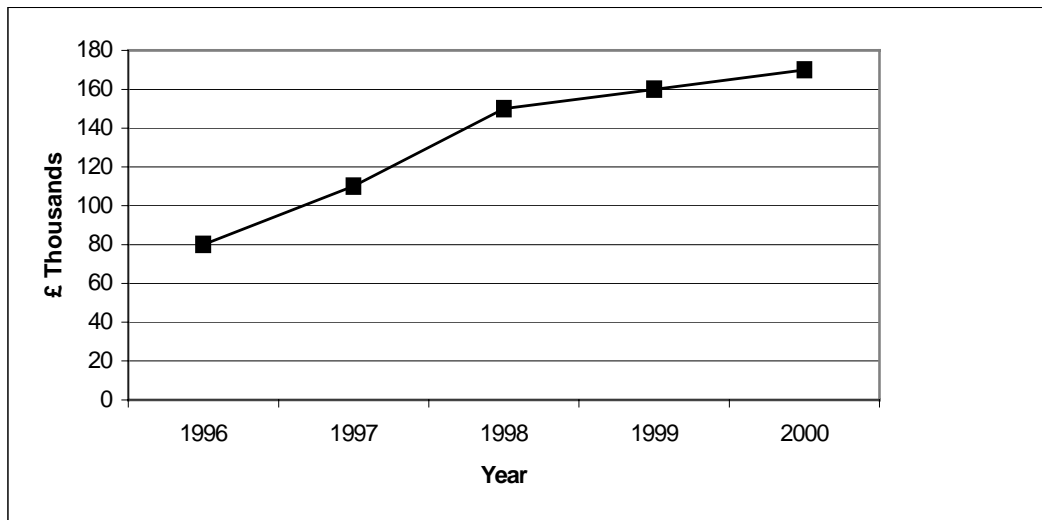
Reasons

[6 + 2]

- (ii) State **two** other ideas, not listed in Fig 1, which might make Heathmatt Music Ltd different to other businesses.

[2]

- (d) Although Heathmatt Music Ltd is a small business, sales have risen steadily over the last five years, as shown in the graph below.



Heathmatt Music Ltd Sales 1996-2000

Fig. 2

- (i) State the value of sales in 1998.

[1]

- (ii) Use the graph to explain how sales have changed from 1996 to 2000.

[3]

(iii) Explain **two** possible advantages for Heathmatt Music Ltd of being a small business.

[4]

TOTAL MARKS 30

Question 2

- (a) Fastener Supplies Ltd makes and supplies nails, screws and other fasteners. The business has recently developed a new fastener for double glazed plastic windows. The following data shows the sales of double glazed plastic windows compared to single glazed wooden windows.



Analyse the data shown in the graph to explain why Fastener Supplies Ltd should develop their new product.

[3]

- (b) Fastener Supplies Ltd felt it had to introduce e-commerce to sell the new fasteners successfully.

(i) Explain what is meant by e-commerce.

[2]

(ii) Explain how the workers at Fastener Supplies Ltd might be affected by the introduction of e-commerce.

[4]

(iii) Explain why Fastener Supplies Ltd might have felt it had to introduce e-commerce.

[4]

- (c) Fastener Supplies must decide whether to sell the new fastener on a global market or a local market. The marketing manager at Fastener Supplies Ltd drew up a list of differences between selling to the different types of market.

Features of different types of market

Local Market	Global Market
1 Smaller number sold	1 Larger number sold
2 Sell to small area	2 Sell to different countries
3 Less chance of higher profits	3 Chance of higher profits
4 Less to spend on technology	4 More to spend on technology

- (i) Using the information above, advise the company on which of the two markets they should aim for. Give reasons for your choice.

[7]

- (ii) Explain **two** problems that Fastener Supplies Ltd might face if they decide to sell their products through e-commerce in a global market rather than a national market.

[4]

(d) The company will soon offer a new range of products which will be available 'on line'. It is thinking about using the following methods of communication to inform present and new customers about the new range.

- E-mail
- Letters
- Telephone
- Leaflets

Explain which of the above methods of communication Fastener Supplies Ltd should use. Give reasons for your choice.

[6]

TOTAL MARKS 30

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MARK SCHEME

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General advice to Assistant Examiners on the procedures to be used

1. An element of professional judgement is required in the marking of any written paper, and candidates may not use the exact words which appear in the detailed sheets which follow. If the business studies is correct and also answers the question then the mark(s) should normally be credited.
2. Mark in red. A tick (✓) should be used, at the appropriate point, for each answer judged worthy of credit.
3. Strike through all blank spaces and/or pages in order to give a clear indication that the whole of the script has been considered.
4. The mark total for each question should normally be ringed at the bottom right hand side.
5. In cases where candidates give multiple answers, mark the first answer(s) up to the total number required. In specific cases where this simple rule cannot be applied, the exact procedure to be used will be given in detail at the Examiners' Standardisation meeting.
6. Some questions may have a 'Level of Response' mark scheme. Details of these are given in this Mark Scheme.
7. Abbreviations, annotations and conventions used in the detailed Mark Scheme

/ = alternative and acceptable answers for the same marking point

NOT = answers which are not worthy of credit

 = (underlining) key words which **must** be used to gain credit

ecf = error carried forward

Question 1

30 marks

1 (a)	Target: Demonstrate knowledge and understanding of credit cards as a method of payment.	
(i)	Advantage: Ease of use for consumer (1) payment guarantee (1) no risk of payment lost in post (1) immediate payment (1) speeds up transactions (1). Disadvantage: Commission payment reduces profit (1) immediate payment (1).	2
(ii)	Any 2 x 1 mark each. cheque (1) cash (1) gift voucher (1) debit cards (1) postal orders (1)	2
(b)	Target: Demonstrate knowledge and understanding of Internet and evaluate the benefits of using particular communication systems.	
(i)	Mailshot can be targeted more effectively at particular groups (1) which will save the business money (1). It can be personalised more easily than many other types of communication (1) making any offer of business more attractive (1). Different styles/colour/gloss could be used in the mailshot (1) which would help the selling of products such as CDs and tapes (1).	4
(ii)	Any 2 x 2 marks Fraudulent use of credit card (1) with loss of money (1) no guarantee of delivery (1) which will cause further enquiries to be made (1). There is no paper record of the transaction (1) which makes further enquiries difficult (1).	4

(c)	Target: Knowledge and evaluation of marketing techniques.								
(i)	<p>Level 3 (5-6 marks) Candidate evaluates all the data available, relating the benefits to Heathmatt Music Ltd. A reasoned proposal is made in the light of the evidence evaluated.</p> <p>Level 2 (3-4 marks) Candidate uses some of the data, making a proposal that is not fully supported by the evidence.</p> <p>Level 1 (1-2 marks) A very limited recommendation is made using the evidence.</p> <p>N.B. No mark for choice if left unsupported.</p> <p>Candidates will also be assessed for their quality of their written communication on this part of the question, according to the following criteria.</p> <table border="1" data-bbox="347 896 1273 1256"> <tr> <td data-bbox="347 896 1114 996">Ideas are expressed clearly, fluently, legibly and in an appropriate way. There are few errors in spelling, punctuation and grammar.</td> <td data-bbox="1114 896 1273 996">(2)</td> </tr> <tr> <td data-bbox="347 996 1114 1131">Straightforward ideas are expressed relatively clearly, legibly and appropriately. There may be some errors of spelling, punctuation and grammar, but these do not obscure the meaning of the answer.</td> <td data-bbox="1114 996 1273 1131">(1)</td> </tr> <tr> <td data-bbox="347 1131 1114 1256">Candidate fails to reach the threshold standard in all respects.</td> <td data-bbox="1114 1131 1273 1256">(0)</td> </tr> </table>		Ideas are expressed clearly, fluently, legibly and in an appropriate way. There are few errors in spelling, punctuation and grammar.	(2)	Straightforward ideas are expressed relatively clearly, legibly and appropriately. There may be some errors of spelling, punctuation and grammar, but these do not obscure the meaning of the answer.	(1)	Candidate fails to reach the threshold standard in all respects.	(0)	6
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Candidate fails to reach the threshold standard in all respects.	(0)								
1 (c) (ii)	<p>2 x 1 mark</p> <p>Discounts (1) free gifts (1) special offers (1) vouchers (1). Any reasonable suggestion.</p>		2						

(d)	Target: Ability to select and use data relating to business sales. Understand and apply the benefits of a small business to a given situation.	
(i)	£150,000	1
(ii)	<p>3x1 mark</p> <p>Sales increased by £30,000 from 1996 to 1997 (1), by £40,000 from 1997 to 1998 (1) and by £10,000 from 1998 to 1999 and 1999 to 2000 (1).</p> <p>OR</p> <p>Sales increased more rapidly from 1996 to 1998 (1), especially from 1997 to 1998 (1). Growth slowed from 1998 to 2000 (1).</p>	3
(iii)	<p>2 x 2 marks</p> <p>Heathmatt Music Ltd will be able to make decisions more quickly (1) as there are fewer people to consult (1). They will be more flexible (1) being able to meet consumer needs (1). They will be able to offer a more personal service (1) as there are fewer employees dealing with customers (1), lower overheads (1) making the business more competitive (1).</p>	4

Question 2

30 marks

(a)	Target: Analysis and interpretation of data in a given context.	
(i)	3x1 mark Wooden window sales are slowing rapidly (1) with high levels of growth in plastic double glazing (1). To maintain high levels of sales, businesses such as Fastener Supplies Ltd must adapt their products accordingly (1).	3
(b)	Target: Demonstrate knowledge, understanding and application of e-commerce in a given context.	
(i)	2x1 mark E-commerce is a market that brings buyers and sellers together (1) electronically (1).	2
(ii)	4x1 or 2x2 if points developed (max 4 marks) New training (1) in order to operate different equipment (1), possible redundancy (1) or change of job (1) as fewer workers may be needed (1), different working patterns (1) e.g. longer hours (1) due to differing customer needs (1). New orders add to workload (1) which may create stress (1).	4
(iii)	2x2 = 4 marks (allow 1x4 if point sufficiently developed) (max 4 marks) To keep up with competitors (1) in order to maintain present customers (1), to make the business more efficient (1) which would generate more profits (1), to help attract new business (1) in order to aid growth (1) or satisfy growing customer needs (1). To reach a global market (1) in order to sustain growth (1).	4
(c)	Target: Evaluation and application of benefits of business activity in the global market.	
(i)	Level 3 (6-7 marks) Candidate uses the full range of data available to compare the benefits of the global market to the local environment in relation to the business context provided. A reasoned judgement is made with supporting evidence drawn from all of the information provided. Level 2 (3-5 marks) Candidate uses some of the data making general comparisons between global and local markets, with some appreciation of the benefits for the business. Decision made with use of some data. Level 1 (1-2 marks) Candidate makes very limited use of the data, with only superficial comments being made on the different markets.	7

2 (c) (ii)	<p>2x2 marks</p> <p>Increased competition (1) may force price reductions (1), logistical problems (1) of transportation (1) especially when selling abroad (1), different working practices (1) due to new systems (1), language problems (1) when selling abroad (1). Changing/exchanging goods more difficult (1) due to distances involved (1).</p>	4
(d)	Target: Application and evaluation of different methods of communication to a given situation.	
	<p>Level 2 (4-6 marks) Candidate makes appropriate choice(s) of communication methods, giving clear justification of the choices made and recognising possible shortcomings in other available choices.</p> <p>Level 1 (1-3 marks) Candidate makes appropriate choice(s) with only superficial reasons to justify the choice made.</p>	6

