

Mark Scheme November 2008

IGCSE

IGCSE Business (4330/2H)

4330 2H Markscheme

Question Number	Answer	Mark
1(a)	Gross profit 160 000 Net profit 120 000	(2)

Question Number	Answer	Mark
1(b)	<p>Valid points could include:</p> <p>eg</p> <ul style="list-style-type: none"> profitability - net profit is shown as a percentage of sales/turnover it tells Ivan how much net profit he makes - as a percentage of sales/turnover Ivan can see how many pence net profit he makes - out of every £1 sales/turnover 	(2)

Question Number	Answer	Mark
1(c)(i)	<p>62.5% / 62½%</p> <p>(1 mark for correct working but incorrect result) (1 mark for "62.5" or "62½")</p>	(2)

Question Number	Answer	Mark
1(c)(ii)	<p>20%</p> <p>(1 mark for correct working but incorrect result) (1 mark for "20")</p>	(2)

Question Number	Answer	Mark
1(d)	<p>Valid points could include:</p> <p>eg</p> <p>Although <i>Ice Aye's</i> gross profit margin is lower by 5% - its net profit margin is 5% higher than <i>Ices R Us</i> - which means it made 5p in the £ more net profit - therefore (justified conclusion) <i>Ice Aye</i> had the better performance in 2007</p> <p><i>Ices R Us</i> because it has a higher gross profit margin - by 5% (2 marks maximum)</p> <p>(no marks for just copying figures without judgement)</p>	(4)

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Question Number	Answer	Mark
1(e)	<p>Valid points could include: eg</p> <p>batch production involves making a set number of a product - production equipment is changed when a batch is completed</p> <p>flow production is continuous production without stopping - each stage is linked to the next/components are fed into the main production line</p>	(4)

Question Number	Answer	Mark
1(f)	<p>Valid points could include: eg</p> <p>because they are single orders - likely to require special ingredients/designs - and skilled employees - no economies of scale are possible</p>	(4)
		Total 20 marks

Question Number	Answer	Mark
2(a)(i)	<p>Valid points could include:</p> <p>eg</p> <ul style="list-style-type: none"> • wider ownership - because anyone can buy shares • anyone can own shares - this may mean family ownership is lost/a takeover can occur 	(2)

Question Number	Answer	Mark
2(a)(ii)	<p>Valid points could include:</p> <p>eg</p> <p>Ivan/the family may lose control - because they may be outvoted by new shareholders</p>	(2)

Question Number	Answer	Mark
2(a)(iii)	<p>Valid points could include:</p> <p>eg</p> <ul style="list-style-type: none"> • Rayn and Gloria/the Managers can specialise - resulting in managerial economies of scale • Rayn/the Marketing Manager can help the company gain marketing economies through specialising - Gloria/the Production Manager can help the company gain production/technical economies through specialising • Rayn and Gloria cannot by themselves lead to other economies of scale - such as financial or purchasing economies <p>(maximum 2 marks for a one-sided answer)</p>	(4)

Question Number	Answer	Mark
2(b)	<p>Valid points could include:</p> <p>eg</p> <ul style="list-style-type: none"> • employment/workforce must be suitable - sufficient numbers needed - with sufficient skills - and willing to work for set pay levels - cost of training new employees/may be support available • infrastructure/access must be suitable - for transporting the products to the shops - for access by employees/visitors - adequate council/waste disposal - speed important because of the nature of the products • premises must be suitable - cost of buying/renting - availability of government grants to reduce building/rental costs - availability of cheap finance 	(8)

Question Number	Answer	Mark
2(c)	<p>Valid points could include:</p> <p>eg</p> <ul style="list-style-type: none"> • email is immediate but so is the telephone - hard copy is available with email/it can be stored/kept as a record but not with telephones/a record would have to be made of the conversation - • but the email may not be understood by the recipient whereas points can be explained/queried during a telephone conversation - and the email might not be accessed if the computer is not being used whereas the caller will be aware that the telephone was not answered <p>(maximum 2 marks for a one-sided answer)</p>	(4)
(Total 20 marks)		

Question Number	Answer	Mark
3(a)	<p>Valid points could include:</p> <p>eg (Disability Discrimination) applies when advertising jobs - applies when interviewing/selecting/offering job after interview - <i>Nice Lolly Ltd</i> must take reasonable steps so disabled people can work there - by doing so, it will meet the disability-related element in the objective</p> <p>eg (Age Regulations) prohibits discrimination when advertising for employees - applies when interviewing/selecting/offering job after interview - <i>Nice Lolly Ltd</i> cannot decide not to employ someone because of their age - by following this regulation, it will meet the age-related element in the objective</p> <p>eg (Race Relations) applies when advertising jobs - applies when interviewing/ selecting/offering job after interview - <i>Nice Lolly Ltd</i> must ensure no discrimination on grounds of colour, race, nationality, ethnic origin - by doing so, it will meet the race-related element in the objective</p> <p>eg (Sex Discrimination) unlawful to discriminate against either sex when advertising jobs - applies when interviewing/selecting/offering job after interview - <i>Nice Lolly Ltd</i> must ensure no discrimination on grounds of sex - by doing so, it will meet the race-related element in the objective</p>	(4)

Question Number	Answer	Mark
3(b)	<p>Valid points could include:</p> <p>eg (Job descriptions) details of the job are communicated to HRM staff/to applicants - ensures <i>Nice Lolly Ltd</i> staff have a clear idea of what the job really involves when interviewing/saves <i>Nice Lolly Ltd</i> time and money - helps applicants discover what is involved/where job located/rates of pay</p> <p>eg (Person specifications) outlines personal attributes relevant to the job - helps <i>Nice Lolly Ltd</i> staff decide when/where to advertise the vacancies/gives a set of standards against which the job applicants can be measured/helps to ensure fairness in recruitment - tells applicants what skills/attributes they must possess so ensures they do not waste their time applying to <i>Nice Lolly Ltd</i></p>	(6)

Question Number	Answer	Mark
3(c)(i)	<p>Valid points could include:</p> <p>eg market segment refers to analysing a market to identify the different types of consumer - market share refers to the percentage of all the sales in one market that are held by one brand/one business</p>	(2)

Question Number	Answer	Mark
3(c)(ii)	<p>Valid points could include:</p> <p>eg 'Stay Cool' is in the Growth stage which should mean strong profitability - this information suggests vigorous advertising/promotion is appropriate at present - this will enable <i>Nice Lolly Ltd</i> to meet its potential market/to increase its sales</p> <p>eg 'Astral Licks' is in the Decline stage which should mean it is reaching the end of its commercial life - this information suggests <i>Nice Lolly Ltd</i> needs to consider whether to drop this product from its portfolio - <i>Nice Lolly Ltd</i> could consider re-launch</p> <p>eg (decision) product life cycle analysis is useful eg in deciding on extension strategies for products such as 'Astral Licks' - but it has limitations/it is theoretical/inexact/other factors will be involved such as the actions of competitors</p> <p>eg - (answers based on product names)</p> <p>'Stay Cool' name can be used to focus on cooling effect of ice cream in hot weather - marketing department can use this in advertising/promoting - but 'cool' is an old-fashioned term - so some segments eg youngsters may be put off buying</p> <p>'Astral Licks' name can be used to focus on (eg) licking the lolly - helps design advertising/promoting - but 'Astral' is an unusual word/does not have an obvious connection with ice lollies - so may lack appeal</p> <p>(maximum 6 marks for one-sided answers)</p>	(8)
Total 20 marks		TOTAL FOR PAPER: 60 MARKS