

# Mark Scheme (Results) November 2009

IGCSE

## IGCSE Business Studies (4330) Paper 2H

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Higher Paper 4330 2H

Question Number	Answer	Mark
1(a)	<p>Valid points could include:</p> <p>eg</p> <p>(i)</p> <ul style="list-style-type: none"> <li>• a series of waste saving measures - used to make production more efficient</li> </ul> <p>(ii)</p> <ul style="list-style-type: none"> <li>• inputs compared against outputs - to assess efficiency</li> <li>• a method of checking labour/resource performance - by measuring inputs against outputs</li> </ul> <p>(iii)</p> <ul style="list-style-type: none"> <li>• increase investment in new equipment - so production of bikes is speeded up/so there is less waste</li> <li>• improve the ability of employees/train employees - which means they can work more efficiently</li> <li>• improve employee motivation - so they work more efficiently when making the bikes</li> </ul>	<p>2</p> <p>2</p> <p>4</p>

Question Number	Answer	Mark
1(b)	<p>Valid points could include:</p> <p>eg</p> <ul style="list-style-type: none"> <li>• number of bikes made - divided by number of employees/hours/resources</li> </ul>	2

Question Number	Answer	Mark
1(c)	<p>Valid points could include:</p> <p>eg (advantage)</p> <ul style="list-style-type: none"> <li>• free/low cost - once set up, the pages only need updating</li> <li>• sound and pictures/moving images - can be used to 'sell' the shop and its bikes</li> <li>• '24/7' coverage - helps increase sales</li> </ul> <p>eg (disadvantage)</p> <ul style="list-style-type: none"> <li>• updating needed - otherwise information is out of date/people may see old prices</li> <li>• cost - broadband/set-up</li> <li>• hidden - people must search for the site/may not expect to find such a site on the internet</li> </ul>	<p>(2 + 2) or (3 + 1) or (1 + 3)</p> <p style="text-align: right;">4</p>

Question Number	Answer	Mark
1(d)	(i) pictures/money off voucher	1
	(ii) listing the prices/different styles/different sizes	1

Question Number	Answer	Mark
1(e)	<p>Valid points could include:</p> <p>eg</p> <ul style="list-style-type: none"> <li>• (persuasive is suitable) it will tempt people to buy from Tracey rather than a competitor - and customers can be tempted to buy a particular bike if the advert is persuasive</li> </ul>	

	<ul style="list-style-type: none"><li>• (informative is suitable) customers need details - informative will list prices, sizes etc, that help customers identify which bike is suitable for them</li></ul>	4
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Question Number	Answer	Mark
2(a)	<p>Valid points could include:</p> <p>eg</p> <p>(i)</p> <ul style="list-style-type: none"> <li>• new product - example of using modern materials/electronic equipment to make the Kyrano bike</li> </ul> <p>(ii)</p> <ul style="list-style-type: none"> <li>• need to reduce pollution/controlling pollution - example of creating cycle lanes</li> </ul>	<p>2</p> <p>2</p>

Question Number	Answer	Mark
2(b)	<p>Valid points could include:</p> <p>eg</p> <p>(i)</p> <ul style="list-style-type: none"> <li>• external growth - such as through <i>Parker plc</i> merging with another/taking over another - this absorbs the other business's market share</li> <li>• price cutting - which will increase <i>Parker plc's</i> sales/market share - because it is more price competitive</li> </ul> <p>(ii)</p> <ul style="list-style-type: none"> <li>• (it will stop) increasing market share might be based on <i>Parker plc</i> cutting its prices - this means cutting its profit margins - which is likely to lower its profitability</li> <li>• (it will not stop) increasing market share might mean <i>Parker plc</i> has greater control over prices - its profitability can be increased if prices can be increased</li> <li>• increasing market share might mean <i>Parker plc</i> has greater economies of scale - lower costs will improve profitability</li> </ul> <p>(4 marks maximum if for a one sided answer)</p>	<p>4</p> <p>6</p>

Question Number	Answer	Mark
2(c)	<p>Valid points could include:</p> <p>eg</p> <ul style="list-style-type: none"><li>• for) a wider choice of applicants is available - so <i>Parker plc</i> is more likely to be able to find applicants with the specialist skills needed- which should improve efficiency</li><li>• the relevant skills may not be available internally - so <i>Parker plc</i> is forced to recruit externally</li><li>• (against) more expensive - advertising and other costs are higher than when recruiting internally</li><li>• a different form of induction is required - likely to be more detailed/expensive</li><li>• the person will not be known - so <i>Parker plc</i> is less certain of making the right choice</li><li>• it may lower morale - because existing employees are not given the chance of doing this work</li></ul> <p>(4 marks maximum for a one sided answer)</p>	6

Question Number	Answer	Mark
3(a)	<p>Valid points could include:</p> <p>eg</p> <ul style="list-style-type: none"> <li>• Breakeven analysis includes (total) revenue calculations - the line can be changed according to the price Tracey chooses/a what-if?' approach is possible - this allows the breakeven point and margin of safety to be changed - so Tracey can select which price is most appropriate</li> </ul>	4

Question Number	Answer	Mark
3(b)	<p>Valid points could include:</p> <p>eg</p> <ul style="list-style-type: none"> <li>• (for) John will be trained by experts - the cycle hire scheme should benefit from good quality training - (against) but this could be expensive for the business</li> <li>• (for) John will be able to train without work pressures - (against) but this might create extra pressure on him at other times - and whilst training, he cannot work as a mechanic</li> </ul> <p>(4 marks maximum for a one-sided answer)</p>	6



Question Number	Answer	Mark
3(c)	<p>Valid points could include:</p> <p>eg</p> <p>(Tracey's savings because . . .)</p> <ul style="list-style-type: none"> <li>• (AO3) they are available now - the amount is known - it is a permanent investment - which will increase the value of the business - Tracey will avoid having to pay interest -</li> <li>• (AO4) but Tracey will lose interest on her savings - and not have them available for another purpose</li> </ul> <p>(bank loan because . . .)</p> <ul style="list-style-type: none"> <li>• (AO3) it will be paid off over time - (AO4) although the repayments will take cash out of the business</li> <li>• (AO3) it is not Tracey's own money that is being spent - (AO4) however, interest must be paid - failure to repay interest or the capital sum will cause serious problems for the business</li> </ul> <p>(maximum 6 marks if only one option is considered)</p>	10

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