

Mark Scheme (Results)

Summer 2010

IGCSE

IGCSE BUSINESS (4330) Paper 2H

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Question Number	Answer	Mark
1(a)(i) A01	<ul style="list-style-type: none"> • fixed costs do not change as output/production changes • variable costs change in proportion to output/production changes 	2

Question Number	Answer	Mark
1(a)(ii) A02	variable cost for <i>HH Ltd</i> = <ul style="list-style-type: none"> • production materials eg wood, plastic for the keyboard • piecework wages 	2

Question Number	Answer	Mark
1(b)(i) A02	250 output £25 000 revenue (accept £24 500)	2

Question Number	Answer	Mark
1(b)(ii) A03	(200 output) a loss - of £4 000 (accept £3 500) (400 output) a profit - of £12 000(accept £13 000)	4

Question Number	Answer	Mark
1(c)	<ul style="list-style-type: none"> • number sold/total sales/turnover • profits • consumer reaction/satisfaction • profitability ratios • market share 	3

Question Number	Answer	Mark
1(d) A01	<ul style="list-style-type: none"> • (cost-plus) total costs calculated - profit element/markup added • (competition) review competitor prices - price near/at this level 	4

Question Number	Answer	Mark
1(e) A04	<ul style="list-style-type: none"> • Yes because - the mark up covers all costs - and will guarantee a profit on each one sold • No because - competitor prices are ignored - which might make the price unrealistic or uncompetitive <p>One sided argument 2 marks maximum</p>	3

Question Number	Answer	Mark
2(a) A01	(Trading) <ul style="list-style-type: none"> • calculate gross profit (P&L) <ul style="list-style-type: none"> • calculate net profit (B/S) <ul style="list-style-type: none"> • show assets - and liabilities • show the financial position - what is owned and owed 	4

Question Number	Answer	Mark
2(b) A03	<ul style="list-style-type: none"> • divide market by age - target advertising media • divide market by income - review product range • divide market by sex - target advertising themes • divide the market by income - target pricing strategies 	4

Question Number	Answer	Mark
2(c) A03 = 3 A04 = 3	<ul style="list-style-type: none"> • (A03) pianos, sales steady at 25 per month • organs, fallen from 20 in Jan to 15 in April/stable the last 2 months at 15 • keyboards, up from 15 in Jan to 30 in April/increase of 5 each month • (A04) keyboards were worst seller and now best seller • pianos were best seller, now only second best • organs second best, now worst seller • there is an overall increase from 60 in Jan to 65 	

	in both Feb and March, and 70 in April	6
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Question Number	Answer	Mark
2(d) A04	<ul style="list-style-type: none"> • (for) encourages them to sell more - because their pay increases • pay is recognised as a factor in motivation - by Maslow/Herzberg • (against) but pay is not the only motivator - they may not want the increased pressure - basic pay has been cut • they may not sell more - will demotivate <p>(Maximum 4 marks for a one-sided answer)</p>	6

Question Number	Answer Higher Q3	Mark
3(a) A01 = 1 A02 = 2	<ul style="list-style-type: none"> • (A01) managerial - (A02) it has directors - who will specialise in management tasks • (A01) financial - (A02) it is a company - and can negotiate good borrowing rates • (A01) technical - (A02) - it uses specialist equipment - which will improve efficiency 	3

Question Number	Answer	Mark
3(b) A03	<ul style="list-style-type: none"> • good communications will be necessary - need to contact/liase with the new factory - consider issues such as cost/reliability/speed • employment/workforce must be suitable - sufficient numbers needed - with sufficient skills - and willing to work for set pay levels - cost of training/may be support available • infrastructure/access must be suitable - to transport products from the new factory - for access - adequate council/waste disposal • premises must be suitable - cost of buying or renting - availability of grants to reduce costs - availability of cheap finance 	

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Question Number	Answer	Mark
<p>3(c)</p> <p>A04</p>	<ul style="list-style-type: none"> • (For) QC maintains a consistent level of quality - because it prevents defects/detects quality problems/may improve quality - it can controls costs - helps to generates customer satisfaction - QC can be used to ensure minimum legal quality/standards are met by <i>HH Ltd</i> • (Against) Employees must apply QC correctly - if they do not, quality can suffer - and QC may be limited only to inspection/statistical control - other initiatives may be being ignored - time and cost of quality control • (Conclusion) it is important/it is not important because . . . <p>(Maximum 6 marks for a one-sided answer)</p>	<p>8</p>

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