

# Mark Scheme (Results)

## November 2010

IGCSE

### IGCSE Business (4330/2H)

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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.

Question Number	Answer	Mark
1(a)(i)	<ul style="list-style-type: none"> <li>(eg) own savings for <i>Joan's Taxis</i> - shares for <i>Merchant Motors Ltd</i></li> </ul>	2

Question Number	Answer	Mark
1(a)(ii)	<ul style="list-style-type: none"> <li>(eg) Joan uses to live off - <i>Merchant Motors Ltd</i> distributes to shareholders/holds as a reserve</li> </ul>	2

Question Number	Answer	Mark
1(b)(i)	<ul style="list-style-type: none"> <li>continuous production</li> <li>shift work</li> <li>specialised equipment</li> <li>large numbers produced</li> <li>standardised products</li> </ul>	2

Question Number	Answer	Mark
1(b)(ii)	<ul style="list-style-type: none"> <li>(AO3) specialised employees are efficient - (AO4) but they can become bored - because they do repetitive tasks</li> <li>(AO3) specialised equipment is efficient - (AO4) but costly - and only suitable for one particular job</li> <li>(AO3) high output - (AO4) but this has to be sold - and must sell on a mass market</li> <li>(AO3) cost effective - (AO4) but high initial setup costs - and other costs increase</li> <li>(AO3) goods of a similar/identical standard - (AO4) but customers may want different varieties - so demand will not be met</li> </ul>	8

Question Number	Answer	Mark
1(c)	<ul style="list-style-type: none"> <li>• primary will apply exclusively to <i>Merchant Motors Ltd</i> - and to selling taxis</li> <li>• primary gives the directors up to date information - helps make accurate decisions</li> <li>• secondary is inexpensive so the directors will not have to spend a lot - to discover information about the market for vans/commercial vehicles</li> <li>• the directors can obtain secondary data quickly - helps speed up their decisions</li> </ul> <p>(maximum 4 marks if 1 type only discussed)</p>	6

Question Number	Answer	Mark
2(a)	<ul style="list-style-type: none"> <li>• focus is more on the consumer rather than on the product - eg products will now consider customer's demands - the products might not all be the same</li> <li>• the market is now determining what the business makes - rather than ease of production - eg make products in a variety of styles to suit customer wishes</li> </ul>	4

Question Number	Answer	Mark
2(b)	<ul style="list-style-type: none"> <li>• (AO1) outlines personal attributes relevant to the job - (AO3) helps <i>Merchant Motors Ltd</i> decide when/where to advertise vacancies - gives a set of standards against which the job applicants can be measured - helps to ensure fairness in recruitment - (AO4) tells applicants what skills/attributes they must possess - so ensures they do not waste their time applying to <i>Merchant Motors Ltd</i></li> </ul>	6

Question Number	Answer	Mark
2(c)	<ul style="list-style-type: none"> <li>• Current ratio healthy - it is above the 'textbook' figure of 2:1</li> <li>• Acid Test low - it is below the 'textbook' 1:1</li> </ul>	4

Question Number	Answer	Mark
2(d)	<ul style="list-style-type: none"> <li>• Sales</li> <li>• Cash</li> <li>• Production</li> <li>• Purchases</li> <li>• Labour</li> </ul>	2

Question Number	Answer	Mark
2(e)	<ul style="list-style-type: none"> <li>• (eg) cash budget will indicate whether cash is available - and when it is needed</li> <li>• purchases budget will indicate when raw materials are to be bought - and when used</li> <li>• wages budget will indicate costs - and whether staff time is available</li> </ul>	4

Question Number	Answer	Mark
3(a)	<ul style="list-style-type: none"> <li>• (AO3) the video will help them learn about <i>Merchant Motors Ltd</i> - it will make them feel valued - (AO4) but it is limited to history/start-up/it is dated - so it does not tell them about the current situation</li> <li>• (AO3) the tour will help them locate where Head Office people work - which will be useful for future contacts - (AO4) but it is limited to Head Office so not all is seen - and there are only 15 minutes so may be little chance to see much</li> <li>• (AO3) meeting the HR Managers could motivate them - and help them settle in quickly - (AO4) but the meeting is only for a short while - so little may be achieved/they do not meet other working colleagues</li> <li>• (AO3) any induction course is likely to be valuable/is likely to help new employees settle in - (AO4) but this course seems to have many limitations - such as . . . [AO4 points above]</li> </ul>	8

Question Number	Answer	Mark
3(b)(i)	<ul style="list-style-type: none"> <li>external growth eg <i>Merchant Motors Ltd</i> merging with another/taking over another - this absorbs the other business's market share</li> <li>undercutting competitor taxi manufacturers' prices - which will establish <i>Merchant Motors Ltd</i> by making it price competitive</li> </ul>	4

Question Number	Answer	Mark
3(b)(ii)	<ul style="list-style-type: none"> <li>(it will stop) - establishing 5% market share will require investment in (eg) training - these and other costs will increase - lowers the profitability of <i>Merchant Motors Ltd</i></li> <li>establishing 5% market share might be based on <i>Merchant Motors Ltd</i> cutting its prices - this means cutting its profit margins - which is likely to lower its profitability</li> <li>(it will not stop) - establishing 5% market share market share might mean <i>Merchant Motors Ltd</i> has some control over price/costs - its profitability can be increased if prices can be increased</li> <li>establishing this % market share might mean <i>Merchant Motors Ltd</i> has greater economies of scale - lower costs will improve profitability</li> </ul> <p>(5 marks maximum for a one sided answer)</p>	8



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