

**Published Mark Scheme for  
GCSE Business Studies  
Summer 2010**

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**NORTHERN IRELAND GENERAL CERTIFICATE OF SECONDARY EDUCATION (GCSE)  
AND NORTHERN IRELAND GENERAL CERTIFICATE OF EDUCATION (GCE)**

**MARK SCHEMES (2010)**

**Foreword**

***Introduction***

Mark Schemes are published to assist teachers and students in their preparation for examinations. Through the mark schemes teachers and students will be able to see what examiners are looking for in response to questions and exactly where the marks have been awarded. The publishing of the mark schemes may help to show that examiners are not concerned about finding out what a student does not know but rather with rewarding students for what they do know.

***The Purpose of Mark Schemes***

Examination papers are set and revised by teams of examiners and revisers appointed by the Council. The teams of examiners and revisers include experienced teachers who are familiar with the level and standards expected of 16- and 18-year-old students in schools and colleges. The job of the examiners is to set the questions and the mark schemes; and the job of the revisers is to review the questions and mark schemes commenting on a large range of issues about which they must be satisfied before the question papers and mark schemes are finalised.

The questions and the mark schemes are developed in association with each other so that the issues of differentiation and positive achievement can be addressed right from the start. Mark schemes therefore are regarded as a part of an integral process which begins with the setting of questions and ends with the marking of the examination.

The main purpose of the mark scheme is to provide a uniform basis for the marking process so that all the markers are following exactly the same instructions and making the same judgements in so far as this is possible. Before marking begins a standardising meeting is held where all the markers are briefed using the mark scheme and samples of the students' work in the form of scripts. Consideration is also given at this stage to any comments on the operational papers received from teachers and their organisations. During this meeting, and up to and including the end of the marking, there is provision for amendments to be made to the mark scheme. What is published represents this final form of the mark scheme.

It is important to recognise that in some cases there may well be other correct responses which are equally acceptable to those published: the mark scheme can only cover those responses which emerged in the examination. There may also be instances where certain judgements may have to be left to the experience of the examiner, for example, where there is no absolute correct response – all teachers will be familiar with making such judgements.

The Council hopes that the mark schemes will be viewed and used in a constructive way as a further support to the teaching and learning processes.



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New  
Specification



*Rewarding Learning*

**General Certificate of Secondary Education  
Summer 2010**

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## **Business Studies**

Business Start Up

**[GBS11]**

**MONDAY 7 JUNE, MORNING**

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# **MARK SCHEME**

**1 (a) Explanation of Batch Production:**

System in which a large number of identical products are made together. Production then moves on to making a large number of a second product. [2]

**One reason for suitability for bakery from the following:**

- Large numbers of identical loaves are made daily
- Items do not have to be individual
- Production is faster as modern machinery may be used
- Labour costs may be reduced

[2] + [2]

[4]

**(b) Method for “special occasions” cakes:**

Job production [1]

**One reason for job production from the following:**

- One single cake is baked/decorated at a time
- Cake will be decorated according to customer’s specification
- Product may enhance the bakery’s image/reputation
- Increases workers’ job satisfaction

[1] + [2]

[3]

**(c) Two reasons why Just-in-Time method is suitable from the following:**

- Stock of ingredients would always be fresh as stock is ordered only when required
- Capital is not tied up in unused stock for long periods
- Warehousing is not required for storage of stock
- There is no waste by having excess stock
- The finished product should be cheaper as a result of the above reasons

[2] × 2

[4]

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2 (a) **Three types of production with one example of an industry in each type:**

- Primary [1] - farming, mining, forestry, fishing [1]
- Secondary [1] - any manufacturing industry [1]
- Tertiary [1] - any commercial service eg banking, insurance, retail trade OR any professional service such as entertainment, education, medical, dental, legal, religious [1]

[1] × 6

[6]

**Level 1 ([1]–[2])**

Candidate demonstrates little knowledge and understanding of types of production. Only one type of production named and/or one type of industry identified.

**Level 2 ([3]–[4])**

Candidate demonstrates adequate knowledge and understanding of types of production. Two types of production are named and one or two types of industry identified.

**Level 3 ([5]–[6])**

Candidate demonstrates good knowledge and understanding of types of production. Three types of production are named and two to three types of industry identified.

(b) **Changing trends across types of production:**

Fewer people are working in the primary and secondary types of production. A greater number of people are now employed in tertiary production. [2]

**Two reasons for these trends from the following:**

- Manufactured goods can be imported more cheaply than they can be produced here
- People are spending more on leisure and entertainment services so entrepreneurs are taking the opportunities in that area
- Increased demand for services such as education, legal advice
- Local natural resources are decreasing, e.g. fishing
- Increased technology in manufacturing industries requires fewer workers [2] × 2

[2] + [4]

[6]

**Level 1 ([1]–[2])**

Candidate demonstrates little knowledge and understanding of the changing trends across the types of production. Candidate either gives a weak explanation of the trends or provides one reason.

**Level 2 ([3]–[4])**

Candidate demonstrates adequate knowledge and understanding of the changing trends across the types of production. Candidate gives a good explanation of the trends and provides one reason.

**Level 3 ([5]–[6])**

Candidate demonstrates good knowledge and understanding of the changing trends across the types of production. Candidate gives a complete explanation of the trends and provides two valid reasons.

- 3 (a) Private sector  
[1] × 1 [1]
- (b) Deed of Partnership  
[1] × 1 [1]
- (c) **Two advantages from the following:**
- Would have gained limited liability [1] so the private possessions of the owners would be protected [1]
  - Capital available would be greater if they had additional shareholders
  - The business would have separate legal identity from its owners so the business could sue and be sued
  - The business would have continuity in the event of one shareholder's death
  - If the business were larger as a company, it could benefit from economies of scale
  - If the business were larger, there would be opportunities for specialisation and division of labour
  - Loans are more easily obtained from e.g. the bank
- [2] × 2 [4]
- (d) To be enterprising is to have successful business ideas and to be able to organise the other factors of production in the correct proportions.  
To have the ability to overcome problems and find solutions.  
To be able to take risks. [2]

**Two key characteristics required from the following:**

- Good interpersonal skills and ability to work in a team
  - Good communication skills
  - Good mechanical skills
  - Good organisational skills
  - Good ideas for the further development of the business
  - Personal characteristics e.g. persistence, self confidence, hard working (allow 2 personal characteristics fully described)
- [2] + [2] × 2 [6]

**Level 1 ([1]–[2])**

Candidate demonstrates little knowledge and understanding of enterprise.  
Candidate either gives a weak explanation of what it means to be enterprising or describes one key characteristic.

**Level 2 ([3]–[4])**

Candidate demonstrates adequate knowledge and understanding of enterprise. Candidate gives a good explanation of what it means to be enterprising and describes one or two key characteristics.

**Level 3 ([5]–[6])**

Candidate demonstrates good knowledge and understanding of enterprise. Candidate gives a complete explanation of what it means to be enterprising and describes two key characteristics.

AVAILABLE  
MARKS

**(e) Two advantages for the garage of hire purchase from the following:**

- Equipment would eventually belong to the garage
- Cost would be spread over a long period of time
- Garage has immediate use of the equipment
- Agreement is easy to set up

[2] × 2

**Two disadvantages for the garage of hire purchase from the following:**

- Is more expensive since interest is charged
- Failure to pay may result in equipment being repossessed
- Garage is responsible for maintenance of the equipment
- Equipment could become obsolete before payment is complete
- Garage does not own equipment until payment is complete

[2] × 2

[4] + [4]

[8]

**Level 1 ([1]–[2])**

Candidate demonstrates little knowledge and understanding of hire purchase. Candidate gives only one advantage or one disadvantage of hire purchase and makes a minimal attempt to analyse the system. Candidate displays limited accuracy in the use of spelling, punctuation and grammar.

**Level 2 ([3]–[6])**

Candidate demonstrates adequate knowledge and understanding of hire purchase. Candidate gives either two advantages and one disadvantage of hire purchase or one advantage and two disadvantages, and also makes a good attempt at analysing them. Candidate displays satisfactory accuracy in the use of spelling, punctuation and grammar.

**Level 3 ([7]–[8])**

Candidate demonstrates good knowledge and understanding of hire purchase. Candidate accurately gives two advantages and two disadvantages of hire purchase and analyses them fully. Candidate displays excellent accuracy in the use of spelling, punctuation and grammar.

**(f) Four aims from the following:**

- Survival
- Growth/attract new customers/to be successful
- Profit Improvement
- Corporate Image
- Public Service/customer satisfaction
- Concern for the Environment
- To provide a quality service

[1] × 4

Analysis of how any of the two above aims affects the activities of the garage. (Do not accept repeat points in analysis)

[2] × [2]

[4] + [4]

[8]

**Level 1 ([1]–[4])**

Candidate demonstrates some basic recall knowledge of business aims. Candidate names up to four aims but makes a minimal attempt to analyse how those aims would affect the activities of the garage. Candidate displays limited accuracy in the use of spelling, punctuation and grammar.

**Level 2 ([5]–[6])**

Candidate demonstrates adequate knowledge and understanding of business aims. Candidate names four aims accurately and also makes a good attempt to analyse the effect of one or two aims on the activities of the garage. Candidate displays satisfactory accuracy in the use of spelling, punctuation and grammar.

**Level 3 ([7]–[8])**

Candidate demonstrates good knowledge and understanding of business aims. Candidate names four aims accurately and also fully analyses the effect of two aims on the activities of the garage. Candidate displays excellent accuracy in the use of spelling, punctuation and grammar.

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- 4 (a) **Effect on price of falling demand:**
- It will cause the price to come down (with explanation) [2]
- (b) **Most appropriate method of market research for Mag's Rags:**  
 Primary Research [1] or Field Research [1]
- One advantage of primary or field research from the following:**
- It is designed to find out exactly what ladies in that area want to buy
  - It is very up-to-date
  - It is aimed at the most appropriate people [1]
- [1] + [1] [2]
- (c) **Explanation of market segmentation from the following:**
- Is the selection of the types and groups of people who would be most interested in the goods for sale.
  - It is essential to identify and target the correct market segment in order to achieve sales.
  - It is dividing the market according to the characteristics of customers in that market. [2]
- Two ways in which Maggie's market would most likely be segmented:**
- Age – it may not cater for teenagers
  - Gender – it is a ladies' shop
  - Socio-economic class – depending on the cost of the goods sold 2 × [2]
- [2] + [4] [6]
- Level 1 ([1]–[2])**  
 Candidate offers a basic explanation of market segmentation with little detail of how the shop's market is likely to be segmented.
- Level 2 ([3]–[4])**  
 Candidate demonstrates adequate knowledge and understanding of market segmentation.  
 Candidate explains market segmentation fully and gives clear details of one way in which the shop's market is likely to be segmented.
- Level 3 ([5]–[6])**  
 Candidate demonstrates good knowledge and understanding of market segmentation.  
 Candidate explains market segmentation very clearly and gives details of two ways in which the shop's market is likely to be segmented.
- (d) **Two fully explained legal constraints on promotion:**
- Goods for sale in the shop must be accurately described
  - Prices advertised must be genuine
  - Advertising must not be misleading/offensive
- Accept names of laws applied to promotion for 1 mark each  
 Trade Descriptions, Sale of Goods Act, Consumer Protection Act  
 2 × [2] [4]

**(e) Pricing policy:**

Competitor Based Policy/Market Led [1]

There is strong competition in the area so Maggie should charge the same prices as the other shops or slightly lower prices than they charge. This would mean close monitoring of the prices charged by the competition and is likely to attract customers from the other shops. [3]

[1] + [3]

[4]

**(f) Three analysed strategies to manage competition:**

- May increase advertising
- May give promotional offers
- May offer extra customer services
- May extend or change range of products
- Merge with competition
- May carry out market research

3 × [2]

[6]

**Level 1 ([1]–[2])**

Candidate demonstrates some knowledge and understanding of strategies to manage competition and analyses one strategy fully.

**Level 2 ([3]–[4])**

Candidate demonstrates adequate knowledge and understanding of strategies to manage competition and analyses two strategies fully.

**Level 3 ([5]–[6])**

Candidate demonstrates good knowledge and understanding of strategies to manage competition and analyses three strategies fully.

**AVAILABLE  
MARKS**

24

**Total**

**75**



