GradeMax



Mark Scheme (Results)

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Pearson Edexcel International Advanced Subsidiary
in Business Studies (WBS02)
Paper 01 Business Structures and Processes



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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.

Section A: Supported multiple choice

N.B. If part (a) of the question is INCORRECT, then a maximum of 2 marks can be awarded for part (b).

Question Number	Question	Marks
1 (a)	Answer: B (an economic slowdown)	1
1 (b)	**Explain why this answer is correct:** • Definition of economic slowdown e.g. a decline in the growth of an economy **(1)** • During the Chinese economic slowdown, incomes may fall/less consumer spending **(1)** • Less income may result in a reduction in demand for cars made by *JLR* **(1)** **Alternatively, up to two of the marks above can be achieved by explaining (not defining) distracters, for example:** • A is wrong because *JLR*'s advertising campaign may result in sales increasing rather than decreasing due to an better awareness of *JLR* cars **(1)** • C is wrong because this may result in an increase in sales/market share for *JLR* as there is less choice/less competitors for car buyers to choose from **(1)** • D is wrong because this may result in more consumers purchasing a *JLR* car as they trust the brand **(1)** Any acceptable answer that shows selective knowledge/understanding/application and/or development. **N.B. up to 2 marks out of 3 may be gained for part (b) if part (a) is incorrect.**	1-3 **(Total 4)**

Question Number	Question	Marks
2 (a)	Answer: D (2,000)	1
2 (b)	**Explain why this answer is correct. (Show your working.)** Gives the formula for capacity utilisation: Actual/Current Output x 100 **(1)** Maximum Possible Output Therefore Maximum Capacity = 1100 **(1)** x 100 0.55 or 55 **(1)** **OR** 1100 **(1)** x 100= 55% 2000 **(1)** Any acceptable calculation method that shows selective knowledge/understanding, award marks with or without the %. **N.B. up to 2 marks out of 3 may be gained for part (b) if part (a) is incorrect.**	1-3 **(Total 4)**

Question Number	Question	Marks
3 (a)	Answer: B (a reduced number of food product defects)	1
3 (b)	**Explain why this answer is correct:** • Definition of TQM e.g. TQM is when all employees are involved in quality assurance/take responsibility for the quality of the work **(1)** • Employees at Mercadona will check the quality of the food throughout/at every stage of the production line **(1)** • This means there are likely to be fewer defective products for sale **(1)** **Alternatively, up to two of the marks above can be achieved by explaining (not defining) distracters, for example:** • A is wrong because TQM involves inspection throughout the process rather than just at the end of the process **(1)** • C is wrong because there should be a reduction in wastage rates due to right first time approach **(1)** • D is wrong because TQM requires all staff to participate so this increases staff involvement **(1)** Any acceptable answer that shows selective knowledge/understanding/application and/or development. **N.B. up to 2 marks out of 3 may be gained for part (b) if part (a) is incorrect.**	1-3 **(Total 4)**

Question Number	Question	Marks
4 (a)	Answer: C (less competition)	1
4 (b)	**Explain why this answer is correct:** • Definition of a niche market e.g. selling to small section/sub-section of market with distinct features **(1)** • Only a small number of customers will be able to afford the handbags **(1)** • Therefore the market is much smaller resulting in few or no competitors **(1)** **Alternatively, up to two of the marks above can be achieved by explaining (not defining) distracters, for example:** • A is wrong because less competition means fewer substitutes which should decrease PED/result in a lower PED **(1)** • B is wrong because some niche markets charge higher prices rather than lower prices due to the exclusivity of the niche/due to lack of competition in the market **(1)** • D is wrong because these handbags are luxury goods which are normal goods/with a high YED **(1)** Any acceptable answer that shows selective knowledge/understanding/application and/or development. **N.B. up to 2 marks out of 3 may be gained for part (b) if part (a) is incorrect.**	1-3 **(Total 4)**

Question Number	Question	Marks
5 (a)	Answer: A (insisting on cash when delivering the meat)	1
5 (b)	**Explain why this answer is correct:** • Definition of a supplier credit terms e.g. the terms which indicate when payment is due for goods/services **(1)** • Lars receives immediate payments for the meat **(1)** • This completely removes the risk of not being paid by the restaurant **(1)** **Alternatively, up to two of the marks above can be achieved by explaining (not defining) distracters, for example:** • B is wrong because as setting a credit limit may minimise risk but there is still no guarantee of payment **(1)** • C is wrong because a new restaurant may not have any credit rating/history or it would not guarantee their ability to pay on delivery **(1)** • D is wrong because references can only comment on past behaviour/payment history and circumstances may have changed **(1)** Any acceptable answer that shows selective knowledge/understanding/application and/or development. **N.B. up to 2 marks out of 3 may be gained for part (b) if part (a) is incorrect.**	1-3 **(Total 4)**

Question Number	Question	Marks
6 (a)	Answer: C (rental costs)	1
6 (b)	**Explain why this answer is correct:** • Definition of budgets e.g. an estimate of income and expenditure for a set period of time **(1)** • Rental costs for *Samsung* are an example of an overhead/fixed cost **(1)** • So this is therefore more likely to be known in advance because it does not change in the short term **(1)** **Alternatively, up to two of the marks above can be achieved by explaining (not defining) distracters, for example:** • A is wrong because overtime payments may increase if *Samsung* need to make more products at any time **(1)** • B is wrong because cash sales could change according to consumer demand and other external factors **(1)** • D is wrong because prices of materials may vary at short notice because market conditions change **(1)** Any acceptable answer that shows selective knowledge/understanding/application and/or development. **N.B. up to 2 marks out of 3 may be gained for part (b) if part (a) is incorrect.**	1-3 **(Total 4)**

Section B: Data response

Question Number	Question	
7	Explain **two** possible benefits to *Center Parcs* of being a recognised brand.	(6 marks)
	Answer	Mark
	(Knowledge 2, Application 2, Analysis 2) **Knowledge/understanding:** up to 2 marks are available for defining branding e.g. the marketing practice of creating a name, symbol or design that identifies and differentiates a product from others **(2)** **OR** For identifying 2 benefits e.g. higher prices **(1)** and customer loyalty **(1)** **Application:** up to 2 marks are available for contextual answers to *Center Parcs* e.g. *Center Parcs* targets the premium end of the short break market **(1)** e.g. brand awareness of 98%/consistently high levels of repeat bookings **(1)** **Analysis:** up to 2 marks are available for explaining reasons/causes/consequences for *Center Parcs* e.g. *Center Parcs* can charge premium prices for their holiday breaks because customers have confidence in the quality of the brand resulting in higher sales/profits **(1)** e.g. customers associate high levels of satisfaction with the brand and are more loyal **(1)**	1-2 1-2 1-2

Question Number	Question	
8 (a)	Analyse **two** factors that may affect the price elasticity of demand for *Center Parcs'* short breaks.	(6 marks)
	Answer	Mark
	(Knowledge 2, Application 2, Analysis 2) **Knowledge/ understanding:** up to 2 marks are available for defining price elasticity of demand e.g. measures the responsiveness of demand after a change in price **(2)** **OR** Stating two factors e.g. the number and availability of substitutes **(1)** necessity or luxury good **(1)** **Application:** up to 2 marks are available for contextual answers to *Center Parcs* e.g. There may be many holiday competitors who offer similar short breaks to *Center Parcs* **(1)** e.g. Evidence A states that *Center Parcs* offers luxury short holiday breaks **(1)** **Analysis:** up to 2 marks are available for explaining reasons/causes/consequences for *Center Parcs* e.g. increasing number of competitors will increase PED/making customers more price sensitive to changes in price **(1),** e.g. if *Center Parcs* is seen as a luxury product therefore it will have more price elastic demand as many consumers may decide not to buy if the price goes up **(1)**	1-2 1-2 1-2

Question Number	Question	
8 (b)	Explain **two** possible difficulties *Center Parcs* might experience in sales forecasting for the new village in Ireland.	(6 marks)
	Answer	Mark
	(Knowledge 2, Application 2, Analysis 2) **Knowledge/ understanding**: up to 2 marks are available for defining sales forecasting e.g. an estimate of the likely revenues of a product, business or market over a future period **(2)** **OR** For giving two examples of difficulties e.g. lack of existing data **(1)** and unknown market **(1)** **Application**: up to 2 marks are available for contextual answers to *Center Parcs* e.g. the village has not been built yet **(1)** e.g. this is the first village outside of the UK for *Center Parcs* **(1)** **Analysis**: up to 2 marks are available for explaining reasons/causes/consequences for *Center Parcs* e.g. most sales forecasting is based on historical data which does not exist therefore making an accurate forecast more difficult **(1)** e.g. sales forecast may be difficult because Irish holiday makers may have different tastes compared to the UK market making forecasting harder **(1)**	1-2 1-2 1-2

Question Number	Question	
9 (a)	Explain **one** method *Center Parcs* could use to promote the new village in Ireland.	(4 marks)
	Answer	Mark
	(Knowledge 1, Application 1, Analysis 2) **Knowledge/understanding:** up to 1 mark is available for giving a method e.g. website, social media, TV advertising, viral marketing **(1)** **Application:** up to 1 mark is available for contextualised answers to *Center Parcs*, e.g. *Center Parcs* has a website that accounts for 82% of all bookings made in 2015 **(1)** **Analysis**: up to 2 marks are available for developing the above, this may lead to easy access via the internet to a large number of potential customers **(1)** the website can be used to promote the range of activities in order to increase demand/awareness **(1)**	1 1 1-2

Question Number	Question			
9 (b)	Assess the methods *Center Parcs* could use to recruit employees for the new village in Ireland.			(8 marks)
Level	Mark	Descriptor	Possible content	
1	1-2	Knowledge/understanding of what is meant by recruitment	e.g. The process of finding and hiring the best-qualified candidate for a job opening e.g. recruitment methods can be either internal or external	
2	3-4	Application must be present, i.e. the answer must be contextualised to *Center Parcs*	e.g. *Longford Forest* is projected to create 750 construction jobs and 1,000 permanent jobs once open e.g. This is the first village in Ireland so *Center Parcs* may need to mainly use external recruitment methods	
3	5-6	Analysis in context must be present, i.e. in this case the candidate must identify and explain the reasons/causes/costs/consequences of the different methods *Center Parcs* can recruit staff recruitment **NB if analysis is not in context limit to Level 2.**	e.g. If *Center Parcs* use internal recruitment they may save money as there is less need for training as the staff from the UK villages are already familiar with their procedures e.g. If *Center Parcs* use external recruitment they may attract a wide range of potential candidates for jobs such as beauty therapists because their website can be seen by many potential candidates e.g. recruitment agencies can be specialist and experienced in finding certain types of workers such as beauty therapists and sailing instructors	
4	7-8	Evaluation must be present and in context showing the impact of recruitment methods for *Center Parcs* Award **7 marks** if one side only is in context Award **8 marks** if BOTH sides are in context	e.g. *Center Parcs* may find that there is a limited number of applicants from inside the business and these employees would have to be relocated from the UK as this is the only village in Ireland e.g. External recruitment can be more time consuming/expensive than	

		NB if evaluation not in context limit to Level 3.	internal as references have to be called for, costs of induction training and interview costs may be greater e.g. External recruitment agencies can be very expensive and still may not find the ideal candidate for the job. e.g. *Center Parcs* could use a combination of internal and external methods and it depends upon the nature of the vacancy as to which is the best recruitment method to be used.

Question Number	Question			
10	Assess the effectiveness of financial incentives and non-financial techniques to motivate employees of *Center Parcs*.			(12 marks)
Level	Mark	Descriptor	Possible content	
1	1-2	Knowledge/understanding of financial incentives and non-financial techniques must be present	e.g. financial - commission, bonus, profit share, performance related pay e.g. non-financial - delegation, consultation, empowerment, flexible working	
2	3-4	Application must be present, i.e. the answer must be contextualised to *Center Parcs*	e.g. *Center Parcs* offer pension, holiday/sick pay, profit sharing scheme, unique bonus such as discounts of 60% off holidays (Evidence C) e.g. *Center Parcs* recognise employees through training and development courses (Evidence D)	
3	5-6	Analysis in context must be present, i.e. the candidate must give reasons/causes/costs/consequences of financial incentives/non-financial techniques to *Center Parcs* **NB if analysis is not in context limit to Level 2.**	e.g. Financial incentives such as profit sharing may encourage employees to remain at *Center Parcs* as Taylor states that money motivates e.g. Non-financial techniques such as free use of the swimming pools, gym and sports facilities may lead to a healthier workforce who will then have lower absenteeism/labour turnover e.g. both may result in less labour turnover for *Center Parcs* as employees feel valued and are rewarded for their hard work	
4	7-12	**Low Level 4:** 7-8 marks Limited evaluation must be present and in context **on one side only** **Mid Level 4:** 9-10 marks More evaluation will be present and in context **on both sides**	e.g. different employees will be motivated by different incentives/techniques – beauty therapists may be motivated by different techniques to employees working in the restaurants e.g. Herzberg disagreed about the effectiveness of	

		High Level 4: 11-12 marks Evaluation is developed to show a candidate's real perceptiveness. Several strands may be developed: the answer is clear, coherent and articulate, leading to a convincing conclusion. **NB if evaluation not in context limit to Level 3.**	pay as a motivator and may not lead to the retention of employees e.g. would need to compare the effectiveness of financial incentives and non-financial techniques to see which were the best methods to use in order to retain employees e.g. many other things affect motivation, such as leadership styles and organisational structure within *Center Parcs* which could impact on retention e.g. using a combination may lead to effective employee recruitment and retention at *Center Parcs* but 24% labour turnover suggests that they are not as effective as they could be

Question Number	Question			
11	Other than motivating employees, evaluate the consequences for *Center Parcs* of providing these training programmes.			(14 marks)
Level	Mark	Descriptor	Possible content	
1	1-2	Knowledge/understanding of what is meant by training *Material presented is often irrelevant and lacks organisation. Frequent punctuation and/or grammar errors are likely to be present and the writing is generally unclear..*	e.g. can be on-the-job or off-the-job training e.g. the acquisition of knowledge, skills, and competencies as a result of the teaching of vocational or practical skills	
2	3-4	Application must be present, i.e. the answer must be contextualised and applied to *Center Parcs* *Material is presented with some relevance but there are likely to be passages which lack proper organisation. Punctuation and/or grammar errors are likely to be present that affect clarity and coherence.*	e.g. *Center Parcs* uses a range of training methods such as e-learning and has over 150 courses ranging from beauty therapy to tree identification e.g. *Center Parcs* values training and has many different training programmes for all levels of employees such as ASPIRE and work based apprenticeships	
3	5-8	Analysis in context must be present, i.e. the candidate must give reasons/causes/costs/consequences of training to *Center Parcs* **NB if analysis is not in context limit to Level 2.** *Material is presented in a generally relevant and logical way but this may not be sustained throughout. Some punctuation and/or grammar errors may be found which cause some passages to lack clarity or coherence.*	e.g. training improves the skill level, productivity and customer service in the Villages may be better as a consequence e.g. recruitment of instructors might be easier because potential employees would be more likely to apply given the benefits of training such as higher pay or improved job security e.g. Training of instructors will ensure customers undertaking activities are safe and *Center Parcs* brand is protected e.g. progressive training will help to ensure a wider pool of skilled employees available for internal promotion	

4	9-14	**Low Level 4:** 9-10 marks. Evaluation must be present and in context **on one side**, e.g. showing possible advantages and disadvantages training for *Center Parcs* **Mid Level 4:** 11-12 marks Evaluation must be present and in context **on both sides** of using training programmes **High Level 4:** 13-14 marks Evaluation is developed to show a candidate's real perceptiveness. Several strands may be developed: the answer is clear, coherent and articulate, leading to a convincing conclusion. **NB if evaluation not in context limit to Level 3.** *Material is presented in a relevant and logical way. Some punctuation and/or grammar errors may be found but the writing has overall clarity and coherence.*	e.g. It depends on the nature or quality of the training as some training methods are more effective than others in improving productivity e.g. There are over 150 training programmes and it will be difficult for *Center Parcs* to assess the effectiveness of each individual training programme e.g. The scale of training all employees across 5 villages/job roles will be expensive and difficult to co-ordinate and to measure value e.g. there is an opportunity cost in having so many different training schemes which could be spent on other areas of the business e.g. The effectiveness of training might also depend on the nature of the trainee and how willing they are to learn new skills and apply within *Center Parcs*. If this training is not applied then there is no value e.g. despite the scale and costs of the training programmes it is essential for *Center Parcs* to continue to maintain their high quality brand

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