GradeMax



Mark Scheme (Results)

January 2024

Pearson Edexcel International Advanced Level In Business (WBS11)
Unit 1: Marketing and people

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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	Define the term ‘demand’. **Answer**	Mark
1(a)	**Knowledge 2** Up to 2 marks for defining the term ‘demand’ e.g. • Quantity of goods/services bought **(1)** at a given price over a given period of time **(1)**	**(2)**

Question	(b) Using this data, calculate the income elasticity of demand (YED) for *Meqnes* travel bags. (4) **Answer**	Mark
1(b)	**Knowledge 1, Application 2, Analysis 1** Quantitative skills assessed: **QS2:** calculate, use and understand percentages and percentage changes **QS7:** interpret values of price and income elasticity of demand. **Knowledge** 1 mark for identifying the formula for YED: • YED = % change in quantity demanded /%change in income **(1)** **Application** Up to 2 marks for selecting the correct data: • 1,120 – 1,000 / 1,000 x 100 = 12% **(1)** / 4% **(1)** **Analysis** 1 mark for calculating YED • 3 **(1)**. NB: If no working is shown, award marks as follows • If the answer given is 3, award 4 marks	**(4)**

Question	Analyse **two** benefits to *Meqnes* of having strong branding. **Answer** .	Mark
1(c)	**Knowledge 2, Application 2, Analysis 2** **Knowledge** Up to 2 marks for defining branding, e.g. • Features/name/logo of a product **(1)** that distinguish it from competitors **(1)**. **OR** For giving two benefits of strong branding, e.g. • Increased customer loyalty **(1)** • Lower price elasticity of demand (PED) **(1)**. **Application** Up to 2 marks for answers contextualised to *Meqnes*, e.g. • The brand is now internationally recognised and renowned for the style and elegance of its products **(1)** • The products are manufactured using the finest leather and skilled workers, which are expensive **(1)** **Analysis** Up to 2 marks for reasons/causes/consequences for *Meqnes*, e.g. • This may lead to word-of-mouth recommendations and repeat purchase/increases sales of its new products **(1)** • A lower PED may mean that customers still purchase the bags and other products even when the price increases leading to . increased revenue for the business **(1)**	**(6)**

Question	Discuss the importance of aesthetics to *Meqnes* when designing its products. **Indicative content**
1(d)	**Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited. **Knowledge, Application, Analysis, Evaluation – indicative content** • The design mix consists of aesthetics, function and cost/economic manufacture • Aesthetics is how the product appeals to the customer in terms of how it looks and feels • Aesthetics is likely to be important to the consumer as the bags are a fashion accessory and the business is known for its elegant goods • Products such as the scarves should be aesthetically pleasing to the customer otherwise, they may opt for a competitor's products • However, function of the travel bags is important as they are used to carry goods. They must be sufficiently strong to carry a person's belongings and be fit for purpose • The USP of the travel bags is the craftmanship of the product and therefore if the quality/function of the bags is not good this could lead to bad publicity and a poor reputation • To some extent, cost of manufacture will also be important. Whilst *Meqnes* uses superior materials and skilled employees its costs are likely to be high. It is important that the price to the consumer is not too high to deter customers from purchasing the products • All elements of the design mix are important and must complement each other in the design process • Aesthetics may be the most important element of the mix as customers are likely to buy the products primarily for its elegant design

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–5	Accurate knowledge and understanding. Applied accurately to the business and its context. Chains of reasoning are presented, showing cause(s) and/or effect(s) but may be assertions or incomplete.

		An attempt at an assessment is presented that is unbalanced and unlikely to show the significance of competing arguments.
Level 3	6–8	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Logical chains of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors.

Question	Assess the benefits to a business, such as *Meqnes,* of using the Boston Matrix to make decisions on its product portfolio. **Indicative content**
1(e)	**Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited. **Knowledge, Application, Analysis, Evaluation – indicative content** • The Boston Matrix is a method of portfolio analysis based on market share and market growth • It categorises products into Cash Cows, Dogs, Stars and Question marks (Problem child) • It can be used to analyse the current portfolio of products to help with future strategies and growth. Cash from mature products such as the travel bags can be used to fund new products and designs • It will help in the decision-making regarding products that are regarded as dogs that may be discontinued, such as the face masks or the card holders • The Boston Matrix may help to identify products that are regarding as stars, such as the belts and laptop cases which are growing in popularity. Such products may need increased promotion to turn them into cash cows • However, it is only a snapshot of the current product portfolio. It has little or no predictive value and does not take account of external factors such as other competitors selling personalised bags and scarves • Just because products are categorised as dogs does not mean they must be removed – perhaps face masks still generate acceptable levels of revenue and should not be discontinued • The Boston Matrix cannot be used in isolation and *Meqnes* must consider other external and internal factors to help them make important decisions on its product portfolio • Product life cycle may be a better method of portfolio analysis as it takes account of life span of products which is an important element in the fashion market

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–4	Elements of knowledge and understanding, which are applied to the business example. Chains of reasoning are presented, but may be assertions or incomplete. A generic or superficial assessment is presented.
Level 3	5–7	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and/or qualitative information, though unlikely to show the significance of competing arguments.
Level 4	8–10	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information and shows an awareness of competing arguments/factors, leading to a supported judgement.

Question	Define the term ‘social objective’. **Answer**	Mark
2(a)	**Knowledge 2** Up to 2 marks for defining the term ‘social objective’ e.g. • A goal of the business **(1)** relating to the wellbeing of society or the environment **(1)**	**(2)**

Question	Using the data in Extract C, calculate to 2 decimal places the average global revenue for the fast-food market between 2019 and 2022. **Answer**	Mark
2(b)	**Knowledge 1, Application 2, Analysis 1** Quantitative skills assessed: **QS1** Calculate, use and understand ratios, averages and fractions . **Knowledge** 1 mark for identifying a suitable formula for calculating an average : • Sum of the numbers / count of the numbers **(1)** **Application** Up to 2 marks for selecting the correct data: • 611 + 636 + 663 + 691 = 2601 **(1)** / 4 **(1)** **Analysis** 1 mark for calculating the average revenue • $650.25bn **(1)** **NB: If no working is shown, award the marks as follows** • If the answer given is $650.25bn, award 4 marks • If the answer given is 650.25bn, award 3 marks	**(4)**

Question	Analyse **two** factors that may lead to a change in supply in the fast-food market. **Indicative content**	Mark
2(c)	**Knowledge 2, Application 2, Analysis 2** **Knowledge** Up to 2 marks for defining supply e.g. • The quantity of products that suppliers make available **(1)** at a given price in a given period of time **(1)** **OR** For providing two factors leading to a change in supply, e.g. • New technology **(1)** external shock **(1)** **Application** Up to 2 marks for answers contextualised to the fast-food market e.g. • New technology provides faster ways to process or grow the food needed in the market **(1)** • An incident such as the global health crisis in 2020 may reduce the ability of fast-food businesses to open its restaurants and take-aways. **(1)** **Analysis** Up to 2 marks for reasons/causes/consequences for changes in supply in the fast-food market, e.g. • This will decrease the cost in the long run for the businesses and make it more profitable to the businesses in the fast-food market and therefore increase the willingness to supply **(1)** • This will lead to a decrease in the quantity of meals and fast-food supplied to consumers **(1)**	**(6)**

Question	Discuss the benefits for a fast-food business of using emotional branding to promote its products. **Indicative content**
2(d)	**Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited. **Indicative content** • Emotional branding is the process of forming a relationship between a consumer and a product or brand by provoking their emotions • A benefit of using emotional branding is that consumers may feel an attachment to the business. *McDonald's* commitment to use recyclable packaging by 2025 may appeal to the ethics of some consumers which may increase brand loyalty • *KFC* donating waste food to charities may make some consumers feel the business is behaving ethically which could lead to a good reputation and increased sales • The message portrayed in the emotional branding advertisements may help the business to differentiate itself from other fast-food restaurants and provide a competitive advantage • However, consumers may not be interested in the ethical behaviour of large businesses and the emotional branding may have little or no impact on the consumers purchasing decision • The financial cost of the commitments e.g. using recyclable packaging may be significant to the business. This may push up the price of the goods and lead to reduced sales. This is significant in a market where the target audience is likely to be younger people who are more price sensitive • It may not differentiate a business if all other competitors are making similar commitments to care for the environment/ society

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–5	Accurate knowledge and understanding. Applied accurately to the business and its context.

		Chains of reasoning are presented, showing cause(s) and/or effect(s) but may be assertions or incomplete. An attempt at an assessment is presented that is unbalanced, and unlikely to show the significance of competing arguments.
Level 3	6–8	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Logical chains of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, well contextualised, using quantitative and/or qualitative information and shows an awareness of competing arguments/factors.

Question	Assess the likely success of using competitive pricing for a new business entering the fast-food market. **Indicative content** .
2(e)	**Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited.' **Knowledge, Application, Analysis, Evaluation – indicative content** • Competitive pricing consists of setting a price for goods or services around the same level as competitors • Competitive pricing is typically used by businesses that sell similar products in the same market • As there is strong competition in the market with established brands such as *McDonalds* and *KFC*, customers are faced with a wide choice of who to buy from. They may buy from the cheapest provider indicating a competitive price is required • Fast-food may be regarded as an inferior good and customers may not expect to pay a high price for fast-food. As customers may be mindful of what is a reasonable price in the market then competitive pricing is necessary • It is unlikely that new entrants in the fast-food market will have sufficient power to set the price in such an established market and must accept the going rate pricing • However, there may be scope for other pricing methods as the market is growing, If the new business can differentiate itself from other fast-food restaurants, then it may be able to use a higher/premium price • The new business may choose to use a penetration pricing strategy to undercut the well-known brands to establish itself in the market • The success of the new business may be determined by other factors such as the level of customer service or the quality of the food

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–4	Elements of knowledge and understanding, which are applied to the business example. Chains of reasoning are presented but may be assertions or incomplete. A generic or superficial assessment is presented.

Level 3	5–7	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and/or qualitative information, though unlikely to show the significance of competing arguments.
Level 4	8–10	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors, leading to a supported judgement.

Question	Evaluate the extent to which financial methods of motivation may help *Google* achieve its goal**.** **Indicative content**
3	**Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited. **Knowledge, Application, Analysis, Evaluation – indicative content** • Financial methods of motivation refer to monetary rewards to motivate/drive workers • According to Taylor employees are motivated by pay and monetary rewards • *Google* are in a very competitive market, and it may be important that they pay similar wages to other technology businesses such as *Apple* and *Microsoft*. Otherwise, employees may feel dissatisfied/unhappy and leave *Google* to work for competitors • Providing financial benefits such as healthcare and pensions may help employees to fulfil their security needs. This may make them feel happy at work and encourage them to stay at *Google* • Employees may feel appreciated and cared for as the business provides food and gym equipment for them at work. This will help to make them feel happier at work and content with the working environment • However, not all employees are motivated by financial benefits. According to theorists like Mayo and Herzberg employees may be motivated by non-financial factors • *Google* employees may feel a sense of happiness at having a degree of freedom and flexibility whilst working at *Google*. They may feel more relaxed and content working from home and not having the stress of the commute to work • Employees at *Google* may get more satisfaction at having unpaid time off to pursue their personal aspirations and work on community projects than focus on the financial benefits of work • Some employees may feel happy at being able to bring their dog to work and this may bring more personal satisfaction than higher pay or retirement benefits in the short term • Other factors will also contribute to how happy people feel at work, such as the leadership style adopted or the day-to-day pressures employees experience at work • It depends on what motivates employees at *Google.* Some employees will be motivated by financial benefits whilst other will be more concerned with non-financial perks of the job

	• Overall, it is likely that most employees will be well paid, and it may be that the financial needs of most employees will be fulfilled. Therefore, the non-financial benefits may become more important to the happiness of employees in the longer term

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–4	Isolated elements of knowledge and understanding. Weak or no relevant application of business examples. An argument may be attempted, but will be generic and fail to connect causes and/or consequences.
Level 2	5–8	Elements of knowledge and understanding, which are applied to the business example. Arguments and chains of reasoning are presented but connections between causes and/or consequences are incomplete. Attempts to address the question. A comparison or judgement may be attempted but it will not successfully show an awareness of the key features of business behaviour or business situation.
Level 3	9–14	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Uses developed chains of reasoning, so that causes and/or consequences are complete, showing an understanding of the question. Arguments are well developed. Quantitative and/or qualitative information is introduced in an attempt to support judgements, a partial awareness of the validity and/or significance of competing arguments and may lead to a conclusion.
Level 4	15–20	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Uses well-developed and logical, coherent chains of reasoning, showing a range of cause and/or effect(s). Arguments are fully developed. Quantitative and/or qualitative information is/are used well to support judgements. A full awareness of the validity and significance of competing arguments/factors, leading to balanced comparisons, judgements and an effective conclusion that proposes a solution and/or recommendations.

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