



Mark Scheme (Results)

Summer 2017

Pearson Edexcel International GCSE
In Business (4BS0) Paper 1



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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) AO1 = 1	D	(1)

Question Number	Answer	Mark
1 (a)(ii) AO1 = 1	D	(1)

Question Number	Answer	Mark
1 (a) (iii) AO1 = 1	C	(1)

Question Number	Answer	Mark
1 (a) (iv) AO1 = 1	A	(1)

Question Number	Answer	Mark
1 (a) (v) AO1 = 1	B	(1)

Question Number	Answer	Mark
1 (b) (i) AO1 = 1 AO2 = 1	Valid points could include: • Bonus (AO1) by giving staff additional money for reaching a target (AO2). • Commission (AO1) staff receive a percentage of their sales (AO2). • Profit sharing (AO1) staff are given a share of the profits when the business is successful (AO2).	(2)

Question Number	Answer	Mark
1 (b) (ii) AO1	Tertiary Accept any recognisable spelling	(1)

Question Number	Answer	Mark
1 (c) AO1 = 4	A = Problem Child/Question Mark (?) B = Star/Rising Star C = Dog (bulldog) D = Cash Cow Do not accept them in any other order.	(4)

Question Number	Answer	Mark
1 (d) (i) AO1 = 2	Valid points could include: • No limit to the number of shares sold • Opportunity to raise a great deal of capital • Shares sold to the public on Stock Exchange • Shares freely transferable • Issuing new shares (Make sure not to award reverse points)	(2)

Question Number	Answer	Mark
1 (d) (ii) AO1 = 2	Valid points could include: • Sunita and Ben could lose control of their business • Legal formalities of setting up as a plc • More regulation/costs • Company could become too big so difficult to control	(2)

Question Number	Answer	Mark
1 (e) AO2 = 2 AO3 = 2	Valid points could include: • The financial information of the business is not private any longer (AO2) and would have to be published (AO2) everyone will know exactly how the business is performing (AO3) and whether it is worth entering the market (AO3). • Competitors/rivals are then able to see the financial situation of the business (AO2) see how many coaches they own (AO2) that means they can use it to their advantage (AO3) by offering the same services/product which makes a profit (AO3). • Having to publish accounts would also mean that the business would have to employ professional accountants (AO2) this would incur greater costs for the business (AO2) however the benefits are that the accounts are checked by a professional company (AO3) and this ensure that all the financial information is correctly laid out and bills are paid (AO3)	(4)
Question Number	Answer	Mark
2 (a) (i) AO1 = 2	Valid points could include: • Debtors • Stock • Cash	(2)

Question Number	Answer	Mark
2 (a) (ii) AO1 = 2	Valid points include: • Used to buy stock/raw materials • To run a business day-to-day • Having sufficient money to pay short-term debts • Emergency expenses	(2)

Question Number	Answer	Mark
2 (b) AO2 = 1	Valid points include: 23 23% 23.0% 23.00% Do not accept a £ sign in front of the figures	(1)

Question Number	Answer	Mark
2 (c) AO2 = 5	Valid points include: • The higher the number the better the investment (AO2) it measures profitability from the funds invested (AO2). The information can help them plan for the future (AO2). Can compare 2015 with 2016 (AO2). In 2015 ROCE was 18% (AO2) 5% lower than 2016 (AO2).	(5)

Question Number	Answer	Mark
2 (d) AO3 = 4 AO4 = 2	Valid points include: By using the financial figures they can compare from year to year (AO3) this will allow them to see if the business is performing better or not (AO4). The figures can also inform the business what action they might need to take in the future (AO3). The figures also allow them to compare them against competitors (AO3). If their figures are better it means that they are more successful (AO4) percentages are easier to use than large figures (AO3).	(6)

Question Number	Answer	Mark
2 (e) AO3 = 2 AO4 = 2	Valid points include: - They could avoid the issue if they ensure that they hold regular meetings with all those involved (AO3) so that everyone is informed (AO4). - They also need to keep the staff informed so they know what they have to do (AO3) and thus reducing any errors or misconceptions (AO4).	(4)

Question Number	Answer	Mark
3 (a) AO1 = 2	Valid points could include: (1968) Trade Descriptions Act (1974) Consumer Credit Act (1979) Sale of Goods Act (1985) Weights and Measures Act (1987) Consumer Protection Act (1998) Data Protection Act (2015) Consumer Rights Act	(2)

Question Number	Answer	Mark
3 (b) AO2 = 2 AO3 = 2	Valid points could include: • The policy helps the growth of small businesses (AO3) so that <i>HTL</i> can join markets where there will be more competition (AO2). With smaller businesses in the market (AO2) there is not likely to be one business dominating (AO3). • If there are lower barriers to entry (AO2) or if they are removed, then more businesses will join (AO3). This will make for more competition (AO3) as there is no fixing of prices that hold a dominant market position (AO2). 1 mark per point plus 3 marks for development 1 mark per point plus 1 mark for development x2	(4)

Question Number	Answer	Mark
3 (c) AO3 = 3 AO4 = 3	Valid points could include: As the Government is offering incentives for using renewable energy then <i>HTL</i> could benefit financially by investing in it (AO3). The incentive helps <i>HTL</i> as it reduces the costs of installation (AO3). <i>HTL</i> can also then gain funds from anything that is generated (AO3). As <i>HTL</i> operates normally through the day and night this could help reduce their running costs (AO4). <i>HTL</i> could use the fact that it is using renewable energy in its adverts to show that it is environmentally friendly (AO4). This would give a good impression to the people that use <i>HTL</i> services (AO3) and encourage them to use <i>HTL</i> (AO4). 1 mark per point plus 5 marks for development 1 mark per point plus 2 marks for development x2 Any combination	(6)

Question Number	Answer	Mark
3 (d) AO2 = 2 AO3 = 2 AO4 = 4	Valid points could include: • (direct) If the Government decided to increase the income tax then people would have less disposable income for outings (AO4) which means that they are less likely to use <i>HTL</i> (AO4). It is normally the people who do not have their own transport that will use <i>HTL</i> (AO2) and need to get from one place to another (AO2). This could have a bigger impact on other businesses as people may not be able to travel to and from work (AO4) and this means that they would look for a job nearer home (AO4). However more people could end up using <i>HTL</i> because they can no longer afford to keep their car (AO3) and therefore using the business would make it cheaper for them than maintaining their own vehicle (AO3). • (indirect) If the Government decided to increase indirect costs such as VAT then would also have an effect on <i>HTL</i> (AO2). They may have to increase the cost of their journeys (AO2) which could mean that people will not wish to pay the cost and not travel with them (AO4). They may find that the number of people that travel will be reduced (AO4) and this in turn will have an effect on the overall profit/loss of the business (AO4). However not all businesses will be affected and it may be that people will reduce the amount of travel (AO4). They will only use the business for essential travel (AO3). Employees of the company may not have sufficient work (AO3) for them affecting part-time and casual employees (AO2).	(8)

Question Number	Answer	Mark
4 (a) (i) AO1 = 1 AO2 = 2	Valid points include: Eg overdraft, trade credit, leasing, hire purchase, sale of assets, government grants. • <i>HTL</i> could lease the computers (AO1) this means that it does not have to pay the full cost (AO2) and the cost is spread (AO2).	(3)

Question Number	Answer	Mark
4 (a) (ii) AO2 = 2 AO3 = 2	Valid points include: • If you use profit once it has gone then it cannot be used again (AO2) so that if there was an emergency it would not have the funds (AO3). • If using profit then the shareholders may not get their dividends (AO2) and may not approve of keeping the money in the business (AO3).	(4)

Question Number	Answer	Mark
4 (b) AO2 = 3 AO3 = 3 AO4 = 2	Valid points include: • (costs) if <i>HTL</i> is to keep up with technology it will have to purchase new equipment (AO2) this will be expensive but will enable <i>HTL</i> to be more efficient (AO3) this should save manpower with long-term benefits (AO4). Also, to compete with other businesses in the same line, it needs to have the up-to-date technology (AO3). • (benefits) it will be seen by the public as being up-to-date (AO2) the technology will enable passengers to purchase tickets online, via their mobile (AO3) which means that <i>HTL</i> could gain additional passengers (AO3) and, in the long-term, this could mean more business (AO4). (Make sure not to award reverse points) 4 marks maximum for costs 4 marks maximum for benefits	(8)

Question Number	Answer	Mark
4 (c) AO2 = 2 AO3 = 3	Valid points include: • <i>HTL</i> should change their fuel because it will help the environment (AO2) the old fuel could give off gases which pollute the atmosphere (AO2). Using other resources means that it reduces the emissions given off and makes the environment cleaner (AO3) which means it will be healthier for people (AO3). It might be more expensive to use the lower emission fuel. However it could be used in advertising campaigns to show how environmentally friendly the business is. (AO3). It could help with giving a positive image of the company (AO3) which could help them gain additional work (AO3).	(5)

Question Number	Answer	Mark
5 (a)(i) AO1 = 1 AO2 = 1	Valid points include: • Giving price reduction (AO1) for additional journeys (AO2). • Giving entry into free competition (AO1) where winner receives free travel to a destination (AO2). • Giving gifts (AO1) that can be used by the person (AO2). • Use of social media (AO1) giving access to a world-wide audience (AO2).	(2)

Question Number	Answer	Mark
5 (a)(ii) AO2 = 3	Valid points relating to the example include: • The more people that see the offers they then may be interested in using the business (AO2). People are able to see what the business offers and be interested in finding out more (AO2). People like having 'something for nothing' and would then keep using the business to gain more gifts (AO2).	(3)

Question Number	Answer	Mark
5 (b) AO2 = 3 AO3 = 2	Valid points include: - Public relations is important because it is a way of gaining a good reputation (AO2). If the public is happy with the service received they will tell others (AO3) and this could mean more business for <i>HTL</i> (AO3) as they know that the service will be good (AO2) and other people are willing to use the business (AO2). - Public relations is often a cheaper method of promotion (AO2) if they provide good service then the customers do the rest of the work (AO3) by telling their friends and relatives (AO3). Some businesses often seek bad publicity (AO2) because it gets the name of the business known, very quickly without a cost (AO2). - Improving public relations is important to businesses because it can mean that more people will trust the business (AO2) if there have been problems in the past (AO3) then any good publicity will help improve the image (AO3) showing that the business is caring of their customers (brand loyalty) (AO2).	(5)

Question Number	Answer	Mark
5 (c) AO2 = 2 AO3 = 4 AO4 = 4	Valid points include: • (primary) primary research is very time-consuming (AO2) as you have to collect all the data yourself. However the advantage of this is that it is totally relevant to the business (AO4) and you answer directly to the public any other questions they have about the business (AO4). Whereas with secondary research someone else has collected the data and it might not be as useful to the business as you would like (AO3). The only advantage is that great quantities of information could be available for the business to use (AO2). Most of the information might not be applicable to the area or specific needs of your business (AO3). Primary research is expensive (AO4) but in the long-term it will be more valuable (AO3) and gives you an indication of what is required in the area you are serving (AO3). Overall primary is the better option but it does have limited information and you would need to be experienced in the area of collecting information (AO4). • (secondary) this is much easier to use as the information is already collected for you (AO2) you can have as much information as you wish to pay for (AO3) and it can be as detailed as you want (AO3). However you will need to go through the information and elicit exactly what you want (AO4). Whereas with primary you are limited to what you have collected (AO2) and it can be costly to gain the information (AO3). With secondary you can gain additional information that you had not realised you could use (AO3) and that it is collected by experts in the field it should be more useful (AO4). Overall secondary gives you more opportunities to apply the information gained to the business (AO4) it also can give you information on your competitors which is very valuable (AO4). 5 marks maximum for why method is selected 5 marks maximum for why other method is rejected 2 marks maximum for balance comments against selection (ie for disadvantages associated with method selected) Any combination to a maximum of 10 marks	(10)

