



Mark Scheme (Results)

Summer 2018

International GCSE Business Studies
(4BS0/01)

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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)	D A Rent - is not correct because is a fixed cost. B Salaries - is not correct because it is a fixed cost. C Insurance - is not correct because it is a fixed cost. D Shipping Costs - is correct because the cost is dependent on what is shipped and this can vary.	(1)

Question Number	Answer	Mark
1 (a)(ii)	C A Business plan - is not correct because it is not used in recruitment B Person description - is not correct because there is no such term. C Job description - is correct because it is a document describing the job. D Job enrichment - is not correct as it is not a document	(1)

Question Number	Answer	Mark
1 (a)(iii)	B A Sales revenue - is not correct because this is income from sales B Reinvested profit - is correct because it is a long term source of finance. C Trade Credit - is not correct because it is a short term source of finance D Bank overdraft - is not correct because it is short term source of finance	(1)

Question Number	Answer	Mark
1 (a)(iv)	C A Political - is not correct because there is no legislation regarding politics for workers. B Ethical - is not correct because there is no legislation regarding ethics for workers. C Age - is correct because there is legislation saying you cannot discriminate workers by age. D Ability - is not correct because there is no legislation regarding ability for workers.	(1)

Question Number	Answer	Mark
1 (a)(v)	D A Productivity - is not correct because it is a measure of the number of articles produced by a worker in a given period of time. B Job Share - is not correct because it is sharing a job with someone else. C Span of control - is not correct because it is the number of people a person is responsible for. D Delegation - is correct because you are giving someone else the responsibility to do something.	(1)

Question Number	Answer	Mark
1 (b)	Tertiary	(1)

Question Number	Answer	Mark
1 (c) AO1 = 3	Valid points include: (Definition) Refers to a process or industry that requires a large amount of people/human labour (AO1) to produce goods or services (AO1). Uses more people/human labour than capital/machines (AO1)	(3)

Question Number	Answer	Mark
1 (d) AO1 = 5	ii) H iii) D iv) B v) G vi) C	(5)

Question Number	Answer	Mark
1 (e) (i) AO1 = 3	Valid points include: • Notices • Contract • Memo • Wage slip • Report	(3)

Question Number	Answer	Mark
1 (e) (ii) AO2 = 3	Valid points include: (letter) • Is more personal as it is sent to one or two individuals. (A02) • It is private as the person can decide when and where to read the letter. (A02) • A letter can be referred to at a later date for reference purposes. (A02) • A letter is always there as a reminder – of instructions that may have to be followed. (A02) 1 x 3	(3)

Question Number	Answer	Mark
2 (a) (i) AO2 = 2	Valid points include: - Objectives give a business a focus (AO2) so Max knows what he is aiming for (AO2). - Employees know what they are working towards (AO2) so everyone works towards the same goals/targets (AO2). - Act as a measure of success (AO2), if they achieve a 10% increase in sales, they will know that it is a good year (AO2).	(2)

Question Number	Answer	Mark
2 (a) (ii) AO3 = 4	Valid points include: (wealth creation/growth) means that the business is surviving and enjoying success (AO3) and with this success can mean that the business is more stable (AO3) likely to continue to grow/expand (AO3). - Employees feel more secure because the business is successful (AO3) which means that their job is secure and they will be paid each week/month (AO3) which means they will be more loyal to the business (AO3). 2 x 2	(4)

Question Number	Answer	Mark
2 (b) (i) AO2 = 2	Valid points include: - Large stock means that customer orders can be met on time. - Customers are not disappointed as the business will always have what they want. - Gives the business a good reputation for never being under sold on items. - Customers will not go to competitors if they have sufficient stock of items. - Larger stocks may mean that <i>MME</i> has better bargaining powers for price of goods. 1 mark for each point identified	(2)

Question Number	Answer	Mark
2 (b) (ii) AO2 = 2	Valid points include: • It is expensive keeping a large stock. • Ties up money that could be used for purchasing other goods. • Stock may not be what customers want to order. • Takes up space in the business. • Large quantities of stock could mean that the records become obsolete and therefore it is money wasted. 1 mark for each point identified	(2)

Question Number	Answer
2 (c) AO4 = 4	Valid points include: • (Size/growth) If the business is increasing in size or the number of products it offers/or employees it has to employ then it is growing (AO4). Also it could be the number of sales or the value of the business, if they are increasing then the business is growing (AO4). • (Turnover) The business can judge its success by the number of goods sold (AO4) the greater the number, the more successful (AO4). If the turnover increases year by year it may be more successful (AO4). • (Survival) If the business is surviving then it means that the business is successful (AO4) and it should be making a profit (AO4) or they can compare their business against another similar business (AO4). • (Profit) if the business sees the profit increase it may consider itself successful(AO4), and this could mean more money available to invest in the business (AO4). 2x2

Question Number	Answer	Mark
2 (d) (i) A01 = 2	Valid points include: Each item has a bar code (A01) which can be scanned (A01) 1 x 2	 (2)

Question Number	Answer	Mark
2 (d) (ii) AO4 = 4	Valid points include: All data of sales are stored on the computer which is helpful for the business as they know exactly what is sold (AO4). Without having to count the items and check what is in stock the computer data can access this information quickly (AO4). An itemised receipt can be given to the customer so they can check what has been bought but also the business has a record of the sale (AO4). At the end of a day or end of a period of time the computer can produce different reports in different formats as required (AO4). Checking actual stock with computer records is easier for MME (AO4). 1 x 4	(4)

Question Number	Answer	Mark
3 (a) AO2 = 2 AO3 = 4	Valid points include: (Advertisement) the adverts will reach a wider audience (AO2) which means that more people will be able to see the advert (AO3). This means that they could be potential customers (AO3) and more likely to visit the shop (AO3). MME is not that big (AO2) and the adverts could be expensive which means that they may not be able to target the right audience for the business (AO3). There is no guarantee that the adverts will work (AO3). (Leaflets) the leaflets can target the people who live in the area (AO2) and they are more likely to visit the shop or go online to view the products (AO3). They could be passing the shop and remember the leaflet and are therefore encouraged to visit (AO3) as it is not too far away (AO3). However leaflets are not always read by people (AO3) and they could be simply thrown away or discarded (AO2).	(6)

Question Number	Answer	Mark
3 (b) (i) AO1 = 2	Methods include: • Donate to charity • Provide music for special events • Host events within the community • Article in a newspaper • Exhibitions • Press conferences 1 x 2	(2)

Question Number	Answer	Mark
3 (b) (ii) AO2 = 4	Valid points include: • If <i>MME</i> sponsor a football team it means that their name is seen by a number of people/potential customers (AO2) also members of the public think that the business is trying to help the community (AO2). • It creates a positive public image (AO2). Which would help improve MME reputation (AO2). 2 x 2	(4)

Question Number	Answer	Mark
3 (c) AO2 = 2 AO3 = 3 AO4 = 3	Valid points include: (Advantages) Customers can purchase their goods at any time of the day or night (AO2), they do not have to travel to the shop and spend money travelling (AO3). They will have access to all records and could purchase more records (AO4) as they will have more time to view what is for sale(AO4). Additional online offers can be made to encourage sales (AO3). (Disadvantages) Customers will no longer be able to see what they are buying before purchasing (AO2). Often people will impulse buy when they see something in a shop, this will not happen (AO3). People might have difficulty seeing/using the website and see what is available to purchase (AO4). There could be delays in the goods being received (AO3). Goods could be damaged on route and customers would not be happy, meaning the business gets a bad reputation ((AO4). If only advantages/disadvantages limit to 4 marks.	(8)

Question Number	Answer	Mark
4 (a) AO1 = 2	- Where total revenue equals total cost - The point at which there is no profit or loss - Fixed cost/contribution	(2)

Question Number	Answer	Mark
4 (b) (i) AO2 = 2	2016 = 1.075 : 1 2017 = 0.50 : 1 Accept 1.075/1.08 and 0.50/0.5	(2)

Question Number	Answer	Mark
4 (b) (ii) AO2 = 2 AO3 = 5 AO4 = 1	Valid points include: The ratio from 2016 to 2017 has gone down by 0.575 (AO2) showing that the business is not doing as well as previously and is illiquid (AO2). The ideal ratio for the business should be 1:1 meaning that <i>MME</i> can pay their debts (AO3). At present they are unable to do this and this is cause for concern (AO3). However, this ratio is one of the tougher measures of a business (AO3). It does not mean that <i>MME</i> is in trouble, because they still have current assets that they can sell to help make the business solvent (AO3). Fixed assets can be sold to make the business more liquid are not items that can easily be sold to making the business more liquid (AO3). The difference could mean that <i>MME</i> has increased its current assets considerably which would show in these figures by being lower in 2017 (AO4).	(8)

Question Number	Answer	Mark
4 (c) (i) AO1 = 2	Valid points include: The price/value of one country's currency (1) when compared/against/in terms of another country's currency. (1)	(2)

Question Number	Answer	Mark
4 (c) (ii) AO2 = 1 AO3 = 1 AO4 = 4	Valid points include: If the value of the pound increases this means that it will be more expensive for overseas customers to buy <i>MME's</i> goods (AO2). This means that they are less likely to buy the products, preferring to buy them from their own country (AO3) but they may not be available in their country (AO4). This will reduce the amount of sales that <i>MME</i> will be making (AO4) and therefore reduce revenue and the consequences could be that <i>MME</i> decide not to sell to customers abroad (AO4). Alternatively they could reduce their price to match (AO4) and this would reduce the profit but still maintain selling to customers abroad (AO4). Max of 4 for one effect	(6)

Question Number	Answer	Mark
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5 (a) AO2 = 2 AO3 = 2	Valid points include: • (closing the high street) Max can save money by closing the high street, no high rent to pay etc (AO2) they can open whenever they want as they are not restricted to certain times of the day, e.g. work 24 hours if needed (AO2). With no shop to maintain at certain hours they can work when they want to (AO3). It allows for employing staff who are more flexible (AO3). The premises could be larger out of town which means that they have more stock to sell (AO3). • (remain on the high street) If <i>MME</i> remains on the high street then they can still gain customers who are passing by the shop (AO2) this will also allow them to have a presence in the town centre (AO2). It gives publicity to the shop if there are any special events on in the town, as they can belong to it, e.g. summer fayres etc (AO3). They have somewhere for the customers to come and browse through the products (AO3) and also ask questions and get information from the staff working in the shop (AO3).	(4)
Question Number	Answer	Mark

5 (b) AO1 = 2 AO3 = 4	Valid points include: • Increase in sales (AO1). The more sales that have been generated from the website means that it is successful (AO3). The website targets a wider audience so more people from across the world have access to the website (AO3). • Increase in awareness of business (AO1). The website allows more people to see what the business has to offer (AO3) they can ask for specific DVD's, CD's or they can make contact with people who enjoy the same sort of music (AO3). • The more 'hits' on the website (AO1) indicate that people are looking at his website and this could mean that they are looking to purchase (AO3) or they are looking to see what <i>MME</i> are selling (AO3). • Feedback from customer (AO1) Customer will tell max whether that are happy or unhappy with the website (AO3) Max can plan any Improvements based on customer feedback	(6)
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Question Number	Answer	Mark
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5 (c) AO2 = 2 AO3 = 4 AO4 = 4	Valid points include: • (overdraft) This is a very flexible method of borrowing money (AO2). If Max requires more money and as long as the bank agrees he can borrow the money, then an overdraft is useful (AO3). However the bank may not agree to the overdraft or they can request the money back at any time (AO2). Often overdrafts can be cheaper than loans for borrowing money (AO4). The interest rates can be more expensive if the overdraft is for a long time (AO4). Borrowing from family could be more difficult as they may not have sufficient funds to borrow (AO3) which could put the business into financial difficulty (AO4). If the payments are not met on a regular basis this could cause bad feelings within the family (AO4). If the amount of money required is not too much then an overdraft is the better choice as it allows the money to be paid back when available (AO3) and you do not lose the support of your family if you are not able to pay back by a certain date (AO3). Banks may also renegotiate an overdraft if needed (AO4). • (family) This is probably the cheapest way of borrowing money (AO2) depending on the relationship with the family the repayment terms may be very flexible (AO3). The money is available quite quickly and there are no meetings and documentation required to gain the money (AO3). However the amount of money borrowed could be limited which is a disadvantage (AO2) which could mean that you have to find other ways of obtaining the additional money (AO3). Family may loan the money without any costs involved or any details with regard to why the money is needed (AO4). However if the money is not paid back at the correct time or the full amount it could lead to family quarrels and disagreements or falling out with family (AO4). This is perhaps where an overdraft is the more financially secure alternative as it is made with a third party (AO3), the terms and details can be negotiated and re-negotiated if needed (AO4). 5 marks maximum for why method selected 5 marks maximum for why other method is rejected Any combination to a maximum of 10 mark	(10)
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