Pearson Edexcel

Mark Scheme (Results)

Summer 2019

Pearson Edexcel International GCSE Business 4BS1
Paper 1: Investigating Small Businesses

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Summer 2019
Publications Code 4BS1_01_MSC_2019_08_22

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.
- Mark schemes will indicate within the table where, and which strands of QWC, are being assessed. The strands are as follows:

  i) ensure that text is legible and that spelling, punctuation and grammar are accurate so that meaning is clear
  ii) select and use a form and style of writing appropriate to purpose and to complex subject matter
  iii) organise information clearly and coherently, using specialist vocabulary when appropriate.

Question Number	Answer	Mark
1 (a) (i)	**AO1 - 1 mark** **B -** Government reports	**(1)**

Question Number	Answer	Mark
1 (a) (ii)	**AO1 - 1 mark** **C -** Increased market share	**(1)**

Question Number	Answer	Mark
1 (a) (iii)	**AO1 - 1 mark** **A -** Bank loan	**(1)**

Question Number	Answer	Mark
1 (a) (iv)	**AO1 - 1 mark** **C –** Production	**(1)**

Question Number	Answer	Mark
1 (a) (v)	**AO2 - 1 mark** **A -** 2 489.60 Ks	**(1)**

Question Number	Answer	Mark
1 (a) (vi)	**AO2 - 1 mark** **D -** The cost of importing a handbag would fall	**(1)**

Question Number	Answer	Mark
1 (b)	**AO1 - 1 mark** Award 1 mark for a correct definition of stakeholder. • Individuals or groups with an interest in the success or failure of a business **(1).**	**(1)**

Question Number	Answer	Mark
1 (c)	**AO1 - 1 mark** Award 1 mark for a correct definition of quantitative data. • Data that is measured by value and expressed/represented as numbers **(1).**	**(1)**

Question Number	Answer	Mark
1 (d)	**AO2 - 1 mark** Award 1 mark for a valid response which relates to a method of on-the-job training in the context of the business. • Shadowing a fellow shoe fitter **(1).** • Demonstrating how customers are advised between different shoe brands **(1).** **Accept any other appropriate response.**	**(1)**

Question Number	Answer	Additional guidance	Mark
1 (e)	**AO2 - 2 marks** 500 500/ 570 000 x 100 **(1)** Answer 87.81% **(1)**	Award 1 mark for correctly substituting numbers into formula. Award full marks for correct numerical answer without working.	**(2)**

Question Number	Answer	Mark
1 (f)	**AO1 - 3 marks** Award 1 mark for identification of a way, plus 2 further marks for explaining how this way will affect a business for a maximum of 3 marks. • A business could negotiate deals with suppliers at a cheaper rate **(1)** this will keep costs as low as possible **(1)** meaning that the business can look to reduce the prices of their products/services to encourage more sales **(1).** Answers that list three ways with no explanation will get a maximum of 1 mark. **Accept any other appropriate response.**	**(3)**

Question Number	Indicative content	Mark
1 (g)	**AO2 = 3 marks** **AO3 = 3 marks** **AO2** • *Backyard Shoez* is located in three shopping malls where there are other shoe shops. • *Backyard Shoez* need to maintain a high standard at all times to encourage customers to buy its shoes and bags. **AO3** • If customer needs are not met then present customers are likely to go to other shoe shops. • *Backyard Shoez* will maintain customer loyalty with positive effects on sales and revenue.	**(6)**

Level	Mark	Descriptor
	0	No Rewardable material.
Level 1	1-2	• Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). • Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3).
Level 2	3-4	• Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3).
Level 3	5-6	• Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3).

Question Number	Answer	Mark
2 (a)	**AO2 - 1 mark** Award 1 mark for any valid piece of information in the context of the business. • Discount off any shoes for friends and family **(1).** • Allow employees to gain a qualification in customer service **(1).** **Accept any other appropriate response.**	**(1)**

Question Number	Answer	Mark
2 (b)	**AO2 - 1 mark** Award 1 mark for any valid piece of information in the context of the business. • Gain more knowledge about shoes/accessories **(1).** • Receive training at a college on selling men and children's shoes **(1).** **Accept any other appropriate response.**	**(1)**

Question Number	Answer	Mark
2 (c)	**AO1 - 3 marks** Award 1 mark for identification of a reason for having a human resource functional area, plus 2 further marks for explaining this reason for a business, for a maximum of 3 marks. • A reason is to recruit employees **(1).** It will identify a vacancy in the business and seek to fill it **(1)** having found the right person for that role **(1).** Answers that list more than one reason with no explanation will get a maximum of 1 mark. **Accept any other appropriate response.**	**(3)**

Question Number	Answer	Mark
2 (d)	**AO1 - 3 marks** Award 1 mark for identification of method, plus 2 further marks for explaining this method, for a maximum of 3 marks. • A business could use television advertising **(1).** This can be seen by large numbers of people raising awareness **(1)** resulting in an increase in sales for a business **(1).** Answers that list more than one method with no explanation will get a maximum of 1 mark. **Accept any other appropriate response.**	**(3)**

<table>
<tr><th>Question Number</th><th>Answer</th><th>Mark</th></tr>
<tr><td>2 (e)</td><td>A01 - 3 marks

Award 1 mark for identification of one way the product life cycle can be extended, plus 2 further marks for explaining the way, for a maximum of 3 marks.

A business could change the packaging of its product (1), this could be done by brightening up old packaging or adding extras to the packaging (1). This could result in more repeat purchase as well as new custom (1).
Answers that list more than one way with no explanation will get a maximum of 1 mark.

Accept any other appropriate response.</td><td>(3)</td></tr>
</table>

Question Number	Indicative content	Mark
2 (f)	**AO2 = 3 marks AO3 = 3 marks** **AO4 = 3 marks** **AO2** • Option 1 –*Backyard Shoez* could give bonuses for the person who has achieved the highest shoes sales within a month. • Option 2 – *Backyard Shoez* could use job enrichment to give their employees greater responsibilities within the shoe shop. **AO3** • Options 1 – The employees may be encouraged to work harder and compete against each other to gain the highest shoe sales for the bonus. • Option 2 – This will motivate employees as they can see they are being given the opportunity to use their abilities within the shoe shop as they are trusted by *Backyard Shoez.* **AO4** • Option 1 – However, if an employee cannot continually achieve the highest shoes sales then they may become demotivated and this could have the opposite effect. • Option 2 – However, some employees may resent not being chosen for job enrichment as therefore may become demotivated.	**(9)**

Level	Mark	Descriptor
	0	No Rewardable material.
Level 1	1-3	• Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). • Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3). • Makes a judgement, providing a simple justification based on limited evaluation of business information and issues relevant to the choice made (AO4).

Level 2	4-6	• Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3). • Makes a judgement, providing a justification based on sound evaluation of business information and issues relevant to the choice made (AO4).
Level 3	7 - 9	• Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3). • Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made (AO4).

Question Number	Answer	Mark
3 (a)	**AO1 - 1 mark** Award 1 mark for a correct definition of profit. • Profit is the difference between total revenue and total costs **(1).**	**(1)**

Question Number	Answer	Mark
3 (b)	**AO2 - 2 marks** Award 1 mark for identifying an impact of an increase in interest rates on *Backyard Shoez.* One further mark for outlining it in the context of the business. *Backyard Shoez* could see a decrease in sales of shoes **(1)** because their customers who have debts have less income to spend on luxury items because they are paying more back to lenders **(1).** **NB** Do not accept a reason that is not in context of *Backyard Shoez*. **Accept any other appropriate response.**	**(2)**

Question Number	Answer	Additional guidance	Mark
3 (c)	**AO2 - 2 marks** 100 000/ (4 300 – 3 500) OR 100 000/ 800 **(1)** = 125 shoes **(1).** NB: Alternatively if candidates have worked out revenue instead of number of shoes then marks can be awarded for calculating break even revenue: 125 x 4 300 = 537 500Ks **(1).**	Award 1 mark for correctly substituting numbers into formula. Award full marks for correct numerical answer without working.	**(2)**

Question Number	Indicative content	Mark
3 (d)	**AO2 = 3 marks AO3 = 3 marks** **AO2** • *Backyard Shoez* will be able to see that it needs to sell 125 pairs before it can break-even. • *Backyard Shoez* can ask 'what if' questions and see what impact various price changes have on the break-even point. **AO3** • This will enable *Backyard Shoez* to know if they are breaking even and moving into profit. • They can raise or lower the price to become more competitive with other shoe shops.	**(6)**

Level	Mark	Descriptor
	0	No Rewardable material.
Level 1	1-2	• Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). • Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3).
Level 2	3-4	• Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3).
Level 3	5-6	• Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3).

Question Number	Indicative content	Mark
3 (e)	**AO2 = 3 marks AO3 = 3 marks** **AO4 = 3 marks** **AO2** • Option 1 – Crowdfunding is a quick way to raise finance to buy new shoes/latest fashion. • Option 2 – An overdraft allows *Backyard Shoez* a temporary facility to withdraw funds from its bank to buy the required amount of stock. **AO3** • Option 1 – They could also pay the investors with products rather than a financial reward which could help cash flow. • Option 2 – If *Backyard Shoez* chooses an overdraft it gives them flexibility and they only pay interest when overdrawn. **AO4** • Option 1 – Crowdfunding is a high risk way of trying to obtain finance, this could result in *Backyard Shoez* not being able to raise sufficient funds to buy the additional stock required therefore impacting on its expansion plans. • Option 2 – The bank can demand repayment at any time and interest rates on overdraft are usually high.	**(9)**

Level	Mark	Descriptor
	0	No Rewardable material.
Level 1	1-3	• Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). • Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3). • Makes a judgement, providing a simple justification based on limited evaluation of business information and issues relevant to the choice made (AO4).
Level 2	4-6	• Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3). • Makes a judgement, providing a justification based on sound evaluation of business information and issues relevant to the choice made (AO4).
Level 3	7 - 9	• Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3). • Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made (AO4).

Question Number	Answer	Additional guidance	Mark
4 (a)	**AO2 - 2 marks** 800/ 2 400 x 100 **(1)** = 33 **(1).**	Award 1 mark for correctly substituting numbers into formula. Award full marks for correct numerical answer without working.	**(2)**

Question Number	Indicative content	Mark
4 (b)	**AO2 = 3 marks AO3 = 3 marks** **AO2** • *Backyard Shoez* can use the information to work out how much profit they have made from buying and selling shoes and compare it to previous years. • Profitability ratios can help *Backyard Shoez* see if there is a need to take out any short term sources of finance. **AO3** • By using profitability ratios *Backyard Shoez* can see their financial position before they are set to expand to work out whether it is the right business decision to make or not. • Profitability ratios give investors the crucial information they need to weigh up the amount that they will receive from their investment compared to the risk they are going to take.	**(6)**

Level	Mark	Descriptor
	0	No Rewardable material.
Level 1	1-2	• Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). • Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3).
Level 2	3-4	• Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3).
Level 3	5-6	• Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3).

<table>
<tr><th>Question Number</th><th>Indicative Content</th><th>Mark</th></tr>
<tr><td>4 (c)</td><td>AO1 = 3 marks AO2 = 3 marks
AO3 = 3 marks AO4 = 3 marks

AO1
Market research can be conducted by the business itself in the form of a questionnaire.
The business could chose to use other methods that suit their business like focus groups.
AO2
Backyard Shoez could question customers in the mall on their needs and wants for shoes.
Backyard Shoez will be able to speak directly to customers who buy their shoes who will then feel valued.
AO3
Therefore, using primary market research Backyard Shoez can find out exactly what they need and work out ways of meeting those needs.
Focus groups will give Backyard Shoez qualitative data which can help with the design of new shoes.
AO4
However, it can be time consuming to find out what customers’ needs are and if these are already being met by the competitors in the local area then no amount of market research will help them to target their new audience.
However, without doing secondary market research as well then Backyard Shoez cannot find out wider research such as information on competitors and suppliers.</td><td>(12)</td></tr>
</table>

Level	Mark	Descriptor
	0	No Rewardable material.
Level 1	1-4	• Demonstrates elements of knowledge and understanding of business concepts and issues, with limited business terminology used (AO1). • Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). • Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3). • Makes a judgement, providing a simple justification based on limited evaluation of business information and issues relevant to the choice made (AO4).
Level 2	5 – 8	• Demonstrates mostly accurate knowledge and understanding of business concepts and issues including appropriate use of business terminology in places (AO1). • Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3). • Makes a judgement, providing a justification based on sound evaluation of business information and issues relevant to the choice made (AO4).
Level 3	9 – 12	• Demonstrates accurate knowledge and understanding of business concepts and issues throughout, including appropriate use of business terminology (AO1). • Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3). • Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made (AO4).