



Pearson

Mark Scheme (Final)

Summer 2019

Pearson Edexcel International

GCSE Business 4BS1

Paper 2: Investigating Large Businesses

Edexcel and BTEC Qualifications

Edexcel and BTEC qualifications come from Pearson, the world's leading learning company. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information, please visit our website at www.edexcel.com.

Our website subject pages hold useful resources, support material and live feeds from our subject advisors giving you access to a portal of information. If you have any subject specific questions about this specification that require the help of a subject specialist, you may find our Ask The Expert email service helpful.

www.edexcel.com/contactus

Pearson: helping people progress, everywhere

Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your students at:

www.pearson.com/uk

Summer 2019

Publications Code 4BS1 02_MSC_2018_08_22*

All the material in this publication is copyright

© Pearson Education Ltd 2019

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 D – Share capital	(1)

Question Number	Answer	Mark
1 (a)(ii)	AO1 - 1 mark B - Age	(1)

Question Number	Answer	Mark
1 (a) (iii)	AO1 - 1 mark A – Market research	(1)

Question Number	Answer	Mark
1 (a)(iv)	AO1 - 1 mark C – Total costs and revenue are the same	(1)

Question Number	Answer	Mark
1 (a) (v)	AO1 - 1 mark B – €34 800	(1)

Question Number	Answer	Mark
1 (a)(vi)	AO2 - 1 mark C - €5 962	(1)

Question Number	Answer	Mark
1 (b)	AO1 - 1 mark Award 1 mark for a correct definition of insolvency. When a business can no longer meet its debts (1).	(1)

Question Number	Answer	Mark
1 (c)	A01 - 1 mark Award 1 mark for a correct definition of product life cycle. The stages a product will pass through from its introduction, through to growth, maturity and then decline (1).	(1)

Question Number	Answer	Mark
1 (d)	A02 - 1 mark Award 1 mark for a valid reason why an employee could be dismissed in the context of the business. - Arriving late on the production line (1). - Stealing an item such as a tyre (1). Accept any other appropriate response.	(1)

Question Number	Answer	Additional guidance	Mark
1 (e)	A02 - 2 marks $89,841 \times .23 \text{ (1)} = 20,663.43$ $89,841 + 20,663 = 110,504$ (1) OR $123/100 \times 89,841 \text{ (1)}$ $= 110,504 \text{ (1)}$	Award 1 mark for correctly substituting numbers into the formula. Award full marks for correct numerical answer without working.	(2)

Question Number	Answer	Mark
1 (f)	A01 - 3 marks Award 1 mark for identification of an impact of technology on production, plus 2 further marks for explaining the impact, for a maximum of 3 marks. • Fewer people required to work in the factories doing repetitive jobs (1) people get bored doing these jobs and make mistakes (1). Less employees brings the cost of goods down (1). • More robots are manufacturing the vehicles than previously (1) this means that the vehicles can be manufactured in any country (1) therefore the business could move to a cheaper country (1). Answers that list three impacts with no explanation will get a maximum of 1 mark. Accept any other appropriate response.	3)

Question Number	Indicative content	Mark
1 (g)	A02 = 3 marks A03 = 3 marks <u>A02</u> • <i>Tata Motor Company</i> highlights that it helps the local community with building schools/working on the environment. • <i>Tata Motor Company</i> also invests heavily in the health and welfare of people and the community. <u>A03</u> • The public are more likely to think highly of <i>Tata Motor Company</i> if it is using the profits from its business to help local communities. • If there is any bad publicity about the vehicles sold then it could have a negative effect on the business.	(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)	A02 - 1 mark Award 1 mark for a valid reason for a non-financial objective in the context of the business. • Social objectives of working with the local area and helping children and communities (1). • <i>Tata Motor Company</i> wants a good image of producing a car that does not harm the environment too much (1). Accept any other appropriate response.	(1)

Question Number	Answer	Mark
2 (b)	A02 - 1 mark Award 1 mark for a valid reason of employing casual staff in the context of the business. • When <i>Tata Motor Company</i> is busy, with many new orders for its vehicles (1). • When someone is off on long-term sick from the production line (1). Accept any other appropriate response.	(1)

Question Number	Answer	Mark
2 (c)	A01 - 3 marks Award 1 mark for identification of a reason for using fringe benefits, plus 2 further marks for explaining why fringe benefits are beneficial for a business, for a maximum of 3 marks. Employees will be motivated. (1) This could lead to improvement in productivity (1) and higher sales (1). NB Answers that list three benefits with no explanation will get a maximum of 1 mark. Accept any other appropriate response.	(3)

Question Number	Answer	Mark
2 (d)	A01 - 3 marks Award 1 mark for a reason to use job production, plus 2 further marks for explaining this reason, for a maximum of 3 marks. Job production is used to produce a unique piece of work. (1) It is made to meet the exact needs of the customer (1) that requires time and skills of the employees (1). Answers that list three reasons with no explanation will get a maximum of 1 mark. NB No marks are awarded for a definition. Accept any other appropriate response.	(3)

Question Number	Answer	Mark
2 (e)	A01 - 3 marks Award 1 mark for the identification of a benefit of a short chain of command, plus 2 further marks for explaining that benefit, for a maximum of 3 marks. • A short chain of command means that communication between workers and managers is less (1). Therefore there is less chance of messages being mistaken (1). Managers are less remote and therefore if there is a problem they can sort it out quicker (1). Answers that list three benefits of short chains of commands with no explanation will get a maximum of 1 mark. NB No marks are awarded for a definition. Accept any other appropriate response.	(3)

Question Number	Indicative content	Mark
2 (f)	A02 = 3 marks A03 = 3 marks A04 = 3 marks <u>A02</u> • Option 1 – With cost plus pricing <i>Tata Motor Company</i> know that the cost of making the vehicle has been covered. • Option 2 – If <i>Tata Motor Company</i> uses promotional pricing it is a good strategy for selling new vehicles. <u>A03</u> • Option 1 – <i>Tata Motor Company</i> knows that if the cars are selling well it is making money, which means more profit for the business. • Option 2 – The lower price from the promotional price will result in higher sales. <u>A04</u> • Option 1 – Although this type of pricing method guarantees a profit on the cost of manufacturer it does not guarantee that sales are going to be made, especially if a competitor is cheaper, therefore selling more vehicles. • Option 2 - Even though the sales may be higher, the profit per vehicle will be lower.	(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)	A01 - 1 mark Award 1 mark for a correct definition of revenue. • The income over a period of time from the sales of goods (1). • Price x sales (1)	(1)

Question Number	Answer	Mark
3 (b)	A02 - 2 marks Award 1 mark for identifying a reason why <i>Tata Motor Company</i> would want to use an overdraft, plus 1 further mark for linking it to the context of the question. • <i>Tata Motor Company</i> would need an overdraft to overcome a shortfall in funds (1) which means if it needs funds to purchase additional tyres the money will be available (1). NB Do not accept a reason that is not in the context of <i>Tata Motor Company</i>. Accept any other appropriate response.	(2)

Question Number	Answer	Additional guidance	Mark
3 (c)	A02 - 2 marks 42 839 – 18 441 = 24 398 (1) 24 398 ÷ 18 441 x 100 = 132.30% (1)	Award 1 mark for correctly substituting numbers into the formula. Award full marks for correct numerical answer without working.	(2)

Question Number	Indicative content	Mark
3 (d)	A02 = 3 marks A03 = 3 marks <u>A02</u> • <i>Tata Motor Company's</i> revenue has increased year on year. • <i>Tata Motor Company</i> can use these figures to compare them with other vehicle manufacturers. <u>A03</u> • <i>Tata Motor Company</i> could invest in designing and manufacturing new cars. • <i>Tata Motor Company</i> could adjust its prices to increase its yearly revenue.	(6)

	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 <u>AO2</u> • Option 1 – you are able to obtain the information directly from the people about the cars they want and the price they are prepared to pay. • Option 2 – secondary research is much easier to collate from other car manufacturing websites and reports. <u>AO3</u> • Option 1 – this helps <i>Tata Motor Company</i> gather information that is relevant and can help in designing and pricing the next cars to be manufactured. • Option 2 – and will not take <i>Tata Motor Company</i> as long to gather the information it requires. <u>AO4</u> • Option 1 – although gaining this information is important for <i>Tata Motor Company</i> it is very costly in time and man power. • Option 2 – the data it collects may not provide the information it requires.	(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)	A02 - 2 marks $9\,000\,000 \div 6\,000$ (1) $= 1\,500$ (1)	Award 1 mark for correctly substituting numbers into the formula. Award full marks for correct numerical answer without working.	(2)

Question Number	Indicative content	Mark
4 (b)	AO2 – 3 marks AO3 – 3 marks <u>AO2</u> - Employees at <i>Tata Motor Company</i> are made familiar with their working environment, whether it is on the production line or in an office. - They are introduced to the staff they will be working with, e.g. the staff on the production line. <u>AO3</u> - If employees are given this training they begin to feel part of the company. - This would make staff feel more settled and made more welcome/productive.	(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
4 (c)	A01 = 3 marks A02 = 3 marks A03 = 3 marks A04 = 3 marks <u>A01</u> • Finding a location that has a skilled labour. • Making sure that the location is accessible so that deliveries can be made. <u>A02</u> • The <i>Tata Motor Company</i> needs a range of skilled employees, e.g. engineers and designers. • It may need to be located either near to a port or where there is easy access to motorways or railway lines so that the vehicles can be transported to their next destination. <u>A03</u> • If they are near to the skilled labour force that is required to run the factory/operation this could reduce the overall costs of the new factory. • The factory will need a continuous supply of materials and the finished vehicle will need to be transported for sale. <u>A04</u> • By locating near a skilled labour force, the cost of land/infrastructure may be higher thereby adding to the cost of the location • Infrastructure is one of many factors affecting the choice of location and other factors may be more important.	(12)

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)