

Mark Scheme (Results)

Summer 2012

GCSE Business (5BS05) Paper 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.

Section A:

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

Question Number	Answer	Mark
1(b)	1 mark for the identification of a method of	
	increasing profit and 1 mark for some kind of	
AO1=1	appropriate development of the method.	
AO3=1		
	Methods include the following: Increase / reduce price Lower costs / economies of scale Increase advertising Promotion Customer service	
	Any other relevant answer. E.g. if a business lowers its costs (1 mark), then, if the selling price remains the same there will be more profit (1 mark). This answer would gain 2 marks since a method has been identified and there is some development of the method.	(2)

Question Number	Answer	Mark
1(c)	Cash flow is the money coming into (1 mark) a business and the money going out (1	
AO1=2	mark) of a business.	
	2 marks for an accurate definition which recognises money coming in and money going out of a business.	(2)
	Award 1 mark if the candidate recognises one side only.	(2)

Question Number	Answer	Mark
1(d)	For 3 marks, there will be one effect identified and two clearly identifiable linked	
AO1=1 AO3=2	strands of explanation between the statements. These may contain connective words such as, 'this leads to' 'because' etc.	
	Possible effects include:	
	E.g. The business might have to take out a loan (1 mark) on which they will have to pay interest (1 mark) and this will increase their costs in the future (1 mark).	(3)
	This answer would gain three marks since there are at least two relevant, linked points made, following the identification of a valid effect.	-

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

Question	Answer	Mark
Number		
2(b)	1 mark for the identification of a reason why	
	the demand for gas is price insensitive and 1	
AO2=1	mark for some kind of appropriate	
AO3=1	development of the reason.	
	Reasons include the following:	

E.g. Because gas has no substitutes (1) consumers cannot change when the price of gas changes (1)	(2)
This answer would gain 2 marks since a reason has been identified and there is some development of the reason.	

Question Number	Answer	Mark
2(c) AO1=1 AO2=1 AO3=1	For 3 marks, one effect will be given and there will be at least two clearly identifiable linked strands of explanation. These may contain connective words such as, 'this leads to' 'because' etc. The explanation must be in the consumers or energy context if it is to secure all three marks. For example reference to the impact on consumers' standard of living of higher gas prices is sufficient.	
	Possible effects include: • Less disposable income (e.g. for individuals and families) • Pay more for gas/energy • Less energy consumed in the future • Higher costs (for business users) • Moving to substitute energy sources • Opportunity cost	
	Any other relevant effect.	
	E.g. People on low incomes will spend more on gas (1 mark) which will lead to less disposable income (1 mark) and will lead to a lower standard of living (1 mark)	
	This answer would gain three marks since there are at least two linked strands that build the explanation following the identification of a reason. The answer is also	(3)

rooted in the context of the effect of increased energy prices.	
Without this use of context the answer can score a maximum of 2 marks.	
E.g. People will have less money to spend (1) and as a result may not go on holiday (1)	

Question Number	Answer	Mark
2(d) AO2=2 AO3=2	For 4 marks, the description will make up to four relevant points associated with why the competition authorities might launch an investigation. Four marks could also be achieved through focusing on one reason for an investigation. One mark can be given for a description of a competition authority.	
	 Possible points include: Investigates complaints by public Investigates cases referred by the Office of Fair Trading Poor customer service Lack of competition Makes decisions on how markets operate Why gas prices risen so much/public interest 	
	Any other relevant point. E.g. The Competition Commission acts on behalf of Parliament (1 mark). It acts in the public interest (1 mark) to ensure that customers are not exploited by big business such as British Gas (1 mark).	
	This answer would gain three marks since the candidate has explained the role of the Competition Commission in the context of British Gas.	
	The Office of Fair Trading will investigate to make sure consumers are not exploited (1). This is because gas is a necessity (1). Therefore large price increases will affect everyone (1). Also firms that use large amounts of energy will face increasing costs and will complain (1).	(4)
	This answer would gain four marks since the candidate has described why the Office of Fair Trading might investigate and has given two linked consequences. In addition a second reason has been given in context i.e energy.	

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

Question Number	Answer	Mark
3(b)	1 mark for each appropriate measure identified. Each method needs to be	
AO2=3	applicable to the context of a country such as India.	
	Possible ways include: Infant mortality rates Life expectancy Literacy rates Access to clean water Percentage of students in higher education Income Unemployment	(3)
	Accept GDP per capita but not GDP	
	Any other relevant way.	

Question Number	Answer	Mark
3(c)	For 3 marks, there will be one negative externality identified and two clearly	
AO1=1	identifiable linked strands of explanation	
AO2=1	between the statements. These may contain	
AO3=1	connective words such as, 'this leads to' 'because' etc.	
	Possible reasons include: Pollution (all types) Congestion Use of non-renewable resources Waste Urbanisation	
	Any other relevant negative externality.	
	E.g. Urbanisation (1) - many people will move from the countryside to the cities. This will put a strain on housing (1 mark) and many people will live in slums (1 mark).	
	This answer would gain three marks since there are at least two linked strands that build the explanation, following the identification of a reason.	(3)

Question Number	Answer	Mark
3(d) AO1=1 AO2=1 AO3=1	For 3 marks, there will be one way identified and two clearly identifiable linked strands of explanation between the statements. These may contain connective words such as, 'this leads to' 'because' etc. The explanation	
	must be in the context of the European Union if it is to secure all three marks. Possible ways include: • More choice • Greater competition • More specialised goods/services • Lower prices • Better quality • More trade within the EU	
	Any other relevant way.	

E.g. British consumers have more choice of goods such as cars (1 mark). With more competition they might get a lower price for the same car i.e. a VW (1 mark) and will therefore be able to spend the money saved on something else (1 mark).	
This answer would gain three marks since there are at least two linked strands that build the explanation, following the identification of a way. The answer is also rooted in the context of <i>the European Union</i> . Without this use of context the answer can only score 2 marks.	(3)

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

Question	Answer	Mark
Number		
4(b)	1 mark for the identification of each reason	
AO2=2	Possible reasons include: • rising prices for raw materials • higher wage costs • increases in the prices paid for imported goods • rising wage levels • increased consumer confidence. • low interest rates • increase demand • decreased supply • higher VAT Any other relevant reason	(2)

Question Number	Answer	Mark
4(c)	For 3 marks, the explanation will show how Waitrose could be affected by inflation.	
AO2=2	Within the answer there will be at least two	
AO3=1	clearly identifiable linked strands of explanation. These may contain connective words such as, 'this leads to' 'because' etc. The explanation must be in the <i>Waitrose</i> context if it is to secure all three marks.	

Possible effects include:

- Waitrose may have to increase prices
- Workers may demand higher wages
- Waitrose may seek different suppliers
- Waitrose may cut costs
- Lower profit levels
- Lose customers
- Lower sales

Any other relevant effect

E.g. Waitrose may make some shelf stackers redundant in order to reduce costs. (1) This may encourage the remaining workers to work harder (1) thus improving productivity (1).

This answer would gain three marks since the candidate identifies the effect and offers two, linked consequences and clearly uses the supermarket context i.e. 'shelf stackers.'

(3)

Questio	n	Indicative content
Number	_	
4(d) AO2=2 AO3=4		The aim here is for candidates to make a judgement as to which of the two methods will be more effective in influencing the level of economic activity. There is no right answer and the candidate can argue that either method is more effective. Candidates might consider the following possible ideas as part of their answer:
		Interest rates
		 Increases/decreases the cost of borrowing for new loans Increases/decreases the costs of existing flexible loans i.e. mortgage Increases/decreases the amount of saving Higher/lower spending by individuals Taxation Higher/lower costs of goods and services Higher/lower disposable income To be evaluative and support the judgement made, the candidate might suggest (for example) that interest rate changes affect those who have a mortgage but not hurting vulnerable groups such as those on benefits. An alternate route to evaluation might come through the candidate examining just taxation and looking at both
		the good points and bad points of changes in taxation with regard to influencing economic activity.
Level	Mark	Descriptor
No mark	0	Non-rewardable material.
Level 1	1-2	A judgement or point is given as to which method is more effective in influencing economic activity. If there is just a simple judgement or where the support shows misunderstanding 1 mark should be awarded. If this judgement/point has some simple support, the response should be placed at the top of this level.
Level 2	3-4	A judgement/point is given on one or both methods of influencing economic activity with some development/support, which includes at least one reason/cause/consequence etc. At the top of this level this analysis will be relevant and linked to the judgement/point made with reference to the <i>economic activity</i> context.
Level 3	5-6	A judgement/point is given on one or both methods of influencing economic activity with some

	development/support, whi					
	reasons/causes/consequence	ces etc	and	inclu	ıdes	some
	balance. At the top of this I	evel the	re will	be a	concl	usion
	drawn from the analysis a	nd the	answer	· wil	l be i	n <i>the</i>
	economic activity context.					

Section B:

Question Number	Answer	Mark
5 AO1=2 AO2=4 AO3=2	This question has a 2 x 4 mark split. There is one mark for identifying a benefit of the takeover and one mark for identifying a drawback of the takeover. The remaining two sets of 3 marks are for the explanation which will show how the benefit/drawback identified would be so for Hewlett-Packard. Within the answer there will be at least three clearly identifiable strands of explanation and reference to the context for each. These may contain connective words such as, "this leads to" "because" etc.	
	Possible answers include:	
	Drawbacks Possible answers include: • Wrong decision could have been made • Diseconomies of scale • Corporate culture clash • Risky E.g. Corporate culture clash (1 mark).	
	Workers at Autonomy may be used to working in a different way (1 mark) and they may resent being given strict deadlines (1 mark). This alienation may cause them to be less motivated (1 mark). This answer would gain 4 marks since a drawback has clearly been identified and there are at least three linked strands that build the explanation with reference to the context. Two answers of this quality would gain the full 8 marks.	(8)

Question Number	Answer	Mark
6(a)	1 mark for the identifying an effect. Possible effects include:	
AO2=1	 Fear of redundancy Fear of not getting another job Possibility of large sum of redundancy payment Possibility of promotion Possibility of more money for research More job satisfaction Possibility of larger income Award any other valid effect identified.	(1)

Question	Answer	Mark
Number	For 2 months, the construction will allow the	
6(b)	For 3 marks, the explanation will show the	
	effect on Bob Lesh. Within the answer there	
AO2=2	will be at least three clearly identifiable	
AO3=1	linked strands of explanation. These may	
	contain connective words such as, 'this leads	
	to' 'because' etc. The explanation must	
	be in context if it to secure all three marks.	
	The points will clearly show the effect upon	
	workers such as Bob Lesh.	
	Possible answers include:	
	The fear of redundancy for workers	
	such as Bob Lesh will cause more	
	stress and possible absence from	
	work. This causes a bad impression	
	for the new management team and	
	greatly increases the threat of	
	redundancy.	
	1	
	Because Bob has extensive technical	
	skills, his department might get more	
	money for research. This might lead to	

new projects to be started and more job satisfaction.	
E.g. With his extensive level of experience, Bob might get more money for research (1). This will allow him to develop new software ideas (1) and this will be likely to increase his job satisfaction (1).	
This answer would gain three marks since there are at least three relevant, linked points made, following the identification of a valid effect and the answer is in the context of Bob Lesh and IT.	(3)

		Indicative Content	Mark
QWC Strands (i	and the candidate can argue that either changing the marketing mix or carrying out more research and development is more effective. Candidates might consider the following possible ideas as part of their answer:		
Level	Mark	Descriptor	
No mark	0	Non-rewardable material. No mark is to be awarded if the candidate just re-states the question. i.e. changing the marketing mix will help the business to grow.	
Level 1 1-2		Reference to one factor i.e. more research and development is given with some weak development or two factors are given with limited or no development of either. If there is just a simple judgement/value attached to one of the factors, 1 mark should be awarded. If this judgement/point has some simple support, the response should be placed at the top of this level. The quality of written communication will be poor with	(8)

		errors.	
Level 2	3-5	Reference to one or both methods is given with some development of at least one at the lower end. A judgement/point is given at the lower end of the level with some development/support, which includes at least one reason/cause/consequence etc. At the middle of the level this analysis will be relevant and linked to the judgement/point made. Answers at the middle of this level will tend to assume that the method chosen will inevitably be more likely to help the business grow and, so, not recognise any downsides.	
		At the top of the level there will be some evidence of balance to the point/judgement in the form of advantage/disadvantage, cost/benefit, pro/con or some counterbalancing factor.	
		There will be a good level of quality of written communication with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter.	
Level 3	6-8	Reference to one or both methods is given with development of each. A judgement/point is given with some development which includes at least two reasons/causes/consequences etc. and possibly the use of the 'it depends' rule. Some balance will be given in the form of advantage/disadvantage, pros/cons, costs/benefits. The candidate will be able to show some appreciation that the methods are not 'inevitable' or 'automatic'. At this level, candidates will attach some value/importance to method being considered and the answer will be in context.	
		The quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence that the candidate has structured their answer clearly and coherently, using appropriate terminology.	

Question Number	Answer	Mark			
8(a)	Where an industry body made up of				
AO1=2	representatives from businesses within the industry monitors the actions of its members (1) to ensure rules and guidelines are followed (1).				
	2 marks for an accurate definition. If an accurate definition is not given award 1 mark for an answer that suggests that the candidate has some understanding of the term. E.g. It's where a business keeps to its own rules.	(2)			
	An imperfect definition can be raised to 2 marks through the use of an example or some kind of accurate elaboration.	(2)			

Question Number		Indicative content
*8(b) AO1=2 AO2=2 AO3=4		The aim here is for candidates to consider how pressure groups can prevent the exploitation of stakeholder groups by big business. The command word invites the candidate to 'assess', so the candidate must develop some evidence of balance within the answer. This could take the form of recognition that there are many types of pressure groups who get media coverage. The assessment could also be developed by suggesting that pressure groups are also customers. An alternative route to attain full marks could come through looking at the perspective of big business or the use of the 'it depends' rule. Possible effects of pressure groups include: Influence decisions of business, government and individuals Publicise information which makes consumers change their choices. Counterbalancing factors include: Consumers are swayed by low prices Consumers have few substitutes to choose from Big business can afford big fines
Level	Mark	Descriptor
No mark	0	Non-rewardable material. No mark is to be awarded if the candidate just re-states the question. i.e. pressure groups can prevent the exploitation of stakeholder groups by big business.
Level 1	1-2	Reference to one factor is given with some weak development or two factors are given with limited or no development of either. If

there is just a simple judgement/value attached to one of the factors, 1 mark should be awarded. If this judgement/point has some simple support, the response should be placed at the top of this level.

The quality of written communication will be poor with frequent spelling, punctuation, style and grammar errors.

Level 2 3-5

Reference to **two** factors are given, with some development of at least one at the lower end. A judgement/point is given at the lower end of the level with some development/support, which includes at least **one** reason/cause/consequence etc. At the middle of the level this analysis will be relevant and linked to the judgement/point made. Answers at the middle of this level will tend to assume that pressure groups can/will prevent stakeholder groups being exploited by big business.

At the top of the level there will be some evidence of balance to the point/judgement in the form of advantage/disadvantage, cost/benefit, pro/con or some counterbalancing factor. At the top of the level, candidates will attach some value/importance to one of the factors and may be answered in context.

There will be a good level of quality of written communication with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter.

Level 3 | 6-8

Reference to **two** factors is given with development of each. A judgement/point is given with some development which includes at least **two** reasons/causes/consequences etc. and possibly the use of the 'it depends' rule. Some balance will be given in the form of advantage/disadvantage, pros/cons, costs/benefits. The candidate will be able to show some appreciation that the factors are not 'inevitable' or 'automatic'. At this level, candidates will attach some value/importance to the extent that pressure groups can prevent exploitation of stakeholder groups by big business. In the middle and top of the level the answer **must** be in context.

The quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence that the candidate has structured their answer clearly and coherently, using appropriate terminology.

Section C:

Question Number	Answer	Mark
	A social problem is an issue that is seen as undesirable (1) and is a cost to society (1). 2 marks for an accurate definition. If an accurate definition is not given award 1 mark for an answer that suggests that the candidate has some understanding of the term for example "is bad for the country". An imperfect definition can be raised to 2 marks through the use of an example or some kind of accurate elaboration. If a social problem is identified allow 1 mark if a list of social problems award 1 mark. Problems might include • Riots • Crime • Unemployment	(2)
	HousingObesity	

Question Number	Indicative content	Mark
10 AO1=2 AO2=2 AO3=4	This question has a 2 x 4 mark split. There is one mark each for identifying a relevant reason. The remaining 3 marks each are for the explanation which will show how the reason identified would cause business failure. Within the answer there will be at least three clearly identifiable strands of explanation and reference to the context for each. These may contain connective words such as, "this leads to" "because" etc.	
	Possible answers include: • Poor marketing mix • Loss of productivity • Increased competition • Changing market conditions	
	Award any other valid reason identified	
	E.g. Changing market conditions (1 mark).	
	If there is a decrease in demand for a product such as furniture because of lower house sales(1 mark) this will lead to negative cash flow (1 mark) and the business will not be able to pay suppliers (1 mark).	
	This answer would gain 4 marks since an effect has clearly been identified and there are at least three linked strands that build the explanation with reference to the context. Two answers of this quality would gain the full 8 marks.	(8)

Questio Number		Indicative content		
*11 QWC Strands (i), (ii) and (iii) A02=5 A03=5		The aim here is for candidates to make a judgement as to whether the government should spend more on police and prison services to tackle the problem highlighted in the evidence. To demonstrate the evaluative skill, candidates could consider how more police would have prevented the riots occurring. For instance they may consider the effect of cuts in public spending. Some candidates might argue that there are better ways of spending government money to prevent the riots occurring in the first place. There is no right or wrong answer to this question, but candidates should aim to make a judgement which is supported. Candidates may consider the following ideas as part of their answer:		
		Reasons for the government spending more on police and prison services: • Prevent crime • People feel safer • Business can carry on • Encouragement for investment		
		Reasons against the government spending more on police and prison services: • Opportunity cost - money should be spent on other services e.g. National Health • Money should be spent on initiatives to prevent crime e.g. work initiatives, local communities • How will the increase be financed? Higher taxes, less spending on other goods and services? Credit topical references to the state of public finances.		
Level	Mark	Descriptor		
No mark	0	Non-rewardable material.		
Level 1	1-4	One relevant point is identified with some development – there can be a maximum of 4 marks if the links to the point are relevant – one mark per link (up to a maximum of 3). An alternative route to the marks could involve a judgement being given; at the lower end of the level no support will be provided. At the top of the level some support will be given. A list of bullet points will gain up to a maximum of three marks, assuming they are all relevant.		
		The quality of written communication will be poor with frequent spelling, punctuation, style and grammar errors.		

	1			
Level 2	5-7	Candidates consider the strength of the case for spending more on police and prison services and offer two or more reasons/causes/consequences etc. in support.		
		At the lower end of the level no value will be attached to these reasons whilst at the top of the level there will be some recognition of the value of the points made to assess the strength of the case which may be in the form of offering a counterbalancing point, identifying an advantage and disadvantage, cost/benefit, pro/con etc.		
		At the middle of the level a judgement/conclusion will be made but with no support and merely re-states the question. There will be some reference to the context.		
		At the top of the level candidates may offer at least one other factor to balance out the answer. At the top of the level a judgement/conclusion will be made with some support given although not drawn from the analysis and there will be reference to the context.		
		There will be a good level of quality of written communication with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter.		
Level 3	8-10	Candidates consider the strength of the case for the government spending more on police and prison services and offer two or more reasons/causes/consequences etc. in support.		
		At the lower end of the level some value will be attached to these reasons (whilst at the top of the level there will be clear recognition of the value of the points made to the government, identifying an advantage and disadvantage, cost/benefit, pro/con etc. or using the 'it depends' rule). At this level candidates are likely to offer at least one developed factor to balance out the answer.		
		At the middle of the level a judgement/conclusion will be made with some support drawn from the analysis. At the top of the level a judgement/conclusion will be given clearly drawn from the analysis representing a coherent argument and will refer to the context. The quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence that the candidate has structured their answer clearly and coherently, using appropriate terminology.		

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