

Mark Scheme (Results)

Summer 2012

GCSE Business (5BS06)
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.

Unit 6: Introduction to Small Business

Question Number	Answer	Mark
1	B	1

Question Number	Answer	Mark
2	B	1

Question Number	Answer	Mark
3	C	1

Question Number	Answer	Mark
4	C	1

Question Number	Answer	Mark
5	C, E	2

Question Number	Answer	Mark
6	C	1

Question Number	Answer	Mark
7	D	1

Question Number	Answer	Mark
8	C	1

Question Number	Answer	Mark
9	A	1

Question Number	Answer	Mark
10	C	1

Question Number	Answer	Mark
11	A	1

Question Number	Answer	Mark
12	B, D, E	3

Question Number	Answer	Mark
13	A, D	2

Question Number	Answer	Mark
14	A, E	2

Question Number	Answer	Mark
15	C, E, F	3

Question Number	Answer	Mark
16	i. 22 500 ii. 12 000 iii. 2 000	3

Question Number	Answer	Mark
17	B, D	2

Question Number	Answer	Mark
18	A, C	2

Question Number	Answer	Mark
19	i=C; ii=D; iii=G; iv=E; v=B	5

Question Number	Indicative content Mark 6
20	<p>The aim here is for candidates to make a judgement as to whether a bank overdraft or trade credit is the most appropriate source of finance. There is no right answer and the candidate can argue that either method is best, depending on the circumstances.</p> <p>Candidates might consider the following possible ideas as part of their answer.</p> <p>Possible justifications for each:</p> <p>Bank overdraft</p> <ul style="list-style-type: none"> • Accessible – Liza as an existing relationship with the bank

		<ul style="list-style-type: none"> • Bank understands Liza’s business – credit rating/history • Easy to arrange – as Liza only has to negotiate with one party <p>But</p> <ul style="list-style-type: none"> • high interest rates are charged on overdrafts and can therefore lead to higher fixed costs. This may worsen the cash flow position of the business. • Overdrafts incur bank charges – additional costs for Liza • Danger of reliance on overdraft rather than accurate financial planning <p>Trade credit</p> <ul style="list-style-type: none"> • Easy to arrange with individual suppliers • Can encourage relationships with suppliers • Don’t incur interest or charges that are associated with overdrafts if you stay within the credit terms <p>But</p> <ul style="list-style-type: none"> • may not provide enough cash to ensure the survival of the business – some may say yes, some may not • lose potential discounts for early payment – impact on cash flow • may have to negotiate with more than one supplier – this is a time issue
Level	Mark	Descriptor
No mark	0	A judgement or point is given as to which method is most appropriate. If there is just a simple judgement, 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 1	1 - 2	A judgement or point is given as to which method is most appropriate. If there is just a simple judgement, 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 with some development which includes at least two relevant, linked reasons/causes/consequences etc. in context. At the top of the level there will be a conclusion drawn from the analysis
Level 3	5 - 6	A judgement/point is given on one or both methods with some development which includes at least two relevant, linked reasons/causes/consequences etc. in context. At the top of the level there will be a conclusion drawn from the analysis

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