



Rewarding Learning

**ADVANCED SUBSIDIARY (AS)
General Certificate of Education
2022**

Business Studies

Assessment Unit AS 1

assessing

Introduction to Business

[SBU11]

MONDAY 23 MAY, MORNING

**MARK
SCHEME**

General Marking Instructions

Introduction

The main purpose of the mark scheme is to ensure that examinations are marked accurately, consistently and fairly. The mark scheme provides examiners with an indication of the nature and range of candidates' responses likely to be worthy of credit. It also sets out the criteria which they should apply in allocating marks to candidates' responses.

Assessment objectives

Below are the assessment objectives for GCE Business Studies.

Candidates should be able to:

- AO1** Demonstrate knowledge of terms, concepts, theories, methods and models to show an understanding of how individuals and organisations are affected by and respond to business issues.
- AO2** Apply knowledge and understanding to various business contexts to show how individuals and organisations are affected by and respond to issues.
- AO3** Analyse issues within a business, showing an understanding of the impact on individuals and organisations of external and internal influences.
- AO4** Evaluate quantitative and qualitative information to make informed judgements and propose evidence-based solutions to business issues.

Quality of candidates' responses

In marking the examination papers, examiners should be looking for a quality of response reflecting the level of maturity which may reasonably be expected of a 17 or 18-year-old which is the age at which the majority of candidates sit their GCE examinations.

Flexibility in marking

Mark schemes are not intended to be totally prescriptive. No mark scheme can cover all the responses which candidates may produce. In the event of unanticipated answers, examiners are expected to use their professional judgement to assess the validity of answers. If an answer is particularly problematic, then examiners should seek the guidance of the Supervising Examiner.

Positive marking

Examiners are encouraged to be positive in their marking, giving appropriate credit for what candidates know, understand and can do rather than penalising candidates for errors or omissions. Examiners should make use of the whole of the available mark range for any particular question and be prepared to award full marks for a response which is as good as might reasonably be expected of a 17 or 18-year-old GCE candidate.

Awarding zero marks

Marks should only be awarded for valid responses and no marks should be awarded for an answer which is completely incorrect or inappropriate.

Marking Calculations

In marking answers involving calculations, examiners should apply the 'own figure rule' so that candidates are not penalised more than once for a computational error. To avoid a candidate being penalised, marks can be awarded where correct conclusions or inferences are made from their incorrect calculations.

Types of mark schemes

Mark schemes for tasks or questions which require candidates to respond in extended written form are marked on the basis of levels of response which take account of the quality of written communication.

Other questions which require only short answers are marked on a point for point basis with marks awarded for each valid piece of information provided.

Levels of response

In deciding which level of response to award, examiners should look for the 'best fit' bearing in mind that weakness in one area may be compensated for by strength in another. In deciding which mark within a particular level to award to any response, examiners are expected to use their professional judgement.

The following guidance is provided to assist examiners.

- **Threshold performance:** Response which just merits inclusion in the level and should be awarded a mark at or near the bottom of the range.
- **Intermediate performance:** Response which clearly merits inclusion in the level and should be awarded a mark at or near the middle of the range.
- **High performance:** Response which fully satisfies the level description and should be awarded a mark at or near the top of the range.

Quality of written communication

Quality of written communication is taken into account in assessing candidates' responses to all tasks and questions that require them to respond in extended written form. These tasks and questions are marked on the basis of levels of response. The description for each level of response includes reference to the quality of written communication.

For conciseness, quality of written communication is distinguished within levels of response as follows:

Level 1: Quality of written communication is basic.

Level 2: Quality of written communication is satisfactory.

Level 3: Quality of written communication is good.

Level 4: Quality of written communication is excellent.

In interpreting these level descriptions, examiners should refer to the more detailed guidance provided below:

Level 1 (Basic): The candidate makes only a basic selection and use of an appropriate form and style of writing. The organisation of material may lack clarity and coherence. There is little use of specialist vocabulary. Presentation, spelling, punctuation and grammar may be such that intended meaning is not clear.

Level 2 (Satisfactory): The candidate makes a satisfactory selection and use of an appropriate form and style of writing. Relevant material is organised with some degree of clarity and coherence. There is some use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are satisfactory enough to make meaning clear.

Level 3 (Good): The candidate makes a good selection and use of an appropriate form and style of writing. Relevant material is organised with good clarity and coherence. There is good use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are sufficiently competent to make meaning clear.

Level 4 (Excellent): The candidate successfully selects and uses the most appropriate form and style of writing. Relevant material is organised with a high degree of clarity and coherence. There is widespread and accurate use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are of a sufficiently high standard to make meaning very clear.

COVID-19 Context

Given the unprecedented circumstances presented by the COVID-19 public health crisis, senior examiners, under the instruction of CCEA awarding organisation, are required to train assistant examiners to apply the mark scheme in case of disrupted learning and lost teaching time. The interpretation and intended application of the mark scheme for this examination series will be communicated through the standardising meeting by the Chief or Principal Examiner and will be monitored through the supervision period. This paragraph will apply to examination series in 2021–2022 only.

1 (a) (AO1, AO2)

Explain **one** factor of production using an example from the case study. [4]

AVAILABLE
MARKS

LAND	Natural resources available for production. Recycling Rejects NI needs space for the shop, space to fix the bikes, etc. Land is needed for any natural resource that goes into making/fixing the bikes. Land is limited in "Craigavon" – they may move to.
LABOUR	The human input into the production process. Ben needs labour in the form of "unskilled labour" to help service and fix the bikes.
CAPITAL	Goods used in the supply of other products. Can also include money used in the business. Money/capital comes from "sale of recycled bikes". Also the "purchase price of the bikes and scooters." Capital can come from "government grants".
ENTERPRISE	Entrepreneurs organise factors of production and take risks. Ben worked in a garage before he "was made redundant". His willingness to take on unskilled labour shows he had entrepreneurial spirit. Enterprise means spotting a gap in the market, the "niche market". Enterprise means "giving back to the community".

Marking:

- Good, accurate knowledge and detailed explanation of one factor of production. [2]
- Basic knowledge and explanation of one factor of production. [1]
- Good use of relevant source material to support detailed explanation of one factor of production. [2]
- Limited use of relevant source material to support detailed explanation of one factor of production. [1]
- Answers not worthy of credit. [0]

(b) (AO1, AO2, AO3)

Analyse **two** ways that Recycling Rejects NI achieves added value. [8]

Ways to Add Value for Recycling Rejects NI:

- Recycling Rejects NI replaced old seats and brakes for new. All bikes and scooters are repainted.
- Green image – the added value is that consumers are willing to pay more for a product that is sustainable. Sourcing cheaper – Reduce Reuse Recycle.
- Value is added in that he educates his younger customers on the importance of reduce, reuse, and recycle. Quality product/convenience USP.

All valid responses accepted

Marking:**Level 3 [6]–[8]**

An excellent response demonstrates:

- Well-focused and sound use of up to **two** ways of adding value for Recycling Rejects NI.
- Comprehensive and relevant, accurate knowledge and understanding of **two** ways of adding value for Recycling Rejects NI.
- Thorough and detailed use of **two** ways of adding value for Recycling Rejects NI.

Level 2 [3]–[5]

A good response demonstrates:

- Focused analysis of up to **two** ways of adding value for Recycling Rejects NI.
- Good, accurate knowledge and understanding of **two** ways of adding value for Recycling Rejects NI.
- Good application of up to **two** ways of adding value for Recycling Rejects NI.

Level 1 [1]–[2]

A basic response demonstrates:

- Basic analysis of ways of adding value for Recycling Rejects NI.
- Basic knowledge and understanding of ways of adding value for Recycling Rejects NI.
- Basic application of ways of adding value for Recycling Rejects NI.

Answers not worthy of credit **[0]** marks.

[8]

(c) (AO1, AO2, AO3)

Analyse **three** features of a niche market in which Recycling Rejects NI operates.

[10]

- Fewer customers – smaller market may struggle to get customers.
- There may be fewer competitors, as large companies are not attracted to a relatively small market. The lack of competition allows firms to charge premium prices.
- The lack of economies of scale (buying in bulk) may mean that small firms can compete more effectively in a niche market.
- The limited demand suits a small firm; they could not meet the needs of a lot of customers.
- The firm can adapt (change) its product to meet the specialised needs of the niche market. This makes the product more attractive and is likely to allow a firm to charge a higher price.
- It can be easier to target specific customers and to offer promotions tailored for them.
- Narrow focus on market – can react to customers quicker

Marking:**Level 3 [8]–[10]**

An excellent response demonstrates:

- Well-focused and sound analysis of up to **three** features of a niche market.
- Comprehensive and relevant, accurate knowledge and understanding of a niche market.
- Thorough and detailed use of relevant source material to analyse a niche market.
- An excellent quality of written communication.

Level 2 [4]–[7]

A good response demonstrates:

- Focused analysis of up to **three** features of a niche market.
- Good, accurate knowledge and understanding of a niche market.
- Good use of relevant source material to analyse up to three benefits of a niche market.
- A good quality of written communication.

Level 1 [1]–[3]

A basic response demonstrates:

- Basic analysis of a niche market.
- Basic knowledge and understanding of a niche market.
- Limited use of relevant source material to analyse one, two or three benefits of a niche market.
- A basic quality of written communication,

Answers not worthy of credit **[0]** marks. [10]

The question requires an analysis of three features of a niche market. Any additional factors discussed will not attract any marks.

(d) (AO1, AO2, AO3, AO4)

Evaluate Ben's decision to operate Recycling Rejects NI as a sole trader. [18]

Quick and easy to set up:

- Ben can make all the decisions for Recycling Rejects NI.
- The financial affairs of Recycling Rejects NI are kept private.
- Ben can decide on his own hours, Recycling Rejects NI can open more flexible working hours.
- Ben will be able to keep all the profits. This money can be reinvested back into the business in order to achieve his aim.

Closeness to customers:

- Ben will have unlimited liability, this means that any assets belonging to Ben and the business will have to be sold to pay off the debts.
- Ben will work alone and long hours – this can be very stressful. He has been made redundant, so he may have to work longer hours to try to make this business a success.
- Recycling Rejects NI may be more inclined to remain small, they will find it harder to grow and benefit from economies of scale.
- Lack of specialisation.

Marking:**Level 4 [14]–[18]**

An excellent response demonstrates:

- Comprehensive and relevant, accurate knowledge and understanding, and detailed evaluation of how being a sole trader impacts Recycling Rejects NI.
- Highly appropriate, clear and logical judgement of how being a sole trader impacts Recycling Rejects NI.
- Thorough use of relevant source material to address how being a sole trader impacts Recycling Rejects NI.
- An excellent quality of written communication.

Level 3 [10]–[13]

A good response demonstrates:

- Sound, good, accurate knowledge and understanding, and evaluation of how being a sole trader impacts Recycling Rejects NI.
- An appropriate, clear and logical judgement of how being a sole trader impacts Recycling Rejects NI.
- Good use of relevant source material to address how being a sole trader impacts Recycling Rejects NI.
- A good quality of written communication.

Level 2 [6]–[9]

A satisfactory response demonstrates:

- Satisfactory knowledge and understanding and application of how being a sole trader form of business organisation can have in relation to Recycling Rejects NI.
- A suitable, appropriate judgement on how beneficial being a sole trader type of business organisation is to Recycling Rejects NI.
- A satisfactory quality of written communication.

Level 1 [1]–[5]

A basic response demonstrates:

- Basic knowledge and understanding, with unfocused evaluation of how being a sole trader impacts Recycling Rejects NI.
- Basic or no judgement based on limited analysis of how being a sole trader impacts Recycling Rejects NI.
- Limited use of relevant source material to address how being a sole trader impacts Recycling Rejects NI.
- A basic quality of written communication.

Answers not worthy of credit **[0]** marks.

[18]

40

2 (a) (AO1, AO2)

Explain the term **consumer good**, using an example from the case study. [4]

A consumer good are goods bought and used by end consumers, rather than manufacturers for producing goods. It is a produce ready for sale. Consumer goods and services are products which satisfy our needs and wants directly. A consumer good is a product/service that provides a steady flow of satisfaction/utility over their working life. Examples from Dixons Carphone plc include – Cookers, washing machines, fridges and mobile phones. End user/Finished product/Finalised/Goods bought by consumers/Tangible.

Marking:

- Good, accurate knowledge and detailed explanation of consumer good. [2]
- Basic knowledge and explanation of consumer good. [1]
- Good use of relevant source material to support detailed explanation of consumer good. [2]
- Limited use of relevant source material to support detailed explanation of consumer good. [1]

Answers not worthy of credit [0] marks. [4]

(b) Analyse **two** ways in which Dixons Carphone plc can achieve a competitive advantage. [8]

Differentiation:

- Partnership with Amazon and JVC televisions – streaming TV is growing in popularity. USP.
- Selling high quality brands – Dixons Carphone plc must offer a wide range of high quality products. They need to supply products such as Sony, Dyson to Bosch. Strong brand strategy.
- Specific Northern Ireland supply system – this caters or the needs and wants of local customers and their specific tastes. Central Distribution System

Cost:

- Lower delivery costs.
- Lower price budget brands – Logik
- Economies of scale.

Marking:**Level 3 [6]–[8]**

An excellent response demonstrates:

- Well-focused and sound use of up to **two** ways in which Dixons Carphone plc can achieve a competitive advantage.
- Comprehensive and relevant, accurate knowledge and understanding of up to **two** ways in which Dixons Carphone plc can achieve a competitive advantage.
- Thorough and detailed use of up to **two** ways in which Dixons Carphone plc can achieve a competitive advantage.

Level 2 [3]–[5]

A good response demonstrates:

- Focused analysis of up to **two** ways in which Dixons Carphone plc can achieve a competitive advantage.
- Good, accurate knowledge and understanding of up to **two** ways in which Dixons Carphone plc can achieve a competitive advantage.
- Good application of up to **two** ways in which Dixons Carphone plc can achieve a competitive advantage.

Level 1 [1]–[2]

A basic response demonstrates:

- Basic analysis of ways in which Dixons Carphone plc can achieve a competitive advantage.
- Basic knowledge and understanding of ways in which Dixons Carphone plc can achieve a competitive advantage.

Answers not worthy of credit **[0]** marks. [8]

(c) (AO1, AO2, AO3)

Analyse **three** factors that influence the demand for Dixons Carphone plc's products. [10]

- Season – more consoles at Christmas
- Its link with Amazon – a USP – Convenience of purchasing
- Mobile phones – fall in demand due to consumers moving away from expensive 24 month contracts.
- White goods – In-built obsolescence. White goods don't last as long. People moving home more often.
- Electricals – consumers buy more kettles and toasters to update their kitchen. A cheaper way to inject new life into a kitchen.
- Laptops – Consumers are moving away from the desktop computer. More consumers want laptops and tablets, to work on the go and at home.
- Games Consoles - increase in growth of games – better images, better streaming and they can use the console to stream TV. Growing trend.
- Income – more demands on income may lower disposable income, therefore less money to spend on luxuries.
- Tastes and preferences – online games is a huge trend.
- Price – lower prices could result in an increase in demand, such as kettles, white goods etc. Price could lead to substitute.
- Advertising – better promotion could improve demand.
- Complimentary goods – TV's with consoles bought.
- Online sales – increases demand.
- Changes in population

Marking:**Level 3 [8]–[10]**

An excellent response demonstrates:

- Well-focused and sound discussion of **three** factors that influence the demand for electrical goods from Dixons Carphone plc.
- Comprehensive and relevant, accurate knowledge and understanding of **three** factors that influence the demand for electrical goods from Dixons Carphone plc.

- Thorough and detailed use of relevant source material to **three** factors that influence the demand for electrical goods from Dixons Carphone plc.
- An excellent quality of written communication.

Level 2 [4]–[7]

A good response demonstrates:

- Focused discussion of **two to three** factors that influence the demand for electrical goods from Dixons Carphone plc.
- Good, accurate knowledge and understanding of up to **three** factors that influence the demand for electrical goods from Dixons Carphone plc.
- Good use of relevant source material to discuss up to **three** factors that influence the demand for electrical goods from Dixons Carphone plc.
- A good quality of written communication.

Level 1 [1]–[3]

A basic response demonstrates:

- Basic discussion of up to **three** factors that influence the demand for electrical goods from Dixons Carphone plc.
- Basic knowledge and understanding of three factors that influence the demand for electrical goods from Dixons Carphone plc.
- Limited use of relevant source material to up to **three** factors that influence the demand for electrical goods from Dixons Carphone plc.
- A basic quality of written communication.

Answers not worthy of credit **[0]** marks.

[10]

- The question requires a discussion of up to **three** factors that influence the demand for electrical goods from Dixons Carphone plc.
- Any additional reasons discussed will not attract any marks.

(d) (AO1, AO2, AO3, AO4)

Evaluate the monetary methods of motivation in **Table 1**, used by Dixons Carphone plc as a way of improving staff productivity.

[18]

- Chief Executive wants £2.3 million performance pay, this will help to retain him as Chief Executive and attract more with the skills needed to help the business grow, however Dixons lost £259 million.
- Employees who are motivated by financial rewards will try to work harder to gain a higher wage.
- Incentive schemes can be linked to productivity which would suggest output will increase.
- If wages are directly linked to performance then in cases where demand falls for products, then the wage bill will fall too.
- Develops a competitive working environment.
- Fringe benefits – such as medical insurance, eye care vouchers and dental plans all help to ensure employee retention and motivation. Employees stay loyal at Dixons Carphone plc.
- Workers may not be able to achieve targets through no fault of their own. For example, with the Coronavirus employees will not be able to meet targets.
- Changes to external environment affecting the demand for the product or service, e.g. recession.
- Quality can suffer – taking short cuts/cutting corners.

- Employees may begin to resent one another if others are achieving higher pay.
- High bonuses for chief executives when the business has made a loss, can be seen as bad PR/unethical, or just unfair to the other employees.
- Costly to the business.
- Fringe Benefits are taxable.

Marking:

Level 4 [14]–[18]

An excellent response demonstrates:

- Comprehensive and relevant, accurate knowledge and understanding, and detailed evaluation of how monetary methods of motivation impact Dixons Carphone plc.
- Highly appropriate, clear and logical judgement of how monetary methods of motivation impact Dixons Carphone plc.
- Thorough use of relevant source material to address.
- An excellent quality of written communication.

Level 3 [10]–[13]

A good response demonstrates:

- Sound, good, accurate knowledge and understanding, and evaluation of how monetary methods of motivation impact Dixons Carphone plc.
- An appropriate, clear and logical judgement of how monetary methods of motivation impact Dixons Carphone plc.
- Good use of relevant source material of how monetary methods of motivation impact Dixons Carphone plc.
- A good quality of written communication.

Level 2 [6]–[9]

A satisfactory response demonstrates:

- Satisfactory knowledge and understanding and application of how monetary methods of motivation impact Dixons Carphone plc.
- A suitable, appropriate judgement on how monetary methods of motivation impact Dixons Carphone plc.
- A satisfactory quality of written communication.

Level 1 [1]–[5]

A basic response demonstrates:

- Basic knowledge and understanding, with unfocused evaluation of how monetary methods of motivation impact Dixons Carphone plc.
- Basic or no judgement based on limited analysis of how monetary methods of motivation impact Dixons Carphone plc.
- Limited use of relevant source material of how monetary methods of motivation impact Dixons Carphone plc.
- A basic quality of written communication.

Answers not worthy of credit [0] marks.

[18]

Total

**AVAILABLE
MARKS**

40

80

Source

Q2 text.....Adapted from © Dixons Carphone plc is Europe's leading specialist electrical and telecommunications retailer and services company, employing over 42,000 people in eight countries – <https://www.dixonscarphone.com/wo-we-are/our-brands>

Adapted from © Dixons Carphone plc Annual Reports and Accounts 2018/19

Adapted from © Mobile sales plunge at Dixons Carphone amid 'long-term turnaround by Henry Saker-Clark, 05 September 2019. Published by Belfast Telegraph

<https://www.belfasttelegraph.co.uk/business/uk-world/mobile-sales-plunge-at-dixons-carphone-amid-long-term-turnaround-38469483.html>

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<https://www.bbc.co.uk/news/technology-49584644>

Adapted from © Dixons Carphone investors revolt over bosses' pay by Laura Onita, 05 September 2019. Published by Telegraph

<https://www.telegraph.co.uk/business/2019/09/05/dixons-carphone-investors-revolt-bosses-pay/>