



**General Certificate of Secondary Education  
2022**

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## **Business Studies**

Unit 1

Starting a Business

**[GBU11]**

**TUESDAY 31 MAY, AFTERNOON**

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**MARK  
SCHEME**

## **General Marking Instructions**

### ***Introduction***

Mark schemes are intended to ensure that the GCSE examinations are marked consistently and fairly. The mark schemes provide markers with an indication of the nature and range of candidates' responses likely to be worthy of credit. They also set out the criteria which they should apply in allocating marks to candidates' responses.

### ***Assessment objectives***

Below are the assessment objectives for Business Studies.

Candidates must:

- AO1** recall, select and communicate their knowledge and understanding of concepts, issues and terminology;
- AO2** apply skills, knowledge and understanding in a variety of contexts and in planning and carrying out investigations and tasks; and
- AO3** analyse and evaluate evidence, make reasoned judgements and present appropriate conclusions.

### ***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 16-year-old which is the age at which the majority of candidates sit their GCSE 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 16-year-old GCSE 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.

### ***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**

Tasks and questions requiring candidates to respond in extended writing are marked in terms of 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 good.

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

**Level 3 (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 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 Complete the following:

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MARKS

- (a) (i) (AO1)  
Enterprising means taking **risks/opportunities/actions** [1] to achieve business **success/aims/objectives/rewards/growth** [1]  
[2] marks for correct words.  
Valid alternative responses will be credited [2]
- (ii) (AO1)  
**Two characteristics displayed by an entrepreneur are:**  
Any two from the following:  
  - Decision maker
  - Creativity
  - Risk taker
  - Leadership/vision
  - Self confidence/communication
  - Driven/determined/independent/passion/motivation
  - Energetic/hard working/organisation[2] marks for correct answers  
Valid alternative responses will be credited [2]
- (iii) (AO1)  
**The government encourage enterprise because:**  
Any two from the following:  
  - It reduces unemployment/creates jobs
  - Leads to economic development
  - Increases tax for government
  - Generates wealth
  - More choice for consumers[2] marks for correct answers  
Valid alternative responses will be credited [2]
- (b) (i) (AO1)  
**List two types of business ownership that have unlimited liability.**  
Any two from the following:  
  - Sole trader
  - Partnership
  - Franchise[2] marks for correct answers [2]
- (ii) (AO1)  
**Explain the term unlimited liability.**  
Unlimited liability means that if you do not have enough resources to pay the debts of the business it can extend to personal possessions to fund it  
[1] mark for brief explanation  
[2] marks for full explanation  
Valid alternative responses will be credited [2]

(c) (AO1, AO3)

**Compare and contrast the public and private sector in terms of control and finance.**

Control

In the public sector the business is controlled by the government on behalf of the people whereas in the private sector that business is controlled by private individuals

Finance

In the public sector the money is funded by the government through taxes whereas in the private sector the money is funded by the private individual or through bank loans

[1] mark for identifying control for private sector or public sector or finance for private sector or public sector

[2] marks for comparing control for private sector and public sector or for comparing finance for private sector and public sector or for identifying control for public or private sector and for identifying finance for public or private sector

[3] marks for comparing control between public and private sector and for identifying finance for either public or private sector or for comparing finance between public and private sector and for identifying control for either public or private sector

[4] marks for fully comparing how the private and public sectors are different in control and finance

Valid alternative responses will be credited [4]

(d) (AO1, AO2)

**Explain two factors that might influence the location of stores for Tesco plc.**

Any two from the following:

- Availability and price of land – if there is a cheaper option available it might sway Tesco's decision
- Close to potential market – the business needs to set up in an area with many customers
- Infrastructure – the road and transport system must be good for business to get deliveries and give easy access to customers
- The size of the land – if it is a Tesco extra that will need a big site for shop and car parking
- Government influence, e.g. planning permission
- Proximity to parking
- Competition

[1] mark for identifying one factor

[2] marks for identifying and fully explaining one factor or identifying two factors

[3] marks for identifying two factors and fully explaining one factor

[4] marks for fully explaining two factors

Valid alternative responses will be credited [4]

(e) (i) (AO2)

**Suggest two suitable aims for Tesco plc.**

Any two from the following:

- Profit
- Growth/expansion
- Corporate image/branding/customer service

- Social responsibility
- Care for the environment
- **Not** survival

[2] marks for correct answers

[2]

(ii) (AO2, AO3)

**Analyse how one of these aims might affect Tesco's business activity.**

Profit	<ul style="list-style-type: none"> <li>• Tesco might try to reduce costs by sourcing cheaper suppliers</li> <li>• Tesco might invest in new equipment to speed up the buying process making customers happy</li> <li>• Tesco might spend money on staff training to give better customer service and encourage repeat buying</li> </ul>
Growth	<ul style="list-style-type: none"> <li>• Tesco may spend more money on advertising/sales promotion to encourage more sales</li> <li>• Tesco might spend money opening up more stores to secure growth and keep ahead of competition</li> </ul>
Corporate image	<ul style="list-style-type: none"> <li>• Tesco will need to develop their brand through uniforms/logo/club card to enhance reputation</li> <li>• Tesco might spend money on staff training to give better customer service to keep customers happy</li> </ul>
Social responsibility	<ul style="list-style-type: none"> <li>• Tesco support local charities every year and they spend money on sponsorship</li> <li>• Tesco also allow youth groups and charities to carry out bag packing to raise money</li> <li>• Tesco also encourage customers to donate food to people less well off</li> </ul>
Care for environment	<ul style="list-style-type: none"> <li>• Tesco sell reusable bags to discourage the sales of plastic bags</li> <li>• Tesco could ensure they recycle all the packaging from deliveries or encourage sales of recycled products</li> </ul>

[1] mark for identifying one impact

[2] marks for analysing one impact or for identifying two impacts

[3] marks for analysing one in detail or for analysing one impact and identifying an other

[4] marks for analysing two impacts or for fully analysing one impact in detail

Valid alternative responses will be credited

[4]

**Not** survival

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(iii) (AO2, AO3)

**Analyse two ways in which business aims may cause conflict in Tesco plc.**

Any two from the following:

Profit versus growth	Shareholders will be interested in maximising profits and want as big a return as possible and may be unhappy that money is being spent on growing the business by building new stores
Profit versus care for the environment	Shareholders will be interested in maximising profits and want as big a return as possible and may be unhappy that too much money is being spent on reduce, reuse, recycle
Care for the environment versus social responsibility	Care for the environment is costly to Tesco and if money is also being invested into corporate social responsibility it may take money away for environmental initiatives
Growth versus care for the environment	An aim of growth might mean building new shops in areas that might impact on local wildlife and their habitats
Profit versus corporate image	Shareholders are most interested in profit improvement and may be unhappy about some of the profits being given to a worthy cause/third world countries/charities. This would improve the corporate image of the business.

[1] mark for identifying one conflict

[2] marks for identifying two conflicts or briefly analysing one conflict

[3] marks for identifying and fully analysing one aim in conflict or identifying two conflicts and briefly analysing one

[4] marks for identifying two aims in conflict and fully analysing one or briefly analysing two aims in conflict

[5] marks for identifying and fully analysing one aim in conflict and briefly analysing the second aim in conflict

[6] marks for identifying and fully analysing two areas which are in conflict

Valid alternative responses will be credited

**Not survival**

[6]

30

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## 2 (a) (AO1)

**Explain the purpose of market research.**

- Its purpose is to learn about the desires of the target customer groups in order to guide the marketing mix

[1] mark for brief explanation

[2] marks for full explanation

Valid alternative responses will be credited [2]

## (b) (AO1, AO2)

**Explain the term market segmentation and explain one way GardendotPot could segment its market.**

Explanation of market segmentation:

Market segmentation is dividing the total market for a product or service into different groups that have similar characteristics, wants and desires

Valid alternative responses will be credited

GardendotPot could segment:

- Age – they could devise a range of gardening tools and accessories for children
- Income – they could have a range of products, e.g. BBQ's at different price levels to target a range of market segments
- Lifestyle – a range of plants and pots to suit different lifestyles and garden types
- Gender

Valid alternative responses will be credited

[1] mark for briefly explaining market segmentation or for identifying one market segment

[2] marks for fully explaining market segmentation or fully explaining one way to segment its market

[3] marks for fully explaining market segmentation and identifying one way to segment its market or fully explaining one way to segment its market and briefly explaining market segmentation

[4] marks for fully explaining market segmentation and fully explaining one way it could segment its market [4]

## (c) (AO2, AO3)

**Describe how GardendotPot could use both primary and secondary research.**

- They could use primary research to find out first-hand information on the customers by asking them to complete a questionnaire when they visit the garden centre or they could devise an online survey on their website
- They could use secondary research to find out information on the competitors to help them decide on advertising and pricing strategies

Valid alternative responses will be credited

[1] mark for briefly describing how either primary or secondary research could be used

[2] marks for briefly explaining how both primary and secondary research could be used or for fully explaining how primary or secondary research could be used

[3] marks for fully explaining how primary/secondary research could be used and briefly explaining secondary/primary research use

[4] marks for fully explaining how both primary and secondary research can be used [4]



(d) (AO1, AO2, AO3)

**Evaluate one suitable pricing policy that GardendotPot could use for their BBQ range.**

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Policy	Advantage	Disadvantage	FJ
Skimming [1]	This allows the business to set a high price initially leading to increased profit – eventually the price will be reduced [2]	Not all customers will be willing to pay the high price and could go elsewhere leading to less customers [2]	[1]
Penetration [1]	This lowers the price initially and may be used to attract customers useful as it is a new garden centre [2]	The lower initial price could lower the profits for the business which they need to establish themselves in the market [2]	[1]
Competitor based [1]	This is a good strategy especially for a new business and it will help attract new customers and increase sales [2]	It takes time to research and find out the prices charged by all the competition and then set your prices [2]	[1]

Valid alternative responses will be credited

[1] mark for identifying a suitable pricing policy

[2] marks for identifying a suitable pricing policy and briefly outlining one advantage/disadvantage

[3] marks for identifying a suitable pricing policy and fully explaining one advantage/disadvantage or briefly explaining one advantage/disadvantage

[4] marks for identifying a suitable pricing policy and fully explaining one advantage/disadvantage and briefly explaining one advantage/disadvantage

[5] marks for identifying one pricing policy and fully explaining one advantage and one disadvantage

[6] marks for identifying one pricing policy and fully explaining one advantage and one disadvantage and reaching a final judgement. [6]

(e) (AO1, AO2)

**Explain how two provisions of the Consumer Rights Act might affect GardendotPot.**

Any two from the following:

- Goods purchased should be of satisfactory quality – goods should not be faulty or damaged when they are sold by GardendotPot
- Goods should be fit for purpose – GardendotPot must ensure the goods sold will do what they are supposed to do
- Goods should be as described – goods supplied must match the description given to the customer by GardendotPot, false advertising
- Right to reject goods – the customer is entitled to a full refund up to 30 days if a good is not of satisfactory quality, refund policy

Valid alternative responses will be credited

[1] mark for identifying one provision

[2] marks for identifying two provisions or identifying one provision and briefly explaining one provision

[3] marks for identifying two provisions and briefly explaining one provision or for identifying one provision and fully explaining

[4] marks for identifying two provisions and briefly explaining both or for identifying two provisions and fully explaining one

[5] marks for identifying two provisions and briefly explaining one provision and fully explaining another

[6] marks for identifying two provisions and fully explaining both [6]

(f) (AO1, AO2, AO3)

**Analyse the advantages and disadvantages of GardendotPot using e-business.**

Advantages include:

- Business can be conducted at any time even when the garden centre is closed therefore gaining more customers as they can shop at their own convenience
- GardendotPot can source products and items from international sources helping to reduce costs/increase variety
- It expands the market from local to national and international leading to increased potential customers
- It gives them an online presence that will help to increase corporate image and develop public awareness increasing sales
- It can be used to deal with any complaints quickly and efficiently to keep the customers happy and encourage repeat sales
- It can be used to advertise the business and advertise any job opportunities

Disadvantages include:

- Competition is increased as they will be competing with many more businesses
- They have the cost of developing and maintaining an effective website and training staff to use it
- If they are delivering products they must ensure good packaging and set up a distribution system
- Some items are bulky and will be expensive to deliver
- Hacking/scamming/security issues
- Not every customer has access to the internet

Valid alternative responses are credited

#### **Level 1 [1]–[3] marks**

Candidate demonstrates basic knowledge and understanding and partially explains one or two advantages/disadvantages. Quality of written communication is basic.

#### **Level 2 [4]–[6] marks**

Candidate demonstrates good knowledge and understanding and briefly explains two advantages/disadvantages or fully explains one advantage/disadvantage and briefly explains the other. Quality of written communication is good.

#### **Level 3 [7]–[8] marks**

Candidate demonstrates excellent knowledge and understanding and explains one advantage and one disadvantage or briefly explains two advantages and two disadvantages. Quality of written communication is excellent.

[8]

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- 3 (a) (AO1)  
**Identify the types of production used in the following businesses.**

MJ Dental Practice	Tertiary [1]
Bright House Mining Company	Primary [1]
ABC Manufacturing Ltd	Secondary [1]

[1] for each correct identification of type of production [3]

- (b) (AO1, AO3)  
**Identify a changing trend across the types of production and discuss two reasons for it.**

Trend:

- Deindustrialisation
- Fewer people are working in the primary and secondary type of production
- More people are working in tertiary production

Reasons:

- Manufactured goods can be imported more cheaply from abroad leading to less demand for goods to be manufactured here
- People are spending more on leisure and entertainment services, so entrepreneurs are taking opportunities in that area
- Demand for education, banking and legal services has increased
- Increased technology in manufacturing leads to less demand for workers

Valid alternative responses will be credited

[1] mark for identification of trend

[2] marks for identification of trend and briefly discussing one reason

[3] marks for identification of trend and briefly discussing two reasons or fully discussing one reason

[4] marks for identification of trend and fully discussing one reason and briefly discussing another

[5] marks for identification of trend and fully discussing two reasons [5]

- (c) (AO1, AO3)  
**Describe job and process manufacturing.**

- Job manufacturing is where one single item is completed at a time usually to the customers exact requirements, e.g. wedding dress
- Process manufacturing is the manufacturing of goods that cannot be disassembled, e.g. soft drinks

Valid alternative responses will be credited

[1] mark for briefly describing either job or process manufacturing

[2] marks for fully describing either job or process manufacturing or for briefly describing both

[3] marks for fully describing job or process manufacturing and briefly describing the other

[4] marks for fully describing both job and process manufacturing [4]

- (d) (AO1)  
**Explain the minimum inventory level method of inventory control.**
- The business works out the minimum level of inventory on which it can function and stock is reordered when the level is reached
- [1] mark for brief explanation  
 [2] marks for full explanation [2]
- (e) (AO2)  
**Discuss two responsibilities of employers in the area of health and safety.**
- Any two from the following  
 Employers are expected to:
- Provide health and safety training on new equipment or for new staff
  - Provide protective clothing such as hats and goggles
  - Carry out regular fire drills to ensure employees know what to do
  - Appoint a Health and Safety Officer to oversee health and safety policies
  - Make sure all machinery is checked and maintained to a safe level
  - Provide a safe working environment and maintain a minimum temperature of 16 °C
  - Provide facilities such as toilets and drinking water
- Valid alternative responses will be credited  
 [1] mark for briefly discussing one responsibility of employers  
 [2] marks for fully discussing one responsibility or briefly discussing two responsibilities  
 [3] marks for fully discussing one responsibility and briefly discussing another  
 [4] marks for fully discussing two responsibilities of employers [4]
- (f) (AO1, AO3)  
**Explain the term quality assurance and its importance to a business.**
- Quality assurance is having structures and procedures in place to constantly provide a high standard of product or service
  - It involves right first time and zero defects meaning every employee is responsible for quality
- Importance:
- Ensures all products leaving the business are of the highest standard which reduces customer complaints
  - Helps increase motivation in the workplace as all staff are given responsibilities
  - Reduces waste and increases business efficiency helping the business to gain competitive advantage
  - Helps the business achieve a good corporate image which encourages repeat sales and new customers
- Valid alternative responses will be credited  
 [1] mark for briefly explaining quality assurance or briefly explaining its importance  
 [2] marks for fully explaining quality assurance or importance or for briefly explaining quality assurance and briefly explaining importance  
 [3] marks for fully explaining either quality assurance or importance and briefly explaining the other  
 [4] marks for fully explaining quality assurance and its importance [4]

(g) (AO1, AO2, AO3)

**Define the Investors in People quality standard and discuss three reasons why a business would undertake the process of gaining this quality standard.**

- It means Investors in People is a recognised standard to achieve better people management through employee empowerment and working towards continuous improvement of staff

Reasons from the following:

- It encourages worker engagement which leads to increased motivation and output
- Can be used to gain competitive advantage over rivals
- Can lead to better corporate image and reputation leading to increased sales and profit
- Creates a more flexible workforce with better trained workers reducing labour turnover
- Makes the workforce more efficient which could reduce waste and lower costs

Valid alternative responses will be credited

**Level 1 [1]–[3] marks**

Candidate demonstrates basic knowledge and understanding of IIP standard. Candidate either correctly defines the award and briefly analyses one reason or can explain fully one reason. Quality of written communication is basic.

**Level 2 [4]–[6] marks**

Candidate demonstrates good knowledge and understanding of IIP and reasons for gaining it. Candidate can correctly define IIP and at least two reasons are analysed, or candidate had fully analysed at least two reasons for gaining it. Quality of written communication is good.

**Level 3 [7]–[8] marks**

Candidate demonstrates excellent knowledge and understanding of IIP and can fully analyse reasons for gaining it. Quality of written communication is excellent.

[8]

30

**Total**

**90**

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MARKS**