



**General Certificate of Secondary Education
2023**

Business Studies

Unit 1

Starting a Business

[GBU11]

FRIDAY 19 MAY, AFTERNOON

**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.

- 1 (a) (i) (AO1)**
 What size of business is Pampered Poooch?
 • Micro
 [1] for correct identification [1]
- (ii) (AO1)**
 What size business would Pampered Poooch be if Bertha increased the number of employees to 25?
 • Small
 [1] for correct identification [1]
- (b) (i) (AO2)**
 What type of business ownership is Pampered Poooch?
 • Sole trader
 [1] for correct identification of business ownership [1]
- (ii) (AO1, AO2)**
 Explain **one** advantage of this type of business ownership to Bertha.
 • The business is cheaply and easily formed as there is no long legal process
 • Owner (Bertha) gets to keep all the profits
 • Owner (Bertha) gets to make all the decisions e.g. decide on own working hours/own boss
 • Close links with both employees and customers
 • Financial affairs are kept private
 Valid alternative responses will be credited.
 [1] for brief advantage of a sole trader
 [2] for detailed advantage of a sole trader [2]
- (iii) (AO1, AO2)**
 Explain **one** disadvantage of this type of business ownership to Bertha.
 • Unlimited liability which means debts of the business can extend to personal possessions
 • Owner (Bertha) is responsible for all the losses
 • Sole traders have to raise their own capital and can have difficulty getting loans
 • Sole traders have no one to share decisions with
 • Hard work and long hours
 • Lack of continuity
 • Hard for the business to benefit from economies of scale
 • Lack of specialisation
 Valid alternative responses will be credited.
 [1] for brief disadvantage of a sole trader
 [2] for detailed disadvantage of a sole trader [2]
- (c) (AO1)**
 Pampered Poooch is in the private sector.
 Identify and explain the other sector of the economy.
 • Public Sector
 • Owned by the country and run on behalf of the people
 • Controlled by the government
 • Financed by the government
 • Aim to provide a service
 Valid alternative responses will be credited.
 [1] for correct identification or brief explanation of sector of the economy
 [2] for correct identification and brief explanation of sector of the economy or detailed explanation of sector of the economy

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[3] for correct identification and detailed explanation of sector of the economy

[3]

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(d) (AO1, AO2, AO3)

Identify and explain **two** business resources that Bertha would use for Pampered Poooch.

Labour	Bertha employs four staff to help her groom the animals and drive the mobile vans
Land	Bertha will need land to park her van, to store equipment and source raw materials
Capital	Bertha will need money to start the business and to buy equipment and vehicles
Enterprise	Bertha will be taking a risk starting the business and coordinating all the other resources to make it successful

Valid alternative responses will be credited.

[1] for identifying one business resource

[2] for identifying two business resources or for briefly explaining one business resource

[3] for identifying and fully explaining one business resource or for identifying two business resources and fully explaining one business resource

[4] for identifying two business resources and fully explaining one business resource or for briefly explaining two business resources

[5] for identifying and fully explaining one business resource and briefly explaining the second business resource

[6] for identifying and fully explaining two business resources

[6]

(e) (AO1, AO3)

Bertha has set aims and objectives for her business.

Analyse **two** ethical issues associated with business aims for Pampered Poooch.

- Environmental issues may lead to the business using environmentally friendly products and recyclable disposable products for the dogs e.g. CO₂/emissions
- Good employee working conditions may lead to the business creating a good working environment while carrying out the services offered, the hours their staff work and their holidays
- Equality may lead to the business treating all staff equally in terms of pay and conditions and any promotions/career development e.g. fair competitive wage
- Social responsibility may lead to the business having a variety of ethical aims such as using products that have not been tested on animals e.g. charging a fair price, offering work experience
- Animal welfare

Valid alternative responses will be credited.

[1] for identifying an ethical issue

[2] for identifying two ethical issues or for briefly analysing one ethical issue

[3] for identifying and fully analysing one ethical issue or for identifying two ethical issues and briefly analysing one ethical issue

[4] for identifying two ethical issues and fully analysing one ethical issue or for briefly analysing two ethical issues

[5] for identifying and fully analysing one ethical issue and briefly analysing the second ethical issue

[6] for identifying and fully analysing two ethical issues [6]

(f) (AO2, AO3)

Stakeholders play a major role in a business.

Identify **two** stakeholders of Pampered Pooch and discuss how the aims of these two stakeholders may differ.

- Owner (Bertha)/employees – may differ over hours worked, pay and working conditions
- Owner (Bertha)/customers – may want prices to be lower than the prices Bertha is charging
- Employees/customers – may differ over the timings and availability of appointments
- Owner (Bertha)/suppliers – may differ on prices charged for equipment and materials required
- Owner (Bertha)/lenders – may differ on interest rates and charges for services offered, for example, overdrafts
- **Not** Shareholders/Directors/Managers/Trade Unions
- Pressure groups (products using animal testing)

Valid alternative responses will be credited

Level 1 [1]–[3] marks

Candidate demonstrates basic knowledge and understanding of how the aims of stakeholders may differ. Candidate can identify one/two stakeholders and partially discusses how the aims of the two stakeholders may differ. Quality of written communication is basic.

Level 2 [4]–[6] marks

Candidate demonstrates good knowledge and understanding of how the aims of stakeholders may differ. Candidate appropriately identifies two stakeholders and correctly discusses how the aims of the two stakeholders may differ. Quality of written communication is good.

Level 3 [7]–[8] marks

Candidate demonstrates excellent knowledge and understanding of how the aims of stakeholders may differ. Candidate correctly identifies two stakeholders and correctly discusses how the aims of the two stakeholders may differ. Quality of written communication is excellent. [8]

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- 2 (a) (AO1)
Over the past three years Bertha has worked hard at marketing her business.
Explain the term marketing.
- Marketing is the process responsible for identifying, anticipating and satisfying customer requirements profitably
- Valid alternative responses will be credited.
[1] for brief explanation of the term
[2] for detailed explanation of the term [2]
- (b) (AO1)
Identify **three** stages of the product life cycle.
- Research and Development
 - Introduction/Launch
 - Growth
 - Maturity
 - Saturation
 - Decline
- [1] for correct identification of one stage of the product life cycle
[2] for correct identification of two stages of the product life cycle
[3] for correct identification of three stages of the product life cycle [3]
- (c) (i) (AO2)
Bertha wants to find out information directly from her customers. Identify the method of market research Bertha should use to find out relevant information from her customers.
- Primary/Field Research
- [1] for correct identification of the method of market research [1]
- (ii) (AO2, AO3)
Discuss **two** reasons why this method of market research would be the most appropriate for Bertha to use.
- Bertha can design the research in the best way to discover the particular information it needs
 - Bertha can be sure that the information gathered is up-to-date
 - The information can be used to make new marketing decisions
 - Cannot be accessed by competitors/Competitive advantage
- Valid alternative responses will be credited.
[1] for identifying one reason of using primary/field research
[2] for fully discussing one reason of using primary/field research or for identifying two reasons of using primary/field research
[3] for identifying two reasons of using primary/field research and fully discussing one reason of using primary/field research
[4] for fully discussing two reasons of using primary/field research [4]
- (d) (AO1, AO2)
Bertha is aware of sampling and would like to use it in her market research. Describe **two** methods of market sampling that Bertha could use.
- Random sampling is a method of sampling in which people are randomly selected and questioned for their opinion. The random sample may be taken, for example, as every tenth person
 - Quota sampling is a method of sampling with a set number of people who fall into pre-determined categories, for example, a certain percentage reflective of gender, age, socio-economic group

Valid alternative responses will be credited.

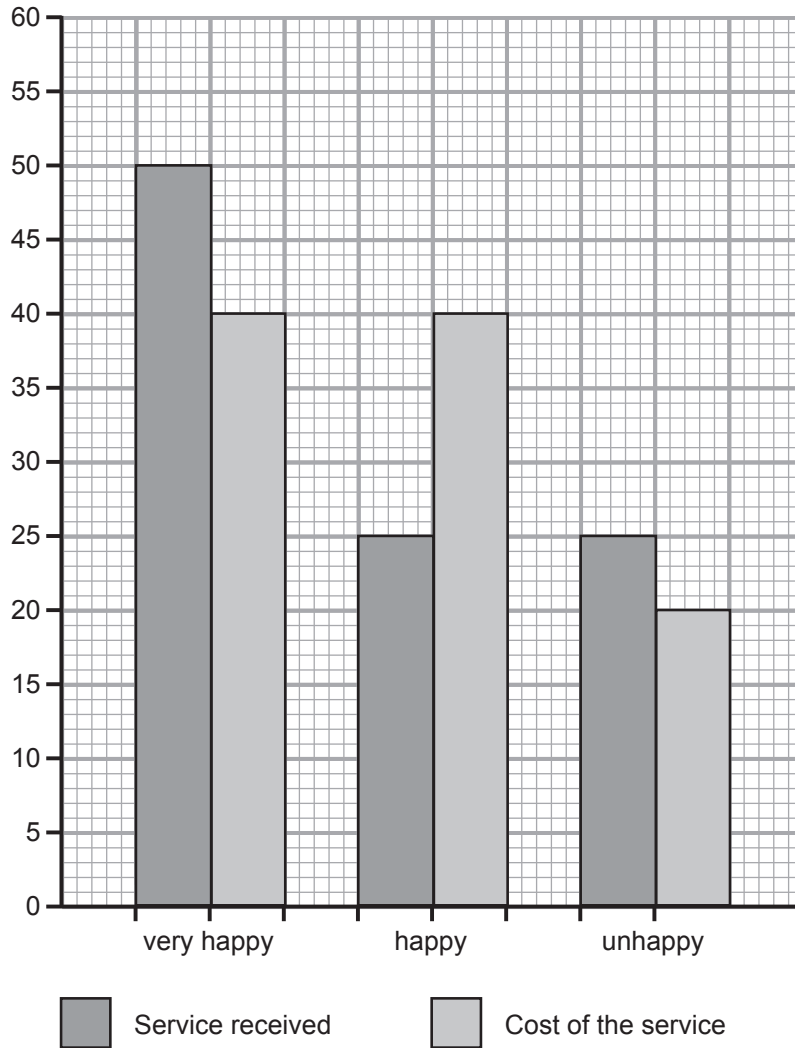
[1] for correct identification of a method of market sampling

[2] for fully describing one method of market sampling or for identifying two methods of market sampling

[3] for identifying two methods of market sampling and fully describing one method of market sampling

[4] for fully describing two methods of market sampling [4]

(e) Graph showing customer feedback on service and cost.



(i) (AO3)

How many customers were very happy with the service received from Pampered Pooooch?

- 50 customers

[1] for the correct number of customers [1]

(ii) (AO3)

How many customers were unhappy with the cost of the service?

- 20 customers

[1] for the correct number of customers [1]

(iii) (AO3)

In total, how many customers responded to Bertha's market research?

- 100 customers

[1] for the correct number of total customers [1]

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(f) (AO2, AO3)

Evaluate public relations (PR) as a method of promotion for Pampered Pooooch.

- The public's awareness of the business is raised and is seen to be generous
- Creating a good impression in this way creates a loyalty with members of the public e.g. corporate image/sponsorship.
- This would result in the public placing more emphasis on using the services of the business
- Poorly completed public relations can have a huge effect on the business as the public may not support them locally
- Sales revenue of the business would decrease with the business closing down if not being supported by the general public
- Final judgement good/bad
- Time consuming to build good PR
- Expensive

Valid alternative responses will be credited.

[1] for identifying either one positive or one negative point of using public relations

[2] for fully discussing one positive or one negative point of using public relations

[3] for identifying one positive and one negative point of using public relations and providing a final judgement or for fully discussing one positive or one negative point of using public relations with a final judgement

[4] for fully discussing one positive of using public relations and one negative point or for fully discussing one positive or one negative point of using public relations and identifying one positive and one negative point of using public relations and providing a final judgement

[5] for fully discussing one positive and one negative point of using public relations with a final judgement [5]

(g) (AO2, AO3)

As a result of the market research, Bertha plans to consider the factors that affect price.

Analyse the following factors that affect price for Pampered Pooooch.

Need to make a profit

- The business will aim to make a profit so the price of the service to the customer must cover the total cost as well as leaving a margin for profit
- The owner (Bertha) would expect the level of investment in the business to be at least as much as the interest that they would have earned should they have invested their money elsewhere
- A healthy profit margin would encourage other investors to buy into the business, should that need arise in the future
- The highest level of profit is not necessarily made by charging the highest prices, as this could discourage sales

Demand

- The business needs to estimate the level of demand for its service and price it accordingly
- Demand will determine how much of the service is required by the customer by what they are willing to pay
- If the demand is high, a higher price may be charged and if demand is low then the price will also be low for the services offered by the business

- Demand will be low in times of recession when many people are unemployed but will rise again when there is more money in the economy

Valid alternative responses will be credited.

Level 1 [1]–[3] marks

Candidate demonstrates basic knowledge and understanding of how factors can affect price. Candidate partially analyses how both factors affect price. Quality of written communication is basic.

Level 2 [4]–[6] marks

Candidate demonstrates good knowledge and understanding of how factors can affect price. Candidate appropriately analyses how both factors affect price. Quality of written communication is good.

Level 3 [7]–[8] marks

Candidate demonstrates excellent knowledge and understanding of how factors can affect price. Candidate fully analyses how both factors affect price. Quality of written communication is excellent.

[8]

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3 (a) (AO1)

Explain the following terms:

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(i) Flow Manufacturing

- A method of production in which one product is made continuously and in large numbers. Also known as mass production. A conveyor belt or an assembly line is organised as the product moves along the line as parts are added to it to complete its assembly/standardised production/use of machinery

Valid alternative responses will be credited.

[1] for brief explanation of the term

[2] for detailed explanation of the term [2]

(ii) Batch Inventory Control

- This method is used in industries that make products in vats and tanks and would be associated with process manufacturing rather than with industries which make products in a continuous flow. It simply calculates the value of the inventory held and available for manufacturing

Valid alternative responses will be credited.

[1] for brief explanation of the term

[2] for detailed explanation of the term [2]

(iii) Quality Assurance

- Quality assurance is the monitoring and evaluation of a product or service to ensure that standards of high quality are being met
- The need to achieve constant, high standards in all that customers require/zero defects/right first time

Valid alternative responses will be credited.

[1] for brief explanation of the term

[2] for detailed explanation of the term [2]

(iv) Investors in People

- An award given to a business organisation which has invested in the training (and development) of the people working there
- IIP establishes a level of good training practice so that the employees can help the business to achieve its goals
- Employees feel motivated by the process, resulting in all-round and continuous improvement

Valid alternative responses will be credited.

[1] for brief explanation of the term

[2] for detailed explanation of the term [2]

(b) (i) (AO1)

Identify the type of production which is used by Pampered Poooch.

- Tertiary

[1] for correct identification of the type of production [1]

(ii) (AO1)

Explain this type of production.

- The stage of production which provides services to members of the public and to other industries. These services include banking, marketing, insurance, transport and the selling of goods or services. It also includes all professional services, such as legal, entertainment, hospitality and medical services

Valid alternative responses will be credited.

[1] for brief explanation of the type of production

[2] for detailed explanation of the type of production

[2]

(c) (AO3)

Discuss **one** reason for the changing trends across the types of production.

The reasons may include:

- The standard of education is high in Northern Ireland so many young people choose to follow professional career paths rather than work in the primary and secondary sectors
- People are spending more on leisure activities so entrepreneurs have moved into that market
- There is now more demand for services such as dog grooming, education, personal banking, insurance for property and cars, investment and legal advice, therefore increasing numbers of employees are required in these areas
- increased use of machinery
- de-industrialisation
- decline in manufacturing
- lack of raw materials in NI

Valid alternative responses will be credited.

[1] for brief discussion of the changing trends in this type of production

[2] for detailed discussion of the changing trends in this type of production

[2]

(d) (AO1, AO2, AO3)

Identify the method of manufacturing used by Pampered Poooch and analyse **one** advantage of using this method of manufacturing.

- Job manufacturing
- Each dog groom is suited to the requirements requested by the customer and ensures high customer satisfaction and possible repeat business
- Job satisfaction is high for the employee as they are providing a quality service that could establish a regular customer base which ensures repeat business
- Job manufacturing can aid Bertha to charge a higher price in order to achieve higher profits which can be reinvested into the business
- better quality
- flexibility

Valid alternative responses will be credited.

[1] for identifying the method of manufacturing or identifying an advantage

[2] for identifying the method of manufacturing and identifying an advantage or briefly analysing an advantage

[3] for identifying the method of manufacturing and briefly analysing an advantage or fully analysing an advantage

[4] for identifying the method of manufacturing and fully analysing an advantage

[4]

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(e) (i) (AO2)

Bertha must provide a safe working environment within Pampered Pooooch. Identify **three** responsibilities for Bertha as an employer, in the area of health and safety.

- Ensure the safe use of articles and substances
- Provide health and safety training
- Provide protective clothing, e.g. gloves, hats, goggles, PPE
- Maintain all equipment
- Provide clear signs and enough space for customers to move around with ease
- Ensure safe practices
- Ensure workplace is well ventilated and well lit
- Maintain indoor temperature of at least 16 degrees Celsius or 13 degrees Celsius if the work involves physical activity
- Carry out cleaning and the removal of waste regularly
- Provide storage space for employees' clothing
- Provide facilities such as drinking water
- Have signs for spillages
- Fire drills
- Provide suitable work stations/facilities to eat meals
- Provide first aid kits

Valid alternative responses will be credited.

[1] for correct identification of one responsibility of the employer

[2] for correct identification of two responsibilities of the employer

[3] for correct identification of three responsibilities of the employer [3]

(ii) (AO1, AO2)

Explain **two** roles of the Health and Safety Executive (HSE) to Bertha.

- Provides support and guidance on health and safety matters
- Controls risks to people's health and safety arising from work
- It regulates health and safety legislation in N Ireland
- It promotes health and safety standards
- It has the right to inspect workplace premises/vehicles/accidents

Valid alternative responses will be credited.

[1] for identification of one role of the HSE

[2] for identification of one role of the HSE and an explanation of the role or for identifying two roles of the HSE

[3] for identifying two roles of the HSE and fully explaining one role of the HSE

[4] for fully explaining two roles of the HSE [4]

(iii) (AO1, AO3)

Discuss **two** responsibilities of the employees of Pampered Pooooch in the area of health and safety.

- Take care of their own health and safety
- Co-operate with the health and safety policy of the business
- Report any accidents
- Wear the protective clothing provided
- Use all equipment carefully to keep it in good working order
- Attend any training sessions provided
- Use equipment safely
- Report any faults or dangers

Valid alternative responses will be credited.

[1] for identifying a responsibility of the employee

[2] for identifying two responsibilities of the employee or for briefly discussing one responsibility of the employee

[3] for identifying and fully discussing one responsibility of the employee or for identifying two responsibilities of the employee and briefly discussing one responsibility of the employee

[4] for identifying two responsibilities of the employee and fully discussing one responsibility of the employee or for briefly discussing two responsibilities of the employee

[5] for identifying and fully discussing one responsibility of the employee and briefly discussing the second responsibility of the employee

[6] for identifying and fully discussing two responsibilities of the employee

[6]

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Total

90