



GCSE MARKING SCHEME

SUMMER 2025

BUSINESS - COMPONENT 2
C510U20-1

About this marking scheme

The purpose of this marking scheme is to provide teachers, learners, and other interested parties, with an understanding of the assessment criteria used to assess this specific assessment.

This marking scheme reflects the criteria by which this assessment was marked in a live series and was finalised following detailed discussion at an examiners' conference. A team of qualified examiners were trained specifically in the application of this marking scheme. The aim of the conference was to ensure that the marking scheme was interpreted and applied in the same way by all examiners. It may not be possible, or appropriate, to capture every variation that a candidate may present in their responses within this marking scheme. However, during the training conference, examiners were guided in using their professional judgement to credit alternative valid responses as instructed by the document, and through reviewing exemplar responses.

Without the benefit of participation in the examiners' conference, teachers, learners and other users, may have different views on certain matters of detail or interpretation. Therefore, it is strongly recommended that this marking scheme is used alongside other guidance, such as published exemplar materials or Guidance for Teaching. This marking scheme is final and will not be changed, unless in the event that a clear error is identified, as it reflects the criteria used to assess candidate responses during the live series.

GCSE BUSINESS – COMPONENT 2

SUMMER 2025 MARK SCHEME

Question		Marks
1. (a)	Apart from a merger, state one other method of external growth. AO1: 1 mark Award 1 mark for correct answer Indicative content Takeover Acquisition	1
(b)	Explain one advantage of horizontal integration. AO1: 1 mark AO3: 1 mark Award 1 mark for stating one advantage of horizontal integration Award 1 mark for explaining one advantage of horizontal integration Indicative content One advantage of horizontal integration is businesses can benefit from economies of scale, by being able to reduce costs through joining up with another business at the same stage of production. One advantage of horizontal integration is businesses can have more power over suppliers, which can lead to better bargaining power when it comes to buying supplies, reducing costs. One advantage of horizontal integration is businesses can reduce competition by removing rivals, this can lead to greater control of the market and the ability to develop customer loyalty. One advantage of horizontal integration is that the business has the combined assets. This can make them have a larger market share and more control over their customers. Credit any other valid response. Do not accept more likely to be successful.	2

Question		Marks
(c)	Explain one feature of a limited company. AO1: 1 mark AO3: 1 mark Award 1 mark for one feature identified Award 1 mark for the feature explained Indicative content Limited companies are owned by shareholders - who get to vote on decisions for the business. Limited companies have limited liability - shareholders only risk the money they initially invested in the business. Limited companies have to publish their financial accounts - these accounts must be made available to the general public and are open to scrutiny. Limited companies pay corporation tax - which may be at a higher rate than taxes paid by unlimited liability owned businesses. Limited companies and its shareholders have a separate legal entity – which means its shareholders are not personally responsible for the business. Credit any other valid response.	2

Question				Marks
1 (d)	Analyse how the Hop-on-hop-off bus tours is an example of a competitive market.			6
Band	AO1: 2 marks	AO2: 2 marks	AO3: 2 marks	
2	2 marks Good knowledge and understanding of a competitive market. Good attempt to use specialist vocabulary.	2 marks Good application to the scenario with relevant data extracted from the text which is used to develop the answer. There is clear reference to the scenario throughout the answer.	2 marks Good analysis of how the hop-on-hop-off bus tours is an example of a competitive market. Reasoned and developed analysis.	
1	1 mark Limited knowledge and understanding of a competitive market. Limited attempt to use specialist vocabulary.	1 mark Limited application to the scenario with relevant data extracted from the text which is used to develop the answer. There is clear reference to the scenario throughout the answer.	1 mark Limited analysis of how the hop-on-hop-off bus tours is an example of a competitive market. The analysis lacks detail and superficial comments are made with little development.	
0	0 marks No valid knowledge.	0 marks No valid application.	0 marks No valid analysis.	

Question		Marks
1 (d)	Indicative content: A competitive market is where no single business has the power to influence the market, an example of this is the hop-on-hop-off bus tours, where there are several businesses offering a similar service to the same group of customers. In London, there are 4 main competitors, Big Bus Tours, Toot Bus, Golden Tours and City Sightseeing. This is a good example of a competitive market because all these businesses are offering relatively the same service in the same location and competing for the same tourists visiting London. The hop-on-hop-off bus tours on offer seem to offer very similar services, all offer commentary in a range of different languages. In a competitive market, businesses have to use different tactics to persuade customers to use its business. One way the hop-on-hop-off bus tours are trying to differentiate their services is through the level of commentary that they offer, for example, Golden Tours and City Sightseeing offer commentary in 11 different languages, clearly trying to appeal to customers from many different countries. The hop-on-hop-off bus tours offer similar service at a very similar price. All hop-on-hop-off bus tours offer adult and child ticket, and all offer a 24 hour and 48-hour ticket. There prices charges for an adult 24-hour ticket are between £27.90 and £37.00, with Big Bus Tours and Golden Tours charging the same price for their 24-hour adult tickets. However, Golden Tours is offering a cheaper child 24-hour ticket to appeal to families. City Sightseeing is charging the most for its adult 24-hour ticket and is slightly higher for its child 24-hour ticket, but its USP is it offers kids' commentary, which is a USP that families with children may be happy to pay a little more for. This is a typical example of different ways businesses in such a competitive market, with similar costs are trying to differentiate itself to win over customers. Lastly, the price of the tickets is relatively sensible, where there is weak competition in a market, businesses can charge high prices because there is no alternative. Credit other valid response.	

Question		Marks
1 (e) (i)	Identify the hop-on-hop-off business that offers the cheapest adult ticket for 24 hours. AO2: 1 mark Award 1 mark identifying the correct business Tootbus	1
(ii)	Calculate the cost for a family with two adults and two children for a Golden Tours 48-hour ticket. Show your workings. AO2: 2 marks Award 1 mark for stage 1 $£42.00 \times 2 = £84.00$ $£22.70 \times 2 = £45.40$ Award 1 mark for stage 2 $£84.00 + £45.40 = £129.40$ Award 2 marks for the correct answer (£)129.40	2
(iii)	Calculate the average price of a child's 48-hour ticket for the four hop-on-hop-off tour businesses. Show your workings. AO2: 2 marks Award 1 mark for stage 1 $£22.50 + £44.10 + £22.70 + £24.00 = £113.30$ Award 1 mark for stage 2 $£113.30 / 4 = £28.32$ Award 2 marks for the correct answer (£)28.32 or (£)28.33	2

Question				Marks
1 (f)	Explain two pricing strategies the hop-on hop-off bus businesses use when setting prices for their services.			6
Band	AO1: 2 marks	AO2: 2 marks	AO3: 2 marks	
2	2 marks Good knowledge of two pricing strategies. Good attempt to use specialist vocabulary.	2 marks Good application to the scenario with relevant data extracted from the text which is used to develop the answer. There is clear reference to the scenario throughout the answer.	2 marks Good explanation of two pricing strategies that could be used. Reasoned and developed explanation.	
1	1 mark Good knowledge of at least one pricing strategy.	1 mark Limited application to the scenario with limited data extracted from the text. There is limited reference to the scenario throughout the answer.	1 mark Limited explanation of at least one pricing strategy that could be used. The explanation lacks detail and superficial comments are made with little development.	
0	0 marks No valid knowledge.	0 marks No valid application.	0 marks No valid explanation.	

Question		Marks
	Indicative content: One pricing strategy the bus operators use when setting prices for their services is price discrimination. All the operators offer a reduced price for children, this is an example of price discrimination because both parties (child or adult) pay a different price, depending on age, for essentially the same service. Adults and children will both sit in the same type of seat and receive the same experience but pay a different price. Price discrimination is considered an effective way of attracting customers to use a service, adults with children are encouraged to buy tickets because they get a reduced price for them and may be put off paying full price. Another pricing strategy the bus operators use when setting prices for their services is competitive pricing. One factor a hop-on-hop-off bus operator may consider when setting its prices is competition, this is a popular strategy when there is a competitive market. Tootbus, Golden Tours and The Big Bus Tours, are three businesses in direct competition with each other, battling for the same customers. Although prices for the services are not hugely dissimilar Tootbus is the cheapest. Tootbus may be trying to offer a more competitive price in order to attract customers and increase demand for its services. Golden Tours and Big Bus Tours charge the same price for its adult 24-hour price, perhaps they are trying to match the price of its competitors. This is something that can work well for hop-on-hop-off bus operators that may find it difficult to build customer loyalty and rapport as it is an activity that most people do very infrequently. However, when businesses are in direct competition, it may start to drive down prices leading to a decrease in the quality of service as they try to cut costs to compete. Another pricing strategy that businesses such as the hop-on-hop-off bus operators may use is psychological pricing. This pricing strategy is used to have a psychological effect on consumers buying decisions. An example of this is the difference between the 24-hour and 48-hour bus services, particularly in the example of Golden Tours. There is very little difference in the prices, the 24-hour child price for Golden Tours is £20.45 whereas the 48-hour service is £1.35 more. This could encourage customers to opt for the 48-hour service, even if they didn't initially want to, as it appears such a bargain, leading to increased sales. Credit other valid response.	

Question				Marks
1 (g)	Evaluate Big Bus Tours use of multi-channel distribution.			8
Band	AO1:2 marks	AO2: 2 marks	AO3: 4 marks	
3	No Band 3 marks for this Assessment Objective. 2 marks are awarded for Band 2.	No Band 3 marks for this Assessment Objective. 2 marks are awarded for Band 2.	4 marks An excellent evaluation of Big Bus Tours use of multi-channel distribution. Advantages and disadvantages are considered in a well-reasoned and balanced evaluation. Writing is very well structured..	
2	2 marks Good knowledge and understanding of multi-channel distribution. Good attempt to use specialist vocabulary.	2 marks Good application to the scenario with relevant data extracted from the text which is used to develop the answer. There is clear reference to the scenario throughout the answer.	2-3 marks A good evaluation of Big Bus Tours use of multi-channel distribution. At least one advantage and one disadvantage are considered, may be unbalanced. Reasoned with some development. Writing is generally well structured.	
1	1 mark Limited knowledge and understanding of multi-channel distribution. Limited attempt to use specialist vocabulary.	1 mark Limited application to the scenario with limited data extracted from the text. There is limited reference to the scenario. The answer is mainly theoretical.	1 mark A limited evaluation of Bus Tours use of multi-channel distribution. At least one advantage and/or one disadvantage included. Superficial evaluation with no development. Writing shows limited evidence of structure..	
0	0 marks No valid knowledge.	0 marks No valid application.	0 marks No valid analysis and evaluation.	

Question		Marks
1 (g)	Indicative content: Multi-channel distribution occurs when a business uses more than one type of distribution channel. In the example of Big Bus Tours, it uses several types of distribution channel including the use of agents, physical outlets such as hotels and through its call centre. Getting the distribution right is so important in such a competitive environment such as the hop-on-hop-off bus tour market, where there are several businesses offering a similar service. The Big Bus Tours offers a variety of places that customers may opt to buy their tickets. This may encourage customers to use Big Bus Tours rather than its competitors who may not sell their tickets in so many distribution channels. Big Bus Tours is likely to be very visible with all these channels, particularly in hotels where visitors will likely be staying, this helps to build Big Bus Tours' brand, so it becomes more recognisable, which can lead to customer loyalty. Customers may be more inclined to use a hop-on-hop-off bus tour that they recognise from another city they have visited or that they have used previously. However, having so many channels can be complicated to manage and may cause Big Bus Tours extra operational costs. This could be the reason why Big Bus Tours are more expensive than its competitors. By having so many channels Big Bus Tours is likely to have a greater customer reach, these online and off-line channels allow customers to buy tickets at their own convenience, this can lead to greater ticket sales and increased revenue for Big Bus Tours. On the other hand, having many distribution channels can lead to 'cannibalisation' i.e. sales from one channel may grow at the expense of another. For example, these days, less people use call centres as this is seen as less convenient than buying online, when you may have to go through a complicated telephone system to speak to someone, this type of service may be expensive to run. Big Bus Tours may find that more and more customers buy online and less use the call centre, this may become increasingly costly to run and may affect prices of tickets as Big Bus Tours pays to run costly services. Having multi-channel distribution can reduce risk for Big Bus Tours because they do not become over-reliant on one channel. Many of the channels offered by the big bus tours use technology such as the website and through third party websites, also the call centre would rely on technology. This is fantastic for Big Bus Tours as they are able to offer the sale of tickets 24/7, which is perfect when its target market is likely to be people from other countries, where there may be language barriers and different time zones. However, if one of the channels, such as online, has a technical problem, customers can choose to purchase from another channel. With so many channels, if one channel is not run well or customers are not treated well it can have an impact on the overall brand and mean customers may have a bad impression of the whole brand and all the channels, in such a competitive environment when customers can simply choose another distributor and have a vastly similar experience, Big Bus Tours will need to make sure that if it is going to have so many channels, that they are all run equally well offer an excellent customer experience. Credit other valid response.	

Question		Marks
2. (a)	Explain one way in which Meals in Minutes operates in a dynamic environment. AO2: 1 mark AO3: 1 mark Award 1 mark for context relating to Meals in Minutes Award 1 mark for a suitable explanation Indicative content Meals in Minutes adapts to meet the changes in tastes of its customers such as more and more people are eating healthy/plant based – this would encourage sales to increase from these other segments and allow Meals in Minutes to increase their revenue. Meals in Minutes adapts to meet the needs of its customers as more and more people are working and have less time to cook because of busy lifestyles and most meals can be made in under 60 minutes – this would allow them to stand out from their competitors and make customers purchase from Meals in Minutes rather than them. Meals in Minutes adapts to technology available by offering an app that allows customers to choose their meal plans – this is meeting the needs of their customers who want to be able to have flexibility in their diets. Meals in Minutes have an active research team – this allows Meals in Minutes to respond to any new trends and make changes to their products before other businesses. Credit other valid response.	2
2 (b)	Explain two benefits to a business of being based in a country which is a member of the European Union. AO1: 2 marks AO3: 2 marks Award 1 mark for identifying a benefit (max 2 marks) Award 1 mark for a suitable explanation (max 2 marks) Indicative content One benefit to a business of operating in the European Union is it can benefit from free trade, which means it can save costs from not paying quotas and tariffs when operating within the European Union. One benefit to a business of operating in the European Union is it can benefit from free movement of people, which means it can benefit from sufficient staff to work in its business ensuring continuity.	4

Question		Marks
	One benefit to a of operating in the European Union is it can benefit from a large range of suppliers, which allows business to keep costs down. Delivers can be made more quickly due to lack of border control checks this means that customers will be happier as their products will be received more quickly. Credit other valid response.	
(c)	Using Chart 1, describe the trend in Meals in Minutes' sales revenue. AO2: 2 marks Award 1 mark for each valid description of the trend Indicative content Between 2016 and 2023, sales revenue has consistently increased. Between 2023 and 2024 sales revenue fell for the first time. Between 2016 and 2020 sales revenue grew slowly. Between 2020 and 2021 there was a sharp increase in sales revenue. Credit other valid response. Do not award any reference to profit.	2
(d)	Explain one way in which Meals in Minutes acts ethically. AO2: 1 mark AO3: 1 mark Award 1 mark for context relating to Meals in Minutes Award 1 mark for a suitable explanation Indicative content One way Meals in Minutes acts ethically is by encouraging healthy eating, which reduced the moral consequences of eating unhealthily which includes a burden on health care systems. One way Meals in Minutes acts ethically is encouraging people to eat plant based which will help people to reduce their carbon footprint. One way Meals in Minutes acts ethically is by using local suppliers which will support local businesses and put money into the local economy.	2

Question		Marks
	One way Meals in Minutes acts ethically is by ensuring customers know what suppliers are used, this will ensure they don't use suppliers who use exploitive labour practices. One way Meals in Minutes acts ethically is by offering discounts to families with school children during holidays, this means that children are still able to eat a healthy meal at a fair price. Credit other valid response.	

Question				Marks
2 (e)	Analyse the benefits to Meals in Minutes of being a multinational company.			8
Band	AO1: 2 marks	AO2: 2 marks	AO3: 4 marks	
3	No Band 3 marks for this Assessment Objective. 2 marks are awarded for Band 2.	No Band 3 marks for this Assessment Objective. 2 marks are awarded for Band 2.	4 marks An excellent analysis of the benefits of Meals in Minutes operating as a multinational company. Well-reasoned and developed analysis. Writing is very well structured using reasonably accurate grammar, punctuation, and spelling.	
2	2 marks Good knowledge and understanding of a business operating as a multinational company. Good attempt to use specialist vocabulary	2 marks Good application to Meals in Minutes with relevant data extracted. There is clear reference to the scenario throughout the answer.	2-3 marks A good analysis of the benefits of Meals in Minutes operating as a multinational company. Reasoned with some development. Writing is generally well structured using reasonably accurate grammar, punctuation and spelling.	
1	1 mark Limited knowledge and understanding of a business operating as a multinational company. Limited attempt to use specialist vocabulary.	1 mark Limited application to Meals in Minutes operating with limited data extracted. There is limited reference to the scenario. The answer is mainly theoretical.	1 mark A limited analysis of the benefits of Meals in Minutes operating as a multinational company. Superficial analysis. Writing shows limited evidence of structure but with some errors in grammar, punctuation and spelling.	
0	0 marks No valid knowledge.	0 marks No valid application.	0 marks No valid analysis.	

Question		Marks
2 (e)	Indicative content Meals in Minutes is likely to be able to benefit from increased market share as a multinational company. We know that Meals in Minutes operate in the UK and Europe in countries such as France and Poland. Because of this, Meals in Minutes is likely to be able to negotiate better deals with suppliers, Meals in Minutes says it has good relationships with suppliers, these costs savings allow the business to be competitive. Because Meals in Minutes operate on such a large scale, it may be true that they are well known and trusted because of its brand image. Meals in Minutes try to meet the tastes and cultures of customers in a range of different markets, it is only able to do this because of their large size, smaller businesses would not be able to suit the needs of such a vast range of customers with differing needs, particularly with perishable items, which will go off if not sold. Meals in Minutes can benefit from cheaper production costs because it is a large multinational company. Each country where Meals in Minutes operates has a factory producing food, some of these countries are likely to have cheaper production and labour costs which will benefit the overall business. Because the production is on such a large scale the business will benefit from economies of scale, which means the costs of producing the food will fall because of their large scale and they are able to negotiate cheaper prices from suppliers, they will also benefit from more efficient technology allowing it to produce at a quicker and cheaper rate. All these savings can ensure that Meals in Minutes remains competitive with more and more emerging businesses who offer a similar meal kit distributor in such a dynamic environment. While operating in the EU businesses are able to benefit from free movement of goods and people, therefore saving on tariffs and quotas are made when operating within the EU. Since the UK has left the EU, tariffs and quotas will need to be paid on goods that are imported, however, because Meals in Minutes has a production facility in the UK, it is able to avoid these costs. Therefore, Meals in Minutes is not only able to benefit from deals with suppliers and economies of scale, they are also able to compete as a multinational company due to the production facilities that are situated in the countries in which it operates. Credit other valid responses.	

Question				Marks
2 (f)	Evaluate how Meals in Minutes' customer loyalty is impacted by: • Its understanding of its customers' needs • Its promotional methods • The quality of its goods and services			12
Band	AO1: 3 marks	AO2: 3 marks	AO3: 6 marks	
3	3 marks Excellent knowledge and understanding of customer loyalty and customer needs, promotional methods and quality. Good use of specialist vocabulary.	3 marks Excellent application to Meals in Minutes with relevant data extracted. There is clear, correct and direct reference to Meals in Minutes throughout the answer.	5-6 marks Excellent evaluation of how Meals in Minutes understands its customer needs, uses promotion and quality to ensure customer loyalty. A well-reasoned and balanced discussion that is backed up using the data throughout. Writing is well structured and uses accurate grammar and punctuation.	
2	2 marks Good knowledge and understanding of customer loyalty and at least one of customer needs, promotional methods and quality. Limited use of specialist vocabulary	2 marks Good application to Meals in Minutes with relevant data extracted. There is reference to Meals in Minutes throughout most of the answer.	3-4 marks Good evaluation of how Meals in Minutes customer loyalty is impacted by at least 2 of customer needs, promotion and quality.. A reasoned and mostly balanced discussion that is backed up using data. Writing is generally well structured and uses mostly accurate grammar and punctuation.	
1	1 mark Limited knowledge and understanding of customer loyalty or customer needs or promotional methods or quality.	1 mark Limited application to Meals in Minutes with limited data extracted. Some information from the data is used, but the response is mainly theoretical.	1-2 marks Limited evaluation of how Meals in Minutes customer loyalty is impacted by at least 1 of customer needs, promotion or quality. Unsupported and one-sided evaluation. Writing may lack structure and there will be some errors in spelling, punctuation and grammar.	
0	0 marks No valid knowledge.	0 marks No valid application.	0 marks No valid analysis or evaluation.	

Question		Marks
2 (f)	Indicative content: Meals in Minutes attempts to gain customer loyalty in a range of ways. Firstly, through promotional methods, it attempts to encourage customers use its service again if it hasn't for a while. Customers who have not purchased a meal kit for 2 months are offered a 10% discount, while customers who have not purchased for 6 months are offered 50% discount. This is a great promotional activity to bring back customers, however, it may result in existing customers feeling a little disgruntled because they are not receiving discount. It may even encourage existing customers to use a different meal kit provider for a few months in order to receive the discount, especially if other meal kit providers offer a similar service, customers who like this type of service can simply alternate different providers in order to gain discount, this would be counterproductive for Meals in Minutes. It would probably better for Meals in Minutes to reduce its prices for all customers to encourage customers to be loyal to Meals in Minutes. One way Meals in Minutes attempts to gain customers loyalty is by meeting the needs of different groups of customers through market segmentation. Meals in Minutes segments its market in several ways, one way is by geographical location. Meals in Minutes distributes to the UK and European countries including Spain and Poland. Because these different countries have differing tastes and cultures it develops products to fit these markets more closely. Meals in minutes focuses on market research to find out what the likes and dislikes are of people in different countries. It also uses teams of specialist staff who research the people's tastes in that country, to ensure the meal kits cater for the tastes of customers from different countries. If customers feel that Meals in Minutes is working hard to develop foods that meet their varying tastes, customers are more likely to become loyal to Meals in Minutes. Another way Meals in Minutes attempts to segment the market is by lifestyle, people who go to the gym regularly are likely to eat a high protein diet in order to build muscle, Meals in Minutes offer meal plans for these people. People who attend the gym are likely to be the type of people who are busy and have less time to cook. Also, gym membership can be expensive, and it is more likely to be professionals who attend gyms. Also, it offers a plant-based diet meal plan, for people who do not eat animal-based products. Meals in Minutes have carefully divided its customer base into a range of lifestyles, allowing them to target its customers more precisely, hence maintaining its success by meeting customers' needs and developing customer loyalty. Another lifestyle Meals in Minutes targets is families, it not only caters for adults but for families with children, by ensuring there are suitable meals on offer to meet the tastes of children, who we know can be fussy. Another income segment Meals in Minutes is targeting is people with busy lives. These people are likely to have good jobs more disposable income to spend on this type of service, but also have busy jobs and require convenience, All the ingredients for the meals are weighed out and meals are designed especially to be cooked in under 60 minutes, which is also something that will suit busy, working, professionals. Meals in Minutes also aims to gain customer loyalty through providing quality, it does this in a number of ways. In order to maintain quality, Meals in Minutes	

Question		Marks
	keeps good control of its supply chain, it has good, strong relationships with its suppliers to ensure ingredients is produced locally to help maintain its freshness, but this also supports its ethical credentials. Meals in Minutes uses packaging to maintain the freshness of its products and courier service to ensure it can be flexible with times of deliveries that suit customers and again, maintain its images as a quality service. Meals in Minutes use research to gain opinions of customers, to ensure that the meals it provides meets the tastes of its customers. Despite its efforts there have been instances where kits have arrived with customers damaged or with missing items. So, although the packaging, courier service, research teams and locally sources ingredients go some way to ensure Meals in Minutes is offering a quality service to meet customer needs and gain customer loyalty, it may want to consider reviewing its quality assurance in order to reduce instances of damage. There is so much competition for this type of service and despite the offers Meals in Minutes uses to attract new customers they need to focus on maintaining existing customers so quality assurance needs to be a key focus. Credit other valid response.	