

CONFERENCE VERSION – 07/06/2023

**CONFIDENTIAL**



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# GCSE MARKING SCHEME

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**SUMMER 2023**

**GCSE (NEW)  
BUSINESS - UNIT 1  
3510U10-1**

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Question		Marks
1.	<p><b>Identify which two of the following are characteristics of Public Limited Companies (PLCs).</b></p> <p>AO1: 2 marks</p> <p>Award 1 mark for each correct answer</p> <p>Minimum of 2 owners Shares are sold on the stock exchange. Owned by shareholders.</p>	2
2.	<p><b>Identify which two of the following are advantages of international trade to UK businesses.</b></p> <p>AO1: 2 marks</p> <p>Award 1 mark for each correct answer</p> <p>Increased sales New markets</p>	2
3.	<p><b>Identify which of the terms above, best describes each of the following:</b></p> <p>AO1: 4 marks</p> <p>Award 1 mark for each correct answer</p> <p>(a) <b>The method of production that produces many identical items.</b> Flow (Mass) production</p> <p>(b) <b>The money a business makes from sales.</b> Turnover</p> <p>(c) <b>Information that is numerical and often shown in graphs or tables.</b> Quantitative</p> <p>(d) <b>A prediction of the money going in and out of a business over a period of time.</b> Cash flow forecast</p>	4

Question		Marks
4. (a)	<p><b>Using the graph above, identify which stage of the product life-cycle Bertie’s Berry Crunch is in during;</b></p> <p>AO2: 2 marks</p> <p>Award 1 mark for each correct answer</p> <p>(i) 2015: Growth (1 mark)</p> <p>(ii) 2021: Decline (1 mark)</p>	2
(b)	<p><b>Outline two extension strategies that Bertie’s Berry Crunch could adopt to improve sales.</b></p> <p>AO1: 2 marks AO2: 2 marks</p> <p>Award 1 mark for each suitable extension strategy identified (4 P’s)</p> <p>Award 1 mark for each relevant outline of how the extension strategy may boost sales</p> <p><b>Indicative content:</b></p> <p>Decrease the price- the product is no longer expensive compared to other cereals – more customers are willing to buy it/afford it.</p> <p>Promote the product / if the product is advertised e.g. on TV - more people are aware of the cereal leading to increased sales.</p> <p>Increase the number of places the product is sold/the cereal is now sold in local shops/to other countries/online - increasing the size of the target market.</p> <p>Change the product / they could change the flavour/ingredients/make the product healthier – appeal to a new target market.</p> <p>Change the packaging – the product will be recognised against other brands/may be more noticeable in the shops – attract the target market/new customers.</p> <p>Credit any other valid explanation of how an extension strategy could increase sales. Can make 2 suggestions for the same P for 4 marks.</p>	4

Question		Marks
5.	<p><b>State two resources needed to produce goods or services.</b></p> <p>AO1: 2 marks</p> <p>Award 1 mark for each suitable answer</p> <p>Raw materials Machinery/ equipment Workers/ labour Site/ land Capital/finance</p>	2
6. (a)	<p><b>Identify which one of the following best describes the scale of operation of Saundersfoot Sheds.</b></p> <p>AO2: 1 mark</p> <p>Award 1 mark for correct answer</p> <p>Local</p>	1
(b) (i)	<p><b>Describe the trend of sales for Saundersfoot Sheds shown in the graph above.</b></p> <p>AO2: 1 mark</p> <p>Award 1 mark for describing the trend.</p> <p><b>Indicative content:</b></p> <p>Sales reached their highest amount in July before falling back down. Sales increase until July before decreasing in August and September.</p> <p>Credit any other valid answers.</p>	1
(b) (ii)	<p><b>Calculate the average selling price per shed.</b></p> <p>AO2: 2 marks</p> <p>Award 1 mark for calculating the total number of sales</p> <p><math>13+17+21+24+29+36+41+34+28 = 243</math> (1 mark)</p> <p>Award 1 mark for calculating the average</p> <p><math>75\ 330 \div 243 = \text{£}310</math> (1 mark)</p> <p>Award 2 marks for giving the correct answer only</p> <p>OFR if pupil incorrectly adds up the total number of sales but divides 75 330 by that number.</p> <p>No £ sign required for 2 marks.</p>	2

Question		Marks
7. (a)	<p><b>Suggest and explain one <u>risk</u> to entrepreneurs of starting a business.</b></p> <p>AO1: 1 mark AO3: 1 mark</p> <p>Award <b>1</b> mark for a suitable risk suggested</p> <p>Award <b>1</b> mark for a relevant explanation of the suggested risk.</p> <p><b>Indicative content:</b></p> <p>Loss of capital/money/financial risk – the entrepreneur may lose the money they invested in starting the business.</p> <p>The business may have lower than expected sales – customers may use competitors/poor reputation/ target market cannot afford the product or service – business may close.</p> <p>Unexpected increase in costs e.g. wages or raw materials – the business may not be able to cover the costs causing cashflow problems.</p> <p>Unexpected events – delays in receiving stock or illness may stop the business trading as usual, reducing revenue.</p> <p>Credit any other valid answers.</p>	2
	<p><b>Suggest and explain one <u>reward</u> to entrepreneurs of starting a business.</b></p> <p>AO1: 1 mark AO3: 1 mark</p> <p>Award <b>1</b> mark for a suitable reward suggested</p> <p>Award <b>1</b> mark for a relevant explanation of the suggested reward.</p> <p><b>Indicative content:</b></p> <p>Entrepreneurs can earn profit from the business – this could be more than income from a job.</p> <p>The satisfaction gained from owning and running a business – this could improve self-esteem.</p> <p>Making a difference in the community – responding do the needs of others in the local area.</p> <p>Doing something they enjoy - greater job satisfaction.</p> <p>Increased control over their working life/being own boss – can be flexible about when and where they work.</p> <p>Credit any other valid answers.</p>	2

Question		Marks
(b)	<p><b>Name one organisation that may be able to help an entrepreneur start-up a business.</b></p> <p>AO1: 1 mark</p> <p>Award <b>1</b> mark for naming a valid organisation</p> <p><b>Indicative content:</b></p> <p>(Welsh) Government            Business Wales            (Commercial) Banks/Small business banking            Prince's Trust            Business advice websites            Venture Capitalists            Careers Wales</p> <p>Accept any other valid answer.</p>	1

<b>7. (c) With specific reference to the retail park plan, analyse the suitability of the selected site for Jane to set-up a gym. [6]</b>			
<b>Band</b>	<b>AO1</b>	<b>AO2</b>	<b>AO3</b>
	<b>2</b>	<b>2</b>	<b>2</b>
<b>2</b>	<p><b>2 marks</b></p> <p>Good knowledge and understanding of siting a business.</p> <p>Some attempt to use specialist vocabulary.</p>	<p><b>2 marks</b></p> <p>Good application of the site and how it might affect the success of a new gym.</p> <p>Good use of the plan showing the layout of the retail park.</p>	<p><b>2 marks</b></p> <p>A good analysis of the benefit(s) and drawback(s) of the chosen site.</p> <p>There is clear analysis of how the chosen site could impact on the success and failure of the business.</p> <p>Answers will be well written with clear analysis of the benefit(s) and drawback(s) of choosing a site for a business.</p>
<b>1</b>	<p><b>1 mark</b></p> <p>Limited knowledge and/or understanding of siting a business.</p> <p>Limited or no use of specialist vocabulary.</p>	<p><b>1 mark</b></p> <p>Limited application of the site and how it might affect the success of a new gym.</p> <p>Limited use of the plan showing the layout of the retail park.</p>	<p><b>1 mark</b></p> <p>Limited analysis of the suitability of the chosen site.</p> <p>There is an attempt at analysis of how the chosen site could impact on the success or failure of the business.</p> <p>Answers will attempt to analyse either benefit(s) or drawback(s) of choosing a site for a business.</p>
<b>0</b>	<p><b>0 marks</b></p> <p>No knowledge or understanding of siting a business.</p>	<p><b>0 marks</b></p> <p>No application or link made to the diagram of the retail park.</p>	<p><b>0 marks</b></p> <p>No analysis of the suitability of the site.</p>



**Indicative content:****Possible benefits to a gym of choosing this site:**

In the same retail park as 'Fit and Healthy Gym' so many of their customers may be attracted to change where they go, increasing customers. Clearly a market as it has been in business since 2012.

Next to Sports Direct so people buying sports equipment, possibly the target market, may be tempted to go into the gym and therefore join, increasing revenue.

Tesco/Costa are brands with many regular customers so there will be high footfall in that part of the retail park. This may attract customers who notice the gym and decide to join.

All the stores are well-known brand names with loyal customers so the retail park will be busy. This passing trade may help attract customers at first.

A car park, bus stop and taxi rank providing easy access to customers. This makes getting to the gym easier, attracting customers. Near to Llanelli town centre means that onward public transport should be good.

Maybe a low-cost site as much smaller than other sites on the retail park.

Delivery area on site so equipment could be delivered when first starting-up.

Tesco open 24 hours so security onsite. Potential market for late opening hours as car park will be open at night. This may attract some additional customers.

Credit other valid comments.

**Possible drawbacks to a gym at this site:**

Small site which is significantly smaller than the other gym. This is likely to mean less equipment, and less facilities e.g. changing area/toilets. May put off customers if doesn't offer them what they need.

One way in and out near Llanelli city centre which could mean traffic congestion. This may put off potential customers.

Car park is small given the number of shops and the number of people it might attract. This could lead to running out of parking and putting customers off.

Delivery area is a long way from the store causing problems for the delivery of equipment (which is heavy and bulky).

Competition from 'Fit and Healthy' gym that has been opened since 2012. Could take away many of the potential customers through loyalty and bigger site.

Accessibility. the retail park is 1 mile away from the town centre so away from residential area which may have gyms nearby.

Credit other valid comments.

Question		Marks
(d)	<p><b>Suggest a reason why is it important for a business to identify and understand its potential customers.</b></p> <p>AO1: 1 mark</p> <p>Award <b>1</b> mark for suggesting a valid reason</p> <p><b>Indicative content:</b></p> <p>Can offer the right product/service            Charge a price that attracts the target market            Can promote the business where the target market will see it            Can identify where the target market are and where they can access the business.</p> <p>Credit any other valid reason.</p>	1

<b>7. (e) Advise Jane as to which type of business ownership she should choose to set up the gym. [8]</b>			
<b>Band</b>	AO1	AO2	AO3
	2	2	4
<b>3</b>	There are no Band 3 marks for this assessment objective 2 marks are awarded as for Band 2	There are no Band 3 marks for this assessment objective 2 marks are awarded as for Band 2	<p><b>4 marks</b></p> <p>Excellent well-reasoned and balanced evaluation of the type of ownership structure Jane should use.</p> <p>Writing is very well structured using accurate grammar, punctuation and spelling.</p> <p>The advantage(s) and disadvantage(s) of at least two ownership structures are evaluated.</p> <p>Clear advice is given with supporting statements.</p>
<b>2</b>	<p><b>2 marks</b></p> <p>Good knowledge and understanding of the key characteristics of at least 2 different ownership structures are demonstrated.</p> <p>Some attempt to use specialist vocabulary.</p>	<p><b>2 marks</b></p> <p>Good application of the business idea and how each type of business ownership structure might affect the way the business is run.</p> <p>Relevant information from the data is used purposefully in development.</p>	<p><b>2-3 marks</b></p> <p>Good evaluation of the chosen ownership structure Jane should use.</p> <p>Writing is generally well structured using reasonably accurate grammar, punctuation and spelling.</p> <p>The evaluation may be unbalanced and focus on either the advantage(s) or disadvantage(s) of the chosen ownership structure.</p>
<b>1</b>	<p><b>1 mark</b></p> <p>Limited knowledge and/or understanding of the characteristics of the different ownership structures.</p> <p>May only focus on one ownership structure.</p> <p>Characteristics are identified rather than understood. Limited or no use of specialist vocabulary.</p>	<p><b>1 mark</b></p> <p>Limited application of the business idea and how the business ownership structure might affect the way the business is run.</p> <p>The response is mostly generic with brief application to Jane's business or a gym.</p>	<p><b>1 mark</b></p> <p>Limited evaluation on which type of ownership structure Jane should use.</p> <p>Writing shows limited evidence of structure but with some errors in grammar, punctuation and spelling.</p> <p>The evaluation lacks detail and superficial comments are made with little development.</p>
<b>0</b>	<p><b>0 marks</b></p> <p>No knowledge or understanding of the characteristics of the different ownership structures.</p>	<p><b>0 marks</b></p> <p>No reference is made to Jane's business or a gym.</p>	<p><b>0 marks</b></p> <p>No valid analysis and advice is given.</p>

**Indicative content:**

Answers could include:

**Possible arguments for Jane being a sole trader might include:**

Makes all the decisions without compromising or taking time to agree this can speed up the process, helping the business to be more dynamic. This is particularly useful when setting up a new business.

Jane has expertise in Gyms and would run the risk of a non-specialist co-owner making decisions that they do not fully understand, causing problems.

Jane gets to keep all the profits, potentially increasing income as she is giving up her job to pursue her dream.

**Possible arguments against Jane being a sole trader might include:**

Large start-up costs for gyms e.g. equipment. Difficult to raise large amounts of money. No mention of redundancy etc to help fund so is borrowing money, increasing her risks.

Unlimited liability so if the business fails Jane could lose her personal possessions.

Setting up the business will take a lot of time. The opening hours are likely to be long so Jane's workload will be very difficult initially and she will need to recruit workers.

**Possible arguments for Jane taking on a partner might include:**

More capital can be brought into the business than Jane has available so there is greater scope to improve the business. The extra capital could be used for better/more equipment improving customer satisfaction and attracting new people.

Extra skills and expertise can be brought into the business. The new partner may have skills that Jane does not have, such as marketing or IT skills that could benefit the business. The new partner may have contacts for new staff or know how to recruit etc.

An additional person is available to help take the pressure of running the business, which will have long working hours.

Partnerships are relatively easy to set up. Jane runs a small business and will not have a lot of money to spend on legal documents as would be required when setting up a limited company. A Deed of Partnership is straight forward.

**Possible arguments against Penny taking on a partner might include:**

The partners may disagree about running the business and about future developments. Jane may have a vision of the business that she must now compromise.

Profits will be shared. This may not be an issue if profits are increased as a result of any additional income generated as a result of being a partnership.

Success may depend on the efforts of both partners but the partner may not work as hard or be as motivated as Jane, for example, Jane may be more willing to work hard to make the business a success.

**Possible arguments for Jane becoming an Ltd include: -**

Can set up by herself and have full control over the business so many of the same benefits as a sole trader.

More capital can be brought into the business by selling shares to friends and family. Jane has available so there is greater scope to improve the business. The extra capital could be used for better/more equipment improving customer satisfaction and attracting new people. Jane has people who are already interested in investing. Offering the new owners limited liability may increase the opportunity for investment.

Jane would have limited liability reducing her personal risk. If Jane involved other investors/shareholders she would be protected from any reckless financial behaviour.

**Possible arguments against Jane becoming an Ltd include: -**

The shareholders/owners may disagree about running the business and about future developments. Jane may have a vision of the business that she must now compromise.

Profits will be shared. This may not be an issue if profits are increased as a result of any additional income generated from being an Ltd. Dividends will be paid to all shareholders even if they are not involved in the running of the business.

**Conclusion and advice:**

Answers must suggest a type of ownership structure and a valid reason for selecting that ownership structure to be awarded maximum marks.

Credit any other valid response.

Question		Marks
8. (a)	<p><b>Describe what Aberavon Car Centre customers expect from a quality car.</b></p> <p>AO2: 1 mark</p> <p>Award <b>1</b> mark for suitable description</p> <p><b>Indicative content:</b></p> <p>The car doesn't break down.  The car has low mileage.  The car is in good condition/no faults/works properly/fit for purpose.  The car will last a long time.</p> <p>Credit any other valid description.</p>	1
(b)	<p><b>Identify one way a business achieves quality.</b></p> <p>AO1: 1 mark</p> <p>Award <b>1</b> mark for correct identification</p> <p><b>Indicative content:</b></p> <p>Buying the right raw materials.  Using skilled workers/Trained workers.  Using the most suitable production processes.  Implementing Quality assurance/Quality control.</p> <p>Credit any other valid answer.</p>	1
(c)	<p><b>Describe how Aberavon Car Centre could use Information Technology (IT) packages to help in its workplace.</b></p> <p>AO1: 2 marks  AO2: 2 marks</p> <p>Award <b>1</b> mark for limited knowledge of IT packages  Award <b>2</b> marks for good knowledge of IT packages</p> <p>Award <b>1</b> mark for limited application of the IT packages to Aberavon Car Centre  Award <b>2</b> marks for good application of the IT packages to Aberavon Car Centre</p> <p><b>Indicative content:</b></p> <p>Word processing packages/Word - communicating with previous customers to encourage them to buy another car.  Databases/Access- keeping accurate information about the amount of cars in stock/keeping customer details to contact them to encourage them to buy another car/keeping details about the cars such as cost or price.  Spreadsheets/Excel- calculate profits from the sales of cars/ produce cash flow forecasts to ensure new stock can be bought.  Accountancy packages such as SAGE to calculate and produce financial documents.  Video conferencing/Zoom/Teams- contact auctions or sellers so stock can be bought without having to travel.  Computer graphic packages/Website design – create promotional materials to encourage customers to buy cars.  PowerPoint – create a presentation to promote the business/their cars.</p> <p>Credit other valid suggestions.</p>	4

Question		Marks
(d) (i)	<p><b>Identify two stages in the sales process.</b></p> <p>AO1: 2 marks</p> <p>Award 1 mark for each suggested stage of the sales process</p> <p><b>Indicative content:</b></p> <p>Preparing through good product knowledge.  Identify sales opportunities/Identify the buyer.  Customer engagement.  Understanding the needs and wants of customers.  Informing customers of the features and benefits of the product or service.  Closing the sale/making the sale.  Following up/ after sale/after care.</p>	2
(d) (ii)	<p><b>Describe how the sales process is used by Aberavon Car Centre to sell high value products.</b></p> <p>AO2: 2 marks</p> <p>Award 1 mark for each valid point</p> <p><b>Indicative content:</b></p> <p>Staff know information about the car - e.g. engine size/mileage/age of vehicle.  Speaking to people visiting the showroom and judging if they wish to buy a car - communicating with interested customers via the phone/E-mail.  Asking questions to gain an insight into what the customer is looking for - so they can be advised what is available and shown the cars that meet their needs.  Details about the vehicle – information about warranties so they feel less risk – specific knowledge of the car and the extra options it contains – features and benefits.  Getting the customer to agree to buying a car – deciding how the customer will pay for the car e.g. loan, hire purchase etc – offering sales promotions e.g. discounts, warranties etc.  Offering extended warranties, servicing, repair in the event of faults – contacting the customer by phone/e-mail etc to get feedback.  Contacting previous customers – to try and create new sales opportunities.</p> <p>Credit any other valid suggestion.</p>	2

**8. (e) Discuss the pricing strategies that Aberavon Car Centre might use to increase sales. [10]**

Band	AO1	AO2	AO3
	3	3	4
<b>3</b>	<p><b>3 marks</b> Excellent knowledge and understanding of different pricing strategies.</p> <p>Identify and accurately describe at least 2 pricing strategies.</p>	<p><b>3 marks</b> Excellent application of Suitable pricing strategies to Aberavon Car Centre.</p> <p>There is clear and direct reference to Aberavon Car Centre, small business or car sales throughout the discussion.</p> <p>Information from the data is used in development.</p>	<p><b>4 marks</b> Excellent evaluation of pricing strategies for Aberavon Car Centre.</p> <p>Writing is very well structured using accurate grammar, punctuation and spelling.</p> <p>Well-reasoned and balanced discussion.</p> <p>Clear judgements are made with supporting statements.</p>
<b>2</b>	<p><b>2 marks</b> Good knowledge and understanding of different pricing strategies.</p> <p>Identify and attempt to describe at least 2 pricing strategies.</p>	<p><b>2 marks</b> Good application of suitable pricing strategies to Aberavon Car Centre.</p> <p>There is some reference to Aberavon Car Centre, small businesses or car sales in the discussion.</p> <p>Some information from the data is used in development.</p>	<p><b>2-3 marks</b> Good evaluation of pricing strategies for Aberavon Car Centre.</p> <p>Writing is generally well structured using reasonably accurate grammar, punctuation and spelling.</p> <p>The discussion may be unbalanced.</p>
<b>1</b>	<p><b>1 mark</b> Limited knowledge of different pricing strategies.</p> <p>Identify at least 1 pricing strategy.</p> <p>Limited or no use of specialist vocabulary.</p>	<p><b>1 mark</b> Limited application of at least one suitable pricing strategy to Aberavon Car Centre.</p> <p>The response is mostly generic with some mention of Aberavon Car Centre, small businesses or car sales.</p>	<p><b>1 mark</b> Limited evaluation of at least 1 pricing strategy for Aberavon Car Centre.</p> <p>Writing shows limited evidence of structure but with some errors in grammar, punctuation and spelling.</p> <p>The evaluation lacks detail and superficial comments are made with little development.</p>
<b>0</b>	<p><b>0 marks</b> No knowledge or understanding of pricing strategies.</p>	<p><b>0 marks</b> No reference is made to Aberavon Car Centre, small businesses or car sales.</p>	<p><b>0 marks</b> No valid evaluation is given.</p>



**Indicative content:**

Competitive pricing is when a business charges similar amounts to competitors for similar cars. The advantage of this is that customers may be happy to pay the price as it will be good value for money. Competitive pricing may mean that Aberavon have to charge less than they would like to compete with larger companies like Trade Centre Wales, who get economies of scale, reducing its profit margin.

Psychological pricing is when prices are below the next round number e.g. £3,999. This makes the product cheaper and can be used in promotion to attract customers. The problem with psychological pricing is that most car companies do this so it doesn't stand out from the competition so may not be effective. It also means that lower prices are charged to get this effect. E.g. Aberavon may want to sell products at £4,150 but may sell it at £3,999 to get a more attractive price, reducing revenue by over £150. This would reduce the profits of the business.

Cost-Plus means selling the cars based on the price a business pays for them. This guarantees a profit. However, as a small business Aberavon Car Centre may pay more for its cars (stock) than other competitors meaning that prices may be higher and therefore uncompetitive, reducing sales.

Loss Leader is when a business charges low prices on some products to attract customers. This could be done by having a few cars at very low prices to attract customers to Aberavon Car Centre but then the sales staff could encourage the customers to buy a different car, which makes the business more money. This is particularly effective when a business has a website and customers can see a range of products before visiting.

Premium pricing is where businesses with a good brand name can charge higher prices due to the good reputation. This could also be used where some of the cars being sold are uncommon and have unique features. This may allow Aberavon Car Centre to charge higher prices, increasing profit margin and sales revenue.

Also accept supply and demand pricing.

Credit other valid suggestions.

Question		Marks
9. (a)	<p><b>On the break-even chart above, draw the total cost line for Seaside Sweets.</b></p> <p>AO2: 2 marks</p> <p>Award 1 mark for starting the total cost line on the fixed cost line (0, £600)</p> <p>Award 1 mark for the line ending at (800, £1400)</p>	2
(b)	<p><b>Identify how many bags of sweets Seaside Sweets must sell to break-even.</b></p> <p>AO2: 1 mark</p> <p>Award 1 mark for correct answer</p> <p>600 (bags of sweets)</p> <p>OFR: Award 1 mark where <math>TC=TR</math></p>	1
(c)	<p><b>Identify the impact that the change in costs may have on Seaside Sweets.</b></p> <p>AO1: 1 mark</p> <p>Award 1 mark for identification of valid impact</p> <p><b>Indicative content:</b></p> <p>The business will have to sell more products to break-even.  The business may need to increase prices to cover costs.  The business may have to reduce staff/reduce rent to reduce fixed costs.  The business may have to change supplier to get cheaper products.  Reduce profit margin/reduce profit.</p> <p>Credit any other valid suggestion.</p>	1

<b>9. (d) Explain how Rashid may use the recruitment process to help him employ a new part-time worker. [6]</b>			
<b>Band</b>	<b>AO1</b>	<b>AO2</b>	<b>AO3</b>
	<b>2</b>	<b>2</b>	<b>2</b>
<b>2</b>	<p><b>2 marks</b></p> <p>Good knowledge and understanding of the stages of the recruitment process.</p> <p>Some attempt to use specialist vocabulary.</p>	<p><b>2 marks</b></p> <p>Good application of how Rashid/ a local shop/a small business could use the recruitment process to recruit a part-time worker.</p>	<p><b>2 marks</b></p> <p>A good explanation of how the business uses the recruitment process.</p> <p>There is clear explanation of how the recruitment process will ensure a suitable appointment.</p> <p>Answers will be well written with clear explanation of the recruitment process when filling a vacancy.</p>
<b>1</b>	<p><b>1 mark</b></p> <p>Limited knowledge and / or understanding of the recruitment process.</p> <p>Limited or no use of specialist vocabulary.</p>	<p><b>1 mark</b></p> <p>Limited application of how Rashid/ a local shop/a small business could use the recruitment process to recruit a part-time worker.</p>	<p><b>1 mark</b></p> <p>A limited explanation of how the business uses the recruitment process.</p> <p>There is an attempt to explain the recruitment process and how it will ensure a suitable appointment.</p> <p>There is limited analysis of using the recruitment process when filling a vacancy.</p>
<b>0</b>	<p><b>0 marks</b></p> <p>No knowledge and / or understanding of the recruitment process.</p>	<p><b>0 marks</b></p> <p>No application or link to how Rashid/ a local shop/a small business could use the recruitment process to recruit a part-time worker.</p>	<p><b>0 marks</b></p> <p>No explanation about how the business may use the recruitment process to fill a vacancy.</p>

**Indicative content:**

Rashid could make sure he writes a job description for the position required. He would need to include information such as it is part-time hours and the duties involved such as serving customers. This ensures that only people are interested in this type of job will apply. It gives him a better chance of having suitable applicants.

Rashid should make sure he writes a person specification so he knows what experience, skills, qualifications and experience needed for the job. Qualifications may not be that important but some experience may be useful as it reduces the amount of time he needs to spend training them.

Rashid needs to advertise the job. He is looking to appoint only one part-time worker so he is most likely to advertise in the shop window, where it is free and a local person will see it. This means people that are interested will go into the shop to find out more. He may also use social media or even ask friends and family to see if they know of a suitable applicant.

Rashid may not have an application form but may ask for a CV to be given to him from anyone that is interested. This will give Rashid information about the candidate that he would then use to shortlist.

Rashid will not want to interview lots of different people as he wouldn't have the time. He will select one or two people from the applicants to interview to find out more about them, it is likely to be informal. He is the only owner so no one else needs to be involved in the decision of who he employs.

Rashid would meet the chosen applicants face-to-face or speak to them over the phone to ask them questions and see who he feels is most suitable for the job. He will then make a decision. Rashid is very unlikely to ask applicants to complete tests or further assessments before selecting an applicant.

Rashid will then select or choose an applicant from those he interviewed/met. He will then ask an applicant to start. He may offer them a trial period at the start of the new job to check that he has chosen the correct person.

Credit any other valid response.

Question		Marks
(e)	<p><b>With reference to Seaside Sweets, outline one suitable method that Rashid might use to train his new part-time worker.</b></p> <p>AO2: 2 marks</p> <p>Award <b>1</b> mark for limited (identification) outline Award <b>2</b> marks for developed outline</p> <p><b>Indicative content:</b></p> <p>Induction training. On the job training. Job shadowing. Mentoring/Coaching.</p> <p><b>NB: Do not accept off the job.</b></p> <p>The worker would be shown what to do in the first few days after starting to get the job. Rashid could show the new worker how to serve customers/use the till/ re-stock shelves. Rashid could advise and guide the worker how to improve their skills. The existing part-time worker can be involved in training the new worker. The cost of training is low which is suitable for Rashid's small business. The business can open as normal, as workers can still be available to work.</p> <p>Credit any other valid answer.</p>	2

<b>9. (f) Assess the reasons why Rashid might grow the business or choose to remain small. [8]</b>			
<b>Band</b>	AO1	AO2	AO3
	2	2	4
<b>3</b>	There are no Band 3 marks for this assessment objective 2 marks are awarded as for Band 2	There are no Band 3 marks for this assessment objective 2 marks are awarded as for Band 2	<p><b>4 marks</b></p> <p>Excellent assessment of the reasons why businesses grow and why they might remain small.</p> <p>Writing is very well structured using accurate grammar, punctuation and spelling.</p> <p>The reason(s) to grow the business are fully assessed.</p> <p>The reason(s) to remain small are fully assessed.</p> <p>The assessment considers both the reason(s) to grow and remain small.</p>
<b>2</b>	<p><b>2 marks</b></p> <p>Good knowledge of the reason(s) to grow and remain small are demonstrated.</p> <p>Some attempt to use specialist vocabulary.</p>	<p><b>2 marks</b></p> <p>Good application to Rashid's business.</p> <p>The answer will consider that Rashid is a sole trader and currently owns one shop.</p>	<p><b>2-3 marks</b></p> <p>Good assessment of the reasons why businesses grow and why they might remain small.</p> <p>Writing is generally well structured using reasonably accurate grammar, punctuation and spelling.</p> <p>The assessment may be unbalanced and focus on either the reasons to grow or the reasons to remain small.</p>
<b>1</b>	<p><b>1 mark</b></p> <p>Limited knowledge of the reasons to grow or remain small are demonstrated.</p> <p>May only focus on either the reasons for growing or remaining small.</p>	<p><b>1 mark</b></p> <p>Limited application to Rashid's business.</p> <p>The answer may consider that Rashid is a sole trader with one shop.</p>	<p><b>1 mark</b></p> <p>Limited assessment of the reasons why businesses grow and why they might remain small.</p> <p>Writing shows limited evidence of structure but with some errors in grammar, punctuation and spelling.</p> <p>The assessment lacks detail and superficial comments are made with little development.</p>
<b>0</b>	<p><b>0 marks</b></p> <p>No knowledge of the reasons why businesses grow or remain small.</p>	<p><b>0 marks</b></p> <p>No reference is made to Rashid's business or that he is a sole trader or owns a sweet shop.</p>	<p><b>0 marks</b></p> <p>No assessment of the reasons to grow or remain small.</p>

### **Indicative content**

Answers could include:

#### **Benefits of growing the business;**

Rashid could increase profits. The more shops he owns the more likely he is to earn more revenue, increasing profits. As a sole trader Rashid would get to keep these profits.

Rashid could reduce competition by taking over a rival business. This would increase his sales in the local area and improving his market share. This would also lead to an increase in profits.

Rashid may be able to grow and diversify. Rashid may decide to sell other item in his sweet shops e.g. drinks which may attract more customers and boost sales. Also, if Rashid has more than one way of earning income he also has less risk of going out of business. For example, if he had one business selling sweets and another serving coffee and snacks then if one business had a fall in sales Rashid may not have to close the business as he can support it with the earnings of the other business.

Rashid may open more sweets shops and gain from economies of scale. If Rashid orders larger quantities of sweets from his suppliers, they may be able to reduce his costs from £1 per bag. This would enable him to lower his prices to increase sales because he is cheaper than competitors or help him lower costs, increasing profit margin and boosting his profits.

#### **Benefits of remaining small;**

Rashid may feel that the local market for selling sweets is limited and therefore doesn't thinking new shops will increase revenue. Rashid may also feel that he will not be able to compete against larger businesses like supermarkets, who sell many sweets, and therefore he is better remaining as a single shop.

Rashid is a sole trader so may find it difficult to finance the growth of the business. He would also have unlimited liability so may wish to avoid the financial risk of taking on loans/debt. Rashid could change his ownership model to get investment but may feel that he doesn't want to lose control of the business.

Rashid may not want the stress of running a large business. As a sole trader he would have to take on the responsibility of running multiple business. He currently only employs part-time workers who would be unlikely to be able to take on more responsibility whilst Rashid was growing his business.

Credit any other valid response.

Question		Marks
10. (a)	<p><b>The position of a manager is an important job role in a business. Identify one characteristic of a managerial job role.</b></p> <p>AO1: 1 mark</p> <p>Award <b>1</b> mark for a correct identification.</p> <p><b>Indicative content:</b></p> <p>They have authority over /monitor/organise those below them in the organisational structure (sales team)/Leadership.  They make decisions.  They are likely to have skills and qualifications helping them complete the role.  They will delegate tasks (ask members of the workforce to complete tasks).  They will usually earn a salary and get paid according to their responsibility and performance.  Higher level/increased responsibility.  Responsibility for achieving the business aims and objectives.</p> <p>Credit any other valid response.</p>	1
(b)	<p><b>With reference to the organisation structure shown above, describe one problem with the type of organisational structure used by Beds UK.</b></p> <p>AO1: 1 mark  AO2: 1 mark</p> <p>Award <b>1</b> mark for identification of one problem  Award <b>1</b> mark for applied description to Beds UK</p> <p><b>Indicative content:</b></p> <p>There may be a duplication of job roles in each of the shops - for example each shop will have a sales team and a manager – high wage costs.</p> <p>Each shop will need to store its stock locally - as the businesses are very far apart.</p> <p>Each shop may order its stock individually - as they are far apart so the business may not gain from economies of scale.</p> <p>The head office is in London - so quite a distance from each of the shops - This may cause problems with communication.</p> <p>The distance between the stores and the head office is a long way - the MD might have difficulty visiting each of the stores.</p> <p>Flat organisational structure means fewer promotion opportunities – could lead to demotivated staff.</p> <p>Credit any other valid response.</p>	2



Question		Marks
(c)	<p><b>Jasper sells products to the value of £ 4 890 in a month. Calculate how much commission he earns, in that month.</b></p> <p>AO2: 1 mark</p> <p>Award <b>1</b> mark for the correct answer</p> <p><math>4890 \times 0.12 = \text{£}586.80</math></p> <p>NB Do not need a £ sign for 1 mark</p> <p><b>DO NOT AWARD A MARK FOR 586.8</b></p>	1
(d)	<p><b>Identify two benefits to a business of a motivated workforce.</b></p> <p>AO1: 2 marks</p> <p>Award <b>1</b> mark for each correct suggestion</p> <p><b>Indicative content:</b></p> <p>Staff work harder/sell more products/increase profits/increase sales/increase productivity.  Staff are less likely to be absent.  Staff stay with the business longer (better retention of staff).  Better relations between manager and staff/better working environment.  Staff are more creative/take on more responsibility.  Staff provide better customer service/better quality.</p> <p>Credit other valid suggestions.</p>	2

Question		Marks
(e)	<p><b>Analyse the financial performance of Beds UK over the two years.</b></p> <p>AO2: 2 marks AO3: 2 marks</p> <p>Award <b>1</b> mark for a limited use of the data Award <b>2</b> marks for a detailed use of the data</p> <p>Award <b>1</b> mark for a limited analysis Award <b>2</b> marks for a detailed analysis</p> <p><b>Indicative content:</b></p> <p><u>Limited use of the data:</u></p> <p>Beds UK has made a profit in both years/ in 2021 Beds UK made a bigger profit.</p> <p>Beds UK sales revenue was bigger in 2021/ sales revenue decreased in 2022.</p> <p>Beds UK had lower rent in 2021/ Beds UK saw an increase in rent in 2022.</p> <p>Total Expenses in 2022 were less than in 2021.</p> <p>Wages have fallen.</p> <p><u>Detailed use of the data:</u></p> <p>Candidates must identify the relationship between a drop in sales and increase in cost of sales from 2021 to 2022 and the decrease in gross profit.</p> <p>Expenses are a less important factor in the performance of Beds UK.</p> <p><u>Limited analysis of the financial performance:</u></p> <p>Wages dropped in 2022 as commission was likely to be less because of the lower value of sales.</p> <p>Gross profit was lower in 2022 because stock was more expensive /inflation in 2022.</p> <p><u>Developed analysis of the financial performance:</u></p> <p>Sales revenue decreased in 2022 but cost of sales increased - suppliers may have increased prices or lower prices charged by Beds UK to gain sales – this reduces the profit margin per sale.</p> <p>Total expenses have decreased so they are not having a major impact on its profitability.</p> <p>Credit any other valid response.</p>	4

<b>10. (f) Consider how stakeholders may be affected by the decision to close the Edinburgh shop.</b>			
			<b>[10]</b>
<b>Band</b>	AO1	AO2	AO3
	3	3	4
<b>3</b>	<p><b>3 marks</b></p> <p>Excellent understanding of the stakeholders of a business.</p> <p>A clear understanding of how business decisions affect the different stakeholders.</p> <p>Specialist vocabulary is used with accuracy.</p>	<p><b>3 marks</b></p> <p>Excellent application to Beds UK.</p> <p>There is clear and direct reference to Beds UK.</p>	<p><b>4 marks</b></p> <p>Excellent consideration of the impacts on the stakeholder of Beds UK.</p> <p>The answer will fully consider both positive and negative impacts on the stakeholders of Beds UK.</p> <p>Writing is very well structured using accurate grammar, punctuation and spelling.</p>
<b>2</b>	<p><b>2 marks</b></p> <p>Good understanding of the stakeholders of a business.</p> <p>An understanding of how business decisions affect the different stakeholders.</p> <p>Good use of specialist vocabulary.</p>	<p><b>2 marks</b></p> <p>Good application to Beds UK.</p> <p>There may be some reference to Beds UK.</p>	<p><b>2-3 marks</b></p> <p>Good consideration of the impacts on the stakeholder of Beds UK.</p> <p>The answer will consider both positive and negative impacts on the stakeholders of Beds UK but may be unbalanced.</p>
<b>1</b>	<p><b>1 mark</b></p> <p>Limited understanding of a stakeholder of a business.</p> <p>An understanding of how business decisions affect the stakeholder.</p> <p>Limited or no use of specialist vocabulary.</p>	<p><b>1 mark</b></p> <p>Limited application to Beds UK.</p> <p>There may be brief reference to Beds UK.</p>	<p><b>1 mark</b></p> <p>Limited consideration of the impacts on the stakeholder of Beds UK.</p> <p>The answer will consider only positive or negative impacts on the stakeholders of Beds UK.</p>
<b>0</b>	<p><b>0 marks</b></p> <p>No understanding of the stakeholders of a business.</p>	<p><b>0 marks</b></p> <p>No reference is made to Beds UK or the profit and loss account or the data.</p>	<p><b>0 marks</b></p> <p>No valid consideration of the impacts is given.</p>

## Indicative content

Answers could include:

### Owners:

**Positive;** The owners can reduce the costs of the business. By closing the Edinburgh shop, they can reduce rent, rates and wage payments which are the main costs of the business. This may improve the profitability of the business and improve its financial performance.

Edinburgh is the furthest away from the Head office so may be furthest for suppliers, this reduces transport costs for the business, increasing profits.

Edinburgh is furthest away from the Head Office so this may improve how the owners control the business. This may mean they can improve the performance of the other stores.

**Negative;** The owners may get negative media coverage from closing the shop in Edinburgh, leading to a fall in reputation. This may mean that customers in other parts of the UK stop using the business.

Closing the Edinburgh shops will mean that they have no sales in Scotland. This could be a large market for them which may reduce revenue significantly, this will reduce the income of the business.

The owners may have to pay redundancy payments to workers, this will increase costs in the short-term.

### Workers:

**Positive;** The workers from the Edinburgh store may be offered new jobs in the other stores or the Head office which may include promotion opportunities. This could see them increase their earnings.

**Negatives;** Likely to lose jobs and therefore have no income. May be hard to find a similar job. Workers in Beds UK were paid commission which may not happen in other businesses and will reduce their income even when they get a new job. Some may have to relocate for new jobs with the business.

### Customers:

**Positive;** The reduction in costs may allow the business to price its products more competitively reducing prices for customers. Customers are able to save money when they buy products from Beds UK.

**Negatives;** Customers in both Edinburgh and Scotland will not be able to buy Beds UK products any longer. This means that they will have to use other shops which may be further away or not meet their needs. Those customers in Edinburgh with beds in warranty may find it more difficult to get after sales service without the shop. There are no online sales either.

### Suppliers:

**Positive;** Possible reduction in transport costs to Edinburgh as may be furthest from its factory. May reduce costs by relocating to an area nearer the other three stores e.g. Birmingham. May increase prices for Beds UK as the orders are in smaller amounts so no bulk buying discounts (economies of scale)

**Negatives;** Reduction in sales to Beds UK as there is one less store. This may lead to a fall in sales, revenue and therefore profits. May reduce orders with its suppliers, increasing costs as they may not get a bulk buying discount on lower stock orders.

**Competitors:**

**Positive;** Other Bed shops may see an increase in sales as Beds UK are no longer competing in the local market. This will improve their profitability. Less competition could allow a business to increase its prices and therefore increase revenue/profit margin/

**Negatives;** A larger competitor could be attracted into the local market as a major rival has left. This could cause sales to fall. Customers looking for beds may no longer come to the local area, reducing footfall for other bed businesses.

**Local Community:**

**Positive;** A new shop may move into the vacant spot that Beds UK was using. The new shop may be better for the local area, a more worthwhile service provided. Increasing footfall in the local area.

**Negatives;** The shops will be vacant and could reduce the appeal of the local area. This may reduce the chance of other businesses moving into the area. It may reduce footfall in the local area for other businesses, reducing their trade and therefore their revenue/profits. Those that have been made redundant may not get a job, reducing their spending in local businesses.

Consider Positives and Negatives for other stakeholders e.g. Government

Credit any other valid response.