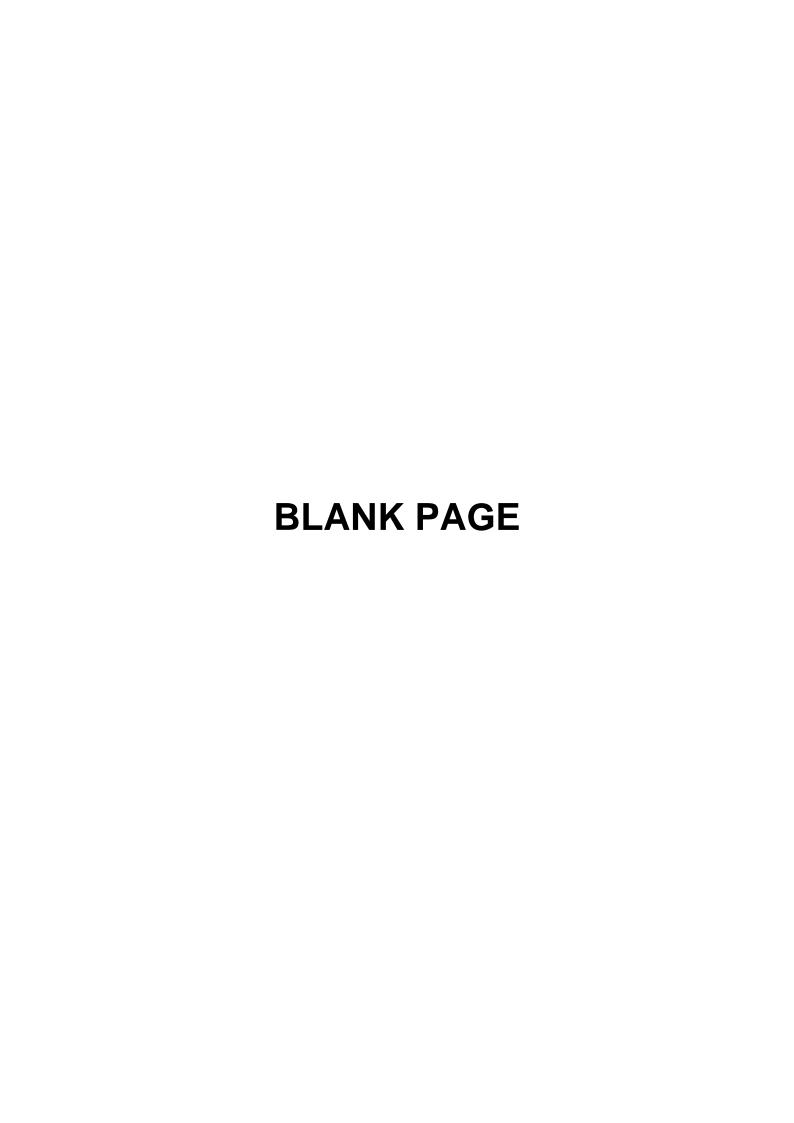wjec
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GCSE MARKING SCHEME

SUMMER 2023

GCSE
BUSINESS - UNIT 2
3510U20-1

Please check on the Appointees Management Portal for the date and venue of the examiners' conference: http://appointees.wjec.co.uk

Please ensure that you update your Conflicts of Interest page for the academic year 2022/2023 **before** you start marking.

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Question	Answer	Mark
1. (a) (i)	**Calculate the percentage change in sales revenue for McDonald's between 2015 and 2021.** AO2: 2 marks Award **1** mark for calculating the decrease 25.41 - 23.20 = 2.21 (billion) Or 91.30263676 (correctly rounded) Award **1** mark for correct answer $\frac{2.21}{25.41}$ x 100 = 8.70% or 8.7% Note: if only 8.69% or 8.7% appears then award 2 marks. Full answer is 8.69736324 so award any unrounded or correctly rounded answer. Apply OFR if the incorrect value of the increase is used correctly. Award 2 marks if answer given is negative i.e. - 8.69% or – 8.7%. Do not need a percentage sign for 2 marks. Not 8.6 or -8.6	2

Question	Answer	Mark
(a) (ii)	**Explain one reason for the fall in sales revenue between 2013 and 2018.** AO3: 1 mark Award **1** mark for an explanation for the fall in revenue **Indicative content:** Customers are choosing healthier alternatives. Customers are choosing to support local businesses. Customers are using businesses with a lower environmental impact. McDonald's have lowered prices to compete with other fast-food restaurants. Customers are using competitors/number of competitors increased Customers have less disposable income/spending less on luxuries e.g. fast food McDonalds have increased prices so less customers. Credit any other valid suggestion Not Increased costs Not COVID	1
(b)	**Calculate how many franchised restaurants McDonald's had in 2020.** AO2: 1 mark Award **1** mark for correct answer 0.93 x 39198 = 36 454 Do not accept a decimal answer – must be a whole number	1

Question	Answer	Mark
(c)	**State one reason why McDonald's may use franchising.** AO1: 1 mark Award **1** mark for a reason why McDonald's may choose to franchise its restaurants **Indicative content:** Receive royalty payments from franchisees. The business grows without investing its own money/with money from franchisee Raises money from sale of licence/brand identity/use of name Can earn revenue from selling stock. A franchisee may be more enthusiastic as they have taken on a financial risk. Do not have to run the outlet/franchise. Cheaper method of growth Credit any other valid suggestion Not: Grow/ to become global/international Increased income/profit	1
(d)	**Define what is meant by the term multinational.** AO1: 1 mark Award **1** mark for correct definition of a multinational. **Indicative content:** A business that operates in more than one country. A business that has its headquarters in one country but has shops/factories/offices in other countries. A business that had stores/shops around the world A business that is worldwide Credit other valid suggestions. Not Sell around the world/overseas/multiple countries.	1

Question	Answer	Mark
(e)	**Explain two possible impacts on the UK from a multinational operating in the UK.** AO1: 2 marks AO3: 2 marks Award **1** mark for correctly identifying an impact multinationals can have in the UK (max 2 marks) Award **1** mark for explaining each impact (max 2 marks) **Indicative content:** Can provide jobs in the UK – large businesses need many workers providing job opportunities/increasing incomes and money spent in local areas/reduces unemployment rate/making more jobs available Can increase demand for products from suppliers – UK suppliers will be needed to provide resources for the business/ more revenue for businesses in the supply chain. Can take customers from small/local businesses – reducing revenues of local businesses/resulting in job losses/causing them to close. Can cause local businesses to close – leading to less choice for customers/job losses. Can reduce the revenue/profits of suppliers - by forcing them to accept lower prices// Less re-investment in the UK – profits are spent in country where the business is from. Negative impact on Environment – pollution from shipping/transportation Creating a competitive market – causing existing businesses to earn less revenue/close Government get an increase in tax – VAT/Business Rates Credit any other valid suggestion and development	4

4

(f)	Analyse why an effective supply chain is important to McDonald's?		[6]
Band	AO2		AO3
	2		4
3	There are no Band 3 marks for this assessment objective 2 marks are awarded as for Band 2		**4 marks** An excellent analysis on the importance of an effective supply chain for businesses Two or three stages of the supply chain are analysed The importance of an effective supply chain is clearly explained
2	**2 marks** Good application of the supply chain to McDonald's There is clear and direct reference to the data and/or fast food restaurants/multinationals		**2-3 marks** A good analysis on the importance of an effective supply chain for businesses The analysis may focus on one or two stages The importance of an effective supply chain is explained
1	**1 mark** Limited application of the supply chain to McDonald's/fast food restaurants/multinationals The response is mostly generic with brief application to the data		**1 mark** A limited analysis on the importance of an effective supply chain for businesses The analysis focusses on just one stage of the supply chain The analysis lacks detail and superficial comments are made Unsupported conclusions are made
0	**0 marks** No reference is made to McDonald's/food restaurants/multi-national businesses		**0 marks** No valid analysis is given

Indicative content:

Procurement is important as it is vital to get suppliers to provide quality products at a good price. McDonald's often compete on price so lower costs could lead to lower prices and increase custom or better profit margins. Paying higher prices than competitors could cause profitability issues.

McDonald's use suppliers from across the world, if these suppliers cannot deliver on time then sales may be lost because stock may run out. Customers may choose competitors if the business gets a reputation for running out of stock.

There may be language issues when sourcing products from around the world. This is a particular issue when getting product information and stock quantities required. Miscommunication may result in errors of quantity and quality.

If suppliers deliver poor standard products then they could lose customers and sales will fall due to the products being of unsatisfactory quality. All products have to be of good quality to appeal to the customers.

Using poor quality food items could result in customers not buying items as they appear unappetising. This could have a negative effect on the image of McDonald's and stop them replicating the same taste in all its restaurants.

Many customers have favourite items on the menu. Failure to stock these products may reduce customer loyalty to the business.

Local suppliers might be needed to meet the environmental aims of McDonald's. This may have an impact on quality, choice etc

Logistics must be efficient in order to deliver the products as and when they are required. McDonald's outlets would need short lead times as many of the products are perishable, therefore deliveries must be on time.

McDonald's also need products for particular events and promotions e.g. Monopoly game, temporary menu items. If products arrive after the event then stock will be unlikely to get sold.

However, this may prove difficult for some products as not all products may be supplied locally. There could be problems when transporting products such long distances including damage and delays. It may also impact in the environmental policies (food miles)

McDonald's need to get products to particular stores where they are needed. This means there are two stages of distribution. Products are delivered to a central warehouse before moving onto the individual restaurants. This process needs to be efficient particularly with perishable goods otherwise there is wastage, reducing profit margins.

Stock Control is essential to ensure each restaurant has the right amount of stock to meet customer demands. If products are limited in number and replacements delayed, then customers could be lost due to the late delivery of the final product.

There are many competitors (as shown in the graph) and customer could switch to these competitors if the supply is not reliable.

Must make sure that stock is rotated correctly so that items in the restaurants do not pass their 'use by' dates so they cannot be sold. Failure to get products into restaurants when it is 'in date' could lead to high wastage. This would be against its environmental policy.

Credit any other valid points.

6

Question	Answer	Mark
(g)	**Analyse the benefits to McDonald's of using e-commerce and m-commerce.**	4
	AO2: 2 marks AO3: 2 marks	
	Award **1** mark for limited application Award **2** marks for detailed application	
	Indicative content:	
	Limited application McDonald's use an app that allows customers to place orders on their phones or on the internet. Customers of McDonald's can order their food before going to the restaurant. McDonald's will deliver food to customers. Offers rewards/discounts/promotions	
	Detailed application Customers can use an app that allows them to order food to be collected from the stores. The app saves the customers details such as the favourite order and bank details to help with future orders. Using Uber Eats, customers can have McDonald's food delivered to them. The app allows people living near a McDonald's to receive food without going to a restaurant.	
	Award **1** mark for limited discussion Award **2** marks for detailed discussion	
	Not offered by all other fast food restaurants/offered by many competitors - so may encourage people to use McDonald's rather than a competitor/competitive advantage McDonald's can reduce the need for staff in restaurants to serve customers - this means that staff numbers can be reduced/ lowering costs/cost effective Better customer service – this will improve brand loyalty/reputation of McDonalds/fewer complaints Reduces queues at the restaurants – increasing efficiency/productivity/serve more customers/faster service	
	Credit any other valid points.	

7

(h)	Discuss the advantages and disadvantages to McDonald's of having environmentally friendly policies. [10]		
Band	**AO1**	**AO2**	**AO3**
	3	3	4
3	**3 marks** Excellent knowledge and understanding of environmental policies Use of specialist vocabulary	**3 marks** Excellent application to McDonald's and the case study There is clear and direct reference to McDonald's or case study	**4 marks** An excellent discussion of the reasons for environmentally-friendly policies Writing is very well structured using accurate grammar, punctuation and spelling The advantages and disadvantages of environmental policies are fully evaluated A well-reasoned and balanced evaluation
2	**2 marks** Good knowledge and understanding of environmental policies Some use of specialist vocabulary	**2 marks** Good application to McDonald's or the case study	**2-3 marks** A good discussion of reasons for environmentally-friendly policies Writing is well structured using good grammar, punctuation and spelling Good discussion of the positive and/or negative aspects of environmental policies are well discussed A reasoned discussion
1	**1 mark** Limited knowledge and understanding of environmental policies Attempts to use specialist vocabulary	**1 mark** Limited application to McDonald's or the case study The response is mostly generic with brief application to the case study	**1 mark** Limited discussion of the reasons for environmentally-friendly policies Limited discussion of the advantages or disadvantages aspects of environmentally-friendly policies
0	**0 marks** No knowledge or understanding of environmental policies	**0 marks** No reference is made to McDonald's or fast food, or Multinational businesses or the case study	**0 marks** No evaluation of environmentally-friendly policies

Indicative content:

Reasons for
Those customers with the same values will look to buy from environmentally-friendly businesses and are likely to use McDonald's, increasing revenue. McDonald's can afford to promote its policies on mass media attracting these customers. Small businesses also doing the same may not attract customers as they are unable to pay to promote their policies.
McDonald's is reducing waste – leading to lower costs in the long term as businesses pay for landfill waste – impacting positively on profit.
Reduces fuel costs by using its own bio-diesel. Transportation is a large cost for McDonald's so reducing this will be positive on the profits. As the business needs regular deliveries as products are perishable, this will make a large positive impact on its CO2 emissions and reliance on fossil fuels.
McDonald's will meet government targets – avoids having to pay fines – reducing costs and potentially increasing profits. The positive media coverage will also benefit the business and attract those that believe McDonald's are acting responsibly.
McDonald's will avoid criticism from pressure groups. This will result in less negative media coverage and more positive stories, improving reputation and gaining customers with similar values.
Some customers may pay a premium price for environmentally friendly products. This could lead to an increase in revenues

Disadvantages
Business costs of being environmentally friendly. e.g. litter clearance, distribution of unsold food for composting, cost of buying environmentally friendly products e.g. straws – impacts negatively on profit margins
Packaging issues such as cost/finding alternatives/hygiene – customer complaints e.g. straws – lead to lowering of reputation –less brand loyalty-lower revenue- lower profits.
Difficulties in being environmentally friendly – for example food miles/transportation costs-McDonald's wants consistent quality but may not find local suppliers – increase in CO2 to support a multinational business.
Staff issues such as training/supervision may be required – hard when many are franchisees and McDonald's has little influence on the running of these businesses – how can the business ensure waste is recycled correctly not put in landfill?
Difficulty in getting customers to support the environmental policies by sorting their waste into correct areas e.g. paper, plastic etc. Could be difficult to get fast food customers (looking for quick service) to take time to sort waste.
Local recycling options are different for each site – how can a multinational business oversee so many different local and national policies.
etc.

Credit any other valid points.

Question	Answer	Mark
2. (a)	**State what is meant by business enterprise.** AO1: 1 mark Award **1** mark for correct knowledge **Indicative content:** Starting a business/opening a new business/business start-up Filling a gap in the market for a new business opportunity.	**1**
(b)	**Explain two consequences of poor communication in the workplace.** AO1: 2 marks AO3: 2 marks Award **1** mark for identifying each consequence (max 2 marks) Award **1** mark for each valid explanation of each consequence (max 2 marks) **Indicative content:** Low employee morale/low motivation – workers aren't aware what is going on and feel undervalued – work standards drop/mistakes Increased absenteeism/high staff turnover – staff are less likely to go to work if they are unhappy – this increases workload for staff that are there Reduced employee cooperation/Lack of control – staff are less likely to carry out tasks asked of them – making the business slow down/reduce productivity Tasks are not completed – workers are unsure what needs to be done - jobs are left unfinished/jobs repeated – slowing the business down. Reduced efficiency – less work is completed – reducing profitability. Conflict amongst workers - bad teamwork leading to poor customer service/quality Managers/Owners unaware of problems in the business- problems are not solved effectively Credit any other valid suggestions	**4**

Question	Answer	Mark
(c) (i)	**Identify one way employment law protects employees.** AO1: 1 mark Award **1** mark for correct identification **Indicative content:** Contracts of employment Discrimination/example of discrimination Equal pay Unfair dismissal Health and safety Minimum wage	**1**

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Question	Answer	Mark
(c) (ii)	**Explain one way employment law can impact on a business.** AO3: 1 mark Award **1** mark for valid explanation **Indicative content:** This leads to increased costs Businesses must ensure all staff are treated the same Can't terminate a worker's contract without justification Must provide training/safe work environment/suitable equipment How businesses can be run/managed Can be sued/taken to tribunal if businesses break the law Credit other valid suggestions	1
(d)	**Using the cash-flow forecast, calculate the following.** AO2: 3 marks Award **1** mark for each correct answer (i) Opening bank balance in April £2 000 (ii) Turnover in July £11 260 (iii) Net cash flow in September £2 795 NB: Award 3 marks if no £ sign.	3

(e)	Analyse the importance of business planning to Maria.		[6]
Band	AO1	AO2	AO3
	2	2	2
2	**2 marks** Good knowledge and understanding of business planning Some attempt to use specialist vocabulary	**2 marks** Good application of the business plan to Maria's business Information from the data is used in development	**2 marks** A good analysis of the importance of planning There is clear analysis of how the business plan can help Maria's business The importance is clearly discussed
1	**1 mark** Limited knowledge and/or understanding of business planning Limited or no use of specialist vocabulary	**1 mark** Limited application of the business plan to Maria's business Limited use of the data	**1 mark** Limited analysis of the importance of creating a business plan There is an attempt at analysis of how the business plan can help Maria's business Answers will attempt to identify some importance of a business plan
0	**0 marks** No knowledge and/or understanding of business planning	**0 marks** No application or link made to Maria's business	**0 marks** No analysis of how the business plan can help Maria's business

Indicative content:

Business planning is important to all businesses. Maria may look at the local market to analyse where her business is and to assess whether she needs to make changes to the business.

It may involve looking at Maria's marketing plans. She would look at how well she is using the 4P's. For example, are her prices competitive to attract customers with increased competition, are customers aware of her business through promotion and is the location still the best place after 21 years. By planning her business, Maria's can focus and check that she is using the best approach to marketing. A focussed marketing strategy can lead to a more successful business, improving revenue and profits.

It may involve assessing her financial situation. Planning will include producing cash-flow forecasts and profit and loss accounts. This will allow Maria to foresee any potential problems in paying her bills or falls in revenue, which she can address before she has cash problems. Foreseeing the problems means that Maria is in a position to seek suitable sources of finance. The current Profit and Loss figures would suggest that Maria will not have financial problems in the near future.

Credit any other valid points.

(f)	Advise Maria on the whether she should use local radio or leaflets to advertise her hair salon. [4]	
Band	AO2	AO3
	2	2
2	**2 marks** Good application of the data There is clear and direct reference to Maria's business/hairdressing	**2 marks** Good evaluation of the suitability of local radio and leaflets Comparison between local radio and leaflets will be made Clear advice is given as to whether local radio or leaflets are the best choice
1	**1 mark** Limited application of the data. The response is mostly generic with brief application to the Maria's business/hairdressing	**1 mark** Limited evaluation of the suitability of local radio and leaflets The evaluation may focus on just local radio or leaflets Unsupported or no advice is given
0	**0 marks** No reference is made to Maria's business/hairdressing	**0 marks** No valid evaluation is given

Indicative content:

Leaflets are cheaper than advertising on local radio, reducing the impact on cashflow. Leaflets can include information such as a map and sales promotion coupons, which a radio advert cannot. This might allow the customer to remember details and encourage them to try it.

The radio can only target the listeners. Leaflets can be specifically targeted.

Both can target the local market but many people throw leaflets away before looking at them so the radio might be more effective.

Leaflets can be targeted more accurately by location to the salon. This may be more effective then radio.

Local radio generally attracts older people, so it depends if this is her target market.

Credit any other valid points.

14

(g)	Using the quantitative and qualitative data, advise Maria on whether she should carry on running the salon or sell her business for £100 000. [10]		
Band	AO1	AO2	AO3
	3	3	4
3	**3 marks** Excellent knowledge and understanding of all the key indicators that Maria needs to consider Clear reference is made to quantitative and qualitative data Specialist vocabulary is used with accuracy	**3 marks** Excellent application of the data There is clear, correct and direct reference to the quantitative/ qualitative data on Maria and her business Relevant data is used to develop and support the argument	**4 marks** Excellent analysis and evaluation of the key points Maria should consider Well-reasoned and balanced discussion using quantitative and qualitative data with a clear line of argument looking at the reasons for selling and continuing with her business Information from the data is clearly used to support the discussion Clear advice is given with supporting statements
2	**2 marks** Good knowledge and understanding of all the key indicators that Maria needs to consider An attempt has been made to refer to quantitative and qualitative data Some attempt to use specialist vocabulary	**2 marks** Good application of the data Reference is made to the quantitative/ qualitative data on Maria and her Business but there may be omissions or errors. Some data is used to develop and support the argument	**2-3 marks** Good analysis and evaluation of the key points Maria should consider Unbalanced discussion in terms of: • quantitative or qualitative data and/or • the reasons for selling the business or • continuing with her business An attempt is made to use the information and context to support the discussion Advice given with some attempt to support the evaluation
1	**1 mark** Limited knowledge and/or understanding of all the key indicators that Maria needs to consider Limited or no use of specialist vocabulary	**1 mark** Limited application of the data The advice given is mostly generic with brief application to Maria and her business There is limited use of the quantitative or qualitative data	**1 mark** Limited analysis and evaluation of the key points Maria should consider Discussion is limited and is likely to be one-sided including either quantitative or qualitative data Unsupported assumptions made with little reference to the data Brief unsupported advice is given
0	**0 marks** No knowledge or understanding of the key indicators	**0 marks** There is no application to Maria and her business	**0 marks** No valid evaluation or advice is given

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Indicative content:

Qualitative data to consider includes:

The hair salon was established 21 years ago.
There are more salons in the town including 2 barber shops and a franchised brand (Toni and Guy).
Maria enjoys running salon.
Employs 3 workers.
Maria works long hours (60 hours a week).
Maria is unsure about what to do about selling.
Maria has gained new skills.
Maria clearly plans for the future with her business.
Is looking to promote the business to improve revenue.
Only selling equipment and name, Maria doesn't own the building.
Maria takes extra payments when the business can afford it.

Quantitative data includes:

Maria pays herself £3 000 per month
Maria has been offered £100 000 to sell the business.

	April	May	June	July	August	September
Receipts	£	£	£	£	£	£
Turnover	9 000	10 000	10 200	11260	12 000	11 800
Payments						
Rent	700	700	700	700	700	700
Rates	315	315	315	315	315	315
Wages	7 400	7 400	7 400	7 400	7 400	7 400
Stock/Hair products	450	500	510	563	600	590
Cash withdrawal for Maria					2 000	
Total Payments	8 865	8 915	8 925	8 978	11 015	9 005
Net Cash Flow	135	1 085	1 275	2 282	985	2795
Opening bank balance	2000	2 135	3 220	4 495	6 777	7 762
Closing bank balance	2 135	3 220	4 495	6 777	7 762	10 557

	2017	2018	2019	2020
	£	£	£	£
Sales	117 500	118 020	121 080	118 490
Net Profit	10 350	5786	7 258	5 843
NPM	9%	5%	6%	5%

Analysis of key indicators may include:

Maria is 55, which could be old enough to retire if she has saved and planned for the future. Her salary of £36 000 per year. She may look for another job to earn an income but with fewer hours. However, getting a new job at 55 may be difficult. Maria might find it difficult to be an employee of another business after running her own business. Maria does take money out of the business so this extra payment could be substantial meaning she actually has a much larger income, which would be hard to replace once she sells the business.

Increased competition could mean that the future is more challenging, especially against a branded franchise that also offers unisex haircuts. The barbers that have opened are likely to be a different target market so may have little impact on her revenue.

Maria can earn £100,000 immediately which would usually take her three years of salary, although extra payments may mean less. This means that she may be able to work for less as she can pay herself extra out of these savings. She may also pay off any personal bills meaning her income doesn't need to be as high in the future.

The NPM has remained steady but is almost half of what was 4 years ago. Maria may want to sell up before Net profit falls further. It would take 20 years for Maria to earn £100,000 at her current net profit, by which time she would be 75 and is likely to have retired by then.

Maria's GPM has improved showing that she can manage a business well but needs to control expenses better. Maria may not have the skills to improve the business so may wish to sell whilst she has the offer of £100,000. She could improve sales by employing less staff, but she is already working 60 hours a week so is unlikely to be able to work more.

Promotion will increase expenses and this has not been taken into account on the quantitative data. If the promotion increases costs but not revenue, then the business may not make a profit at all. This would reduce the price she could sell the business for or she may not get any further interest at all.

Credit other valid answers and arguments.

Advice:

Maria should sell the business. It would take a long amount of time for her to earn £100,000 either in wages or profits from the business. She would then be able to reduce her hours, with a job elsewhere and pay herself extra from the savings.

Maris only 55 and unlikely to be able to retire. She is unlikely to want to work for another person after being her own boss for 21 years. She should continue to run it well and sell it when she is able to retire.

Credit any other valid points.