



Pearson
Edexcel

Mark Scheme (Results)

Summer 2018

Pearson Edexcel GCSE

In Business Studies (5BS06)

Unit 6: Introduction to Small Business

Edexcel and BTEC Qualifications

Edexcel and BTEC qualifications are awarded by Pearson, the UK's largest awarding body. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information visit our qualifications websites at www.edexcel.com or www.btec.co.uk. Alternatively, you can get in touch with us using the details on our contact us page at www.edexcel.com/contactus.

Pearson: helping people progress, everywhere

Pearson aspires to be the world's leading learning company. Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your students at: www.pearson.com/uk

Summer 2018

Publications Code 5BS06_01_1806_MS

All the material in this publication is copyright

© Pearson Education Ltd 2018

General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

| Question Number | Answer | Mark |
|-----------------|---|------------|
| 1 | <p>B, E</p> <p>A Rival computer games shop – is not correct because it is not a market segment.</p> <p>B Members of a computer club – is correct because members of a computer club are a segment by interest.</p> <p>C Computer games adverts – is not correct because it is not a market segment.</p> <p>D Market research of computer games - is not correct because it is not a market segment.</p> <p>E Teenagers who play computer games – is correct because it is part of a market segmented by age.</p> | (2) |

| Question Number | Answer | Mark |
|-----------------|---|------|
| 2 | <p>B, E</p> <p>A The business will have unlimited liability – is not correct because a Ltd does have limited liability.</p> <p>B The risk of losing personal assets is reduced – is correct because for a Ltd the risks are lower than a sole trader due to limited liability.</p> <p>C Keeps financial records confidential – is not correct because a Ltd has to publish accounts.</p> <p>D Shareholders are liable for all debts – is not correct because shareholders are only liable for the amount they invest.</p> <p>E Increased ability to raise finance – is correct because the Ltd can sell shares to raise finance.</p> | (2) |

| Question Number | Answer | Mark |
|-----------------|---|------|
| 3 | <p>B</p> <p>A Reduce opening hours – is not correct because it reduces the opportunities for customer to buy.</p> <p>B Provide a low priced delivery service – is correct because by offering a delivery service that is low-priced could improve sales.</p> <p>C A new competitor opens in the local area - is not correct because a new competitor would reduce the competitiveness of <i>MME</i>.</p> <p>D Advertise on national television – is not correct because national television would not be appropriate for local music shops.</p> | (1) |

| Question Number | Answer | Mark |
|-----------------|---|------|
| 4 | <p>A, D</p> <p>A Decreased net cash flow – is correct because the net cash flow would be affected due to higher cash outflows.</p> <p>B Increased variable costs – is not correct because the interest rate on loans is a fixed cost.</p> <p>C Decreased fixed costs – is not correct because an increase in interest rates will increase fixed costs.</p> <p>D Increased cash outflows – is correct because higher interest rates will lead to higher cash outflows.</p> <p>E Increased profit – is incorrect because the profit will decrease.</p> | (2) |

| Question Number | Answer | Mark |
|-----------------|---|------|
| 5 | <p>D, E</p> <p>Advertisement A – is not correct because it does not break any legislation.</p> <p>Advertisement B – is not correct because it does not break any legislation.</p> <p>Advertisement C – is not correct because it does not break any legislation.</p> <p>Advertisement D – is correct because it breaks the legislation relating to age.</p> <p>Advertisement E - is correct because it breaks the legislation relating to sex.</p> | (2) |

| Question Number | Answer | Mark |
|-----------------|--|------|
| 6 | <p>B</p> <p>A Generating wealth - is not correct because generating wealth is a financial objective.</p> <p>B Personal satisfaction – is correct because it is a non-financial objective.</p> <p>C Maximising profit – is not correct because maximisation of profit is a financial objective.</p> <p>D Regular income - is not correct because income is financial.</p> | (1) |

| Question Number | Answer | Mark |
|-----------------|--|------------|
| 7 | <p>B</p> <p>A Increased profit – is not correct because profit would not be greater if you delayed paying suppliers.</p> <p>B Improved cash flow – is correct because cash outflows are decreased.</p> <p>C Reduced interest payments – is not correct because interest rates do not affect delayed paying to suppliers</p> <p>D Improved relationship with suppliers – is not correct because delaying payment would have the opposite effect on suppliers.</p> | (1) |

| Question Number | Answer | Mark |
|-----------------|---|------------|
| 8 | <p>C, E</p> <p>A Employing additional marketing staff – is not correct because it is not part of the marketing mix.</p> <p>B Conducting secondary market research – is not correct because it is not part of the marketing mix.</p> <p>C Offering 'buy one get one free' – is correct because promotion is part of the marketing mix.</p> <p>D Producing a marketing budget – is not correct because it is not part of the marketing mix.</p> <p>E Selling the product online – is correct because place is part of the marketing mix.</p> | (2) |

| Question Number | Answer | Mark |
|-----------------|--|------|
| 9 | <p>C, D</p> <p>A It decreases access to additional finance – is not correct because other sources of finance are available.</p> <p>B The business would not have to produce a business plan – is not correct because any provider of finance would require a business plan.</p> <p>C The business can benefit from expert advice – is correct because venture capitalists do give opportunity for additional help and support to a business.</p> <p>D It allows more access to finance – is correct because it is another source of finance for the business.</p> <p>E The business will pay a lower rate of corporation tax – this is incorrect because taxation is not determined by the source of finance.</p> | (2) |

| Question Number | Answer | Mark |
|-----------------|--|------|
| 10 | <p>D</p> <p>A A franchisee can buy supplies from any supplier - is not correct because the franchisee has to buy from nominated suppliers.</p> <p>B The wage rates for all the franchises are the same – is not correct because different franchises have different wage rates.</p> <p>C Franchisees can make all their own decisions - is not correct because a franchisee cannot make all their own decisions.</p> <p>D A franchise has a lower risk of failure – is correct because a franchise means that the business is backed by a larger company and is less likely to fail.</p> | (1) |

| Question Number | Answer | Mark |
|-----------------|--|------------|
| 11 | <p>B</p> <p>A £2 880 – is not correct because the wrong figures have been used.</p> <p>B £3 480 - is correct because the correct figures have been used, (240 x 12 + 600).</p> <p>C £3 600 - is not correct because the wrong figures have been used.</p> <p>D £6 480 - is not correct because the wrong figures have been used.</p> | (1) |

| Question Number | Answer | Mark |
|-----------------|---|------------|
| 12 | <p>A, B</p> <p>A Buy cheaper raw materials – is correct because buying cheaper raw materials reduces cash outflow.</p> <p>B Increase the price of each item - is correct because it would increase cash inflows.</p> <p>C Increase the amount spent on advertising – is not correct because it would initially increase cash outflows.</p> <p>D Add additional products to the range sold – is not correct because it would initially increase cash outflows.</p> <p>E Employ additional sales staff – is not correct because it would initially increase cash outflows.</p> | (2) |

| Question Number | Answer | Mark |
|-----------------|--|------------|
| 13 | <p>C, E</p> <p>A To include personal details of staff who will be employed - is not correct because a business plan would not include personal details.</p> <p>B Provides an opportunity to attract more customers - is not correct because customers will not see the business plan.</p> <p>C Reduces the chance of the business failing – is correct because a business plan gives details of cash flow that can reduce the potential of a business failing.</p> <p>D Guarantees that the business makes a profit – is not correct because a business plan can estimate profits but cannot guarantee them.</p> <p>E Helps to gain potential investors – is correct because it provides investors with the information they require.</p> | (2) |

| Question Number | Answer | Mark |
|-----------------|--|------------|
| 14 | <p>We are aware that there is no correct answer to this item. Because of this, question 14 will be discounted from the total mark. An error was made with the multiple-choice distractors. We take our responsibility of ensuring the accuracy of our assessments very seriously and we are reviewing candidate responses to ensure no one is disadvantaged. Further details will be made available on results day.</p> | (0) |

| Question Number | Answer | Mark |
|-----------------|---|------------|
| 15 | <p>A</p> <p>A £1 666.67 – is correct because the correct figures been used, $(15 \times 150)/1.35$</p> <p>B £2 250.00 - is not correct because the wrong figures have been used.</p> <p>C £2 251.35 - is not correct because the wrong figures have been used.</p> <p>D £3 037.50 - is not correct because the wrong figures have been used.</p> | (1) |

| Question Number | Answer | Mark |
|-----------------|--|------------|
| 16 | <p>C</p> <p>A Lower profit – is not correct because variable costs in £s would decrease therefore profit increases.</p> <p>B Cash flow deteriorates – is not correct because variable costs in £s would decrease therefore cash flow would improve.</p> <p>C Able to charge lower prices – is correct because variable costs in £s are lower allowing lower prices to be charged.</p> <p>D Higher variable costs - is not correct because variable costs would be lower.</p> | (1) |

| Question Number | Answer | Mark |
|-----------------|---|------------|
| 18 | <p>C, E</p> <p>A Keith has calculated that his Value Added Tax (VAT) will be £2 350 – is not correct because it is not a calculated risk.</p> <p>B His estimated costs for the second year of trading will increase by 12% – is not correct because it is not a calculated risk.</p> <p>C There is a 40% possibility that his business will survive the first year – is correct because it is a calculated risk.</p> <p>D Keith has estimated that the demand for his products will increase by 15% – is not correct because it is not a calculated risk.</p> <p>E There is a 80:20 chance of Keith’s business failing – is correct because 80:20 is a calculated risk.</p> | (2) |

| Question Number | Answer | Mark |
|-----------------|---|------------|
| 19 | <p>(ii) H - Groups or individuals with an interest in the success of a business.</p> <p>(iii) D - Market research that has been collected by another business.</p> <p>(iv) I - The quantity of a good or service that consumers want to purchase at a given price.</p> <p>(v) G - Solving problems using a creative approach.</p> <p>(vi) C - The wants and desires of potential buyers of goods and services.</p> | (5) |

| Question Number | Answer | Mark |
|-----------------|---|------------|
| 20 | <p><u>Option 1 – Planning</u> By planning Mirna can identify problems that may arise and thus be able to avoid them or plan if additional costs are involved. By planning Mirna can work out expenditure for the business and see what area she may need to spend more money on or an area where she can reduce expenditure. By planning Mirna can work out what equipment and resources she will need and when she will need them. By planning Mirna will have an understanding of whether the business has a chance of success, or identify when things might be difficult for the business. (At pre-stand consider planning reduces risks)</p> <p><u>Option 2 – Determination</u> By having determination Mirna will work hard to achieve success. This means that if something goes wrong or is difficult Mirna will be able to continue to ensure success. Determination will make Mirna see things through when there could be difficult times ahead. Mirna has determination to keep going when things are not too good i.e. not enough customers. With determination she will work hard to improve the business at all times.</p> | (6) |

| Level | Mark | Descriptor |
|-------|------------|---|
| | 0 | No rewardable material. |
| 1 | 1-2 | <p>A choice will be made with some justification, but which may provide limited examples. The quality of written communication will be poor with frequent spelling, punctuation and grammar errors and the style of writing will not be appropriate to the subject matter.</p> <p>The candidate uses everyday language and the response lacks clarity and organisation. Spelling punctuation and the rules of grammar are used with limited accuracy.</p> |
| 2 | 3-4 | A choice will be made with at least one reason/cause/consequence/factor etc identified and developed. |

| | | |
|---|------------|---|
| | | There will be some developed justification and supported by some appropriate examples, although development might be a little confused or incoherent. There will be a good level of quality of written communication with few mistakes in spelling, punctuation and grammar. The quality of language used will be appropriate for the subject matter; however its use will not be as confidently used as that in Level 3. |
| 3 | 5-6 | A judgement/point is given on one or both issues with some development/support, which includes at least two reasons/causes/consequences etc. and includes some balance. At the top of this level there will be a conclusion drawn from the analysis in the answer. The quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard. The candidate uses specialist terms consistently and the response shows good focus and organisation. Spelling, punctuation and the rules of grammar are used with considerable accuracy. |

Total for Paper – 40 marks

