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# **GCSE MARKING SCHEME**

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**AUTUMN 2020**

**BUSINESS - COMPONENT 2  
C510U20-1**

## **INTRODUCTION**

This marking scheme was used by WJEC for the 2020 examination. It was finalised after detailed discussion at examiners' conferences by all the examiners involved in the assessment. The conference was held shortly after the paper was taken so that reference could be made to the full range of candidates' responses, with photocopied scripts forming the basis of discussion. The aim of the conference was to ensure that the marking scheme was interpreted and applied in the same way by all examiners.

It is hoped that this information will be of assistance to centres but it is recognised at the same time that, without the benefit of participation in the examiners' conference, teachers may have different views on certain matters of detail or interpretation.

WJEC regrets that it cannot enter into any discussion or correspondence about this marking scheme.

**GCSE BUSINESS - COMPONENT 2**

**AUTUMN 2020 MARK SCHEME**

<b>Question</b>	<b>Answer</b>	<b>Mark</b>
1. (a) (i)	<p><b>State what is meant by business ethics.</b></p> <p>AO1: 1 mark</p> <p>Award <b>1</b> mark for knowledge of business ethics.</p> <p><b>Indicative content</b></p> <p>Moral principles that guide the way a business behaves            Doing what is morally right            Behaving whilst carrying out business activities</p> <p>Credit other valid responses</p>	1
(ii)	<p><b>Describe how having a good ethical reputation may have helped Outridge become successful.</b></p> <p>AO1: 1 mark            AO2: 1 mark</p> <p>Award <b>1</b> mark for identifying a reason why good ethical practices help business.</p> <p>Award <b>1</b> mark for using the context of Outridge.</p> <p><b>Indicative content</b></p> <p>Increased attraction from customers, who care for the welfare of animals.            They can charge a higher price, for coats that do not cause harm to animals.            Employees are likely to be more motivated by working for an ethical brand and produce higher quality coats.</p> <p>Credit other valid responses</p>	2
(b) (i)	<p><b>Identify the total value of sales of goose feather coats for the UK in 2014.</b></p> <p>AO2: 1 mark</p> <p>Award <b>1</b> mark for identifying the correct data.</p> <p>(\$)68 million</p>	1

Question	Answer	Mark
(ii)	<p><b>Calculate the percentage change in sales in China between 2014 and 2019. (Show your workings and present your answer to two decimal places)</b></p> <p>AO2: 2 marks</p> <p>Award 1 mark for calculating the change</p> <p>\$333 million - \$267 million = <b>£66</b> million</p> <p>Award 1 mark for correct answer</p> $\frac{66}{267} \times 100$ <p>= <b>24.72%</b></p> <p>Apply OFR for the correct answer if incorrect data selected or if the incorrect value for the increase is used correctly.</p>	2
(c)	<p><b>Explain two reasons why Outridge may have decided to move production to China.</b></p> <p>AO1: 2 marks AO2: 2 marks AO3: 2 marks</p> <p>Award 1 mark for identifying a correct reason (up to 2 marks)</p> <p>Award 1 mark for limited application to Outridge Award 2 marks for good application to Outridge</p> <p>Award 1 mark for limited explanation Award 2 marks for good explanation</p> <p><b>Indicative content</b></p> <p>Lower cost of production in China, could mean they are able to produce coats much more cheaply, this means that they are able to be more competitive.</p> <p>They could be entering a new market, China is a growing market in the sale of goose feather coats, the UK is not, therefore they could be closer to potential new customers.</p> <p>Outridge may be able to have access to cheaper resources, such as feathers for the coats, this means that they are able to gain better profit margins.</p> <p>Fierce competition could affect Outridge, there may be other companies in the market who can offer better prices/better quality coats, this means that they need to be more competitive and this could be achieved by moving production to China.</p> <p>Award other valid responses.</p>	6

Question	Answer	Mark
(d)	<b>Explain how industrial action will impact on Outridge, its workers and its customers.</b>	<b>[6]</b>

Band	AO1	AO2	AO3
	2 marks	2 marks	2 marks
2	<p><b>2 marks</b></p> <p>Good knowledge and understanding of industrial action</p> <p>Good attempt to use specialist vocabulary</p>	<p><b>2 marks</b></p> <p>Good application to Outridge.</p> <p>The learner uses the context of Outridge to support their answer</p>	<p><b>2 marks</b></p> <p>A good explanation of the impact of industrial action on Outridge, and its workers and customers.</p> <p>Writing is generally well structured using reasonably accurate grammar, punctuation and spelling</p>
1	<p><b>1 mark</b></p> <p>Limited knowledge and understanding of industrial action</p> <p>Limited attempt to use specialist vocabulary</p>	<p><b>1 mark</b></p> <p>Limited application to Outridge</p> <p>The learner will use some context of Outridge to support their answer</p>	<p><b>1 mark</b></p> <p>A limited explanation of the impact of industrial action on Outridge or its workers or customers.</p> <p>Writing lacks structure, there may be errors in grammar, punctuation and spelling</p>
0	<p><b>0 marks</b></p> <p>No knowledge or understanding of industrial action</p>	<p><b>0 marks</b></p> <p>No reference to Outridge.</p>	<p><b>0 marks</b></p> <p>No explanation</p>

### Indicative content

Industrial action may mean that Outridge's staff may go on strike, this means that workers that get involved won't get paid, it will mean that customers may not get their coats as there is no one to produce them.

Industrial action may force Outridge workers to go-slow, this means that workers will continue to get paid, but may mean orders may not be fulfilled and customers may not get the products they want.

Industrial action may force Outridge to not move production to China, this means that staff may continue to keep their jobs, it may mean that customers will see price rises as Outridge find it difficult to compete with other companies.

- (e) **Discuss the advantages and disadvantages to Outridge of becoming a multinational business. In your answer you should include reference to**
- quality
  - costs, revenue and profitability
- [12]**

Band	A01	A02	A03
	2 marks	4 marks	6 marks
3	<p>There are no Band 3 marks for this assessment objective</p> <p>2 marks are awarded for Band 2</p>	<p><b>4 marks</b></p> <p>Excellent application of the impact of becoming a multinational business to Outridge.</p> <p>The learner will use the context of Outridge throughout the answer.</p>	<p><b>5-6 marks</b></p> <p>An excellent analysis and evaluation of at least two advantages and disadvantages of Outridge becoming a multinational business. Excellent reference is made to quality and costs, revenue and profitability.</p> <p>Writing is very well structured using accurate grammar, punctuation and spelling.</p> <p>Well-reasoned and balanced discussion with clear lines of argument.</p> <p>Clear judgements are made with supporting statements.</p>
2	<p><b>2 marks</b></p> <p>Good knowledge and understanding of multinational business.</p> <p>Clear knowledge of quality and costs, revenue and profitability.</p> <p>Good attempt at specialist vocabulary.</p>	<p><b>2-3 marks</b></p> <p>Good application of the impact of becoming a multinational business to Outridge.</p> <p>The learner will use the context of Outridge to support their answer.</p>	<p><b>3-4 marks</b></p> <p>A good analysis and evaluation of at least two advantages and disadvantages of Outridge becoming a multinational business. Good reference is made to quality or costs, revenue and profitability.</p> <p>Writing is generally well structured using reasonably accurate grammar, punctuation and spelling.</p> <p>The discussion may be unbalanced.</p> <p>Judgements are made with some attempt to support the evaluation.</p>

1	<p style="text-align: center;"><b>1 mark</b></p> <p>Limited knowledge and understanding of multinational business.</p> <p>Limited knowledge of quality or costs, revenue and profitability.</p> <p>Limited attempt at specialist vocabulary.</p>	<p style="text-align: center;"><b>1 mark</b></p> <p>Limited application of the impact of becoming a multinational business to Outridge.</p> <p>The learner will use brief context of Outridge to support their answer.</p>	<p style="text-align: center;"><b>1-2 marks</b></p> <p>A limited analysis and evaluation of at least one advantage and/or disadvantage of Outridge becoming a multinational business. Little or no reference is made to quality and costs, revenue and profitability.</p> <p>Writing shows limited evidence of structure but with some errors in grammar, punctuation and spelling.</p> <p>The discussion lacks detail and superficial comments are made with little development.</p> <p>The discussions may be one sided, discussing just the disadvantages or advantages.</p> <p>Judgements may be brief and unsupported.</p>
0	<p style="text-align: center;"><b>0 marks</b></p> <p>No knowledge or understanding of multinational business.</p>	<p style="text-align: center;"><b>0 marks</b></p> <p>No reference to Outridge.</p>	<p style="text-align: center;"><b>0 marks</b></p> <p>No analysis or evaluation of the advantages and/or disadvantages to Outridge of becoming a multinational company.</p>

**Indicative content:**

One of the benefits of Outridge becoming a multinational company is it may be able to avoid some trade barriers and tariffs. By placing a production facility in China, Outridge will be able to avoid costs such as tariffs and trade barriers on goods they sell in China due to placing a head office there. While the size of the feather coat market in the UK has reduced between 2014 and 2017, demand amongst Chinese consumers for goose feather coats has increased. To move production they would avoid paying tariffs and save costs on sales of coats in China, allowing Outridge to become more competitive against other well-known brands. This will mean that Outridge is able to increase its profitability in the future, although a lot of money will need to be invested to move production to China, in the long run they should become a more competitive business.

Another advantage of moving production to China is Outridge may be able to benefit from cheaper resources. At the moment the cost of the feathers is high. Outridge is likely to increase production when they move overseas, it may be able to benefit from sourcing feathers and other materials from cheaper suppliers nearer to the new facility, saving costs. They will have to be careful that this does not simply save costs but that it doesn't impact on the top-quality brand image Outridge have, leading to customers shopping for other brands, reducing sales and revenue.

A disadvantage of becoming a multinational company is Outridge could be criticised for exploiting workers. Workers in China are likely to get paid less and there are different rules surrounding health and safety and working conditions. This could be viewed as exploiting workers just to improve revenue and profits by making coats cheaper at the expense of others. This may not please customers who buy coats because of Outridge's ethical reputation.

Another disadvantage of becoming a multinational company is the loss of jobs elsewhere. Outridge is a UK based business, however, they have decided to move production abroad. This will mean the loss of jobs for 900 workers, which will save costs in the future, however, if Outridge are to remain competitive against the many feather coat producers they will need to save costs somewhere or they may not be able to stay viable.

Credit other valid discussions



Question	Answer	Mark
2. (a) (i)	<p><b>Identify two market segments targeted by Haven Holidays.</b></p> <p>AO2: 2 marks</p> <p>Award <b>1</b> mark for the correct identification of each suitable market segment.</p> <p>Age Lifestyle Income Geographical</p>	2
(ii)	<p><b>Explain two reasons why Haven Holidays segment the market.</b></p> <p>AO2: 2 marks AO3: 2 marks</p> <p>Award <b>1</b> mark for limited application to Haven Holidays Award <b>2</b> marks for good application to Haven Holidays</p> <p>Award <b>1</b> mark for limited explanation Award <b>2</b> marks for good explanation</p> <p><b>Indicative content</b></p> <p>It allows business to decide who it wants to focus on, this means that they can make sure the facilities offered at the park meet the specific needs of the segments they are targeting.</p> <p>It can cater for suitable marketing activities for that group, this means that they advertise using a suitable media for their target group such as families.</p> <p>The business can identify which markets are attractive, this is because one segment such as families with children may have more potential for sales than another.</p> <p>Award other suitable responses</p>	4
(b) (i)	<p><b>State two features of good customer service.</b></p> <p>AO1: 2 marks</p> <p>Award <b>1</b> mark for each correct feature of customer service</p> <ul style="list-style-type: none"> <li>• Greeting the customer</li> <li>• Interacting with the customer</li> <li>• Identifying customer needs and wants</li> <li>• Encouraging feedback from the customer</li> <li>• Responding to feedback</li> </ul>	2

Question	Answer	Mark
(ii)	<p><b>Explain the importance of good customer service to Haven Holidays.</b></p> <p>AO2: 2 marks AO3: 2 marks</p> <p>Award <b>1</b> mark for limited application to Haven Holidays Award <b>2</b> marks for good application to Haven Holidays</p> <p>Award <b>1</b> mark for limited explanation Award <b>2</b> marks for good explanation</p> <p><b>Indicative content</b></p> <p>Good customer service is important to Haven Holidays so it can achieve customer loyalty. Customers who are loyal will use Haven Holidays to purchase their holiday because they are happy with the service and trust the business and tell others about it.</p> <p>Good customer service is important to Haven Holidays because it can achieve repeat purchases, holidays are expensive, which are not bought regularly, therefore trust is important because Haven will want customers to return year after year.</p> <p>Award any other valid answer</p>	4
(c) (i)	<p><b>Identify which one of the following is a benefit to Haven Holidays of having effective training.</b></p> <p>AO1: 1 mark</p> <p>Award <b>1</b> mark for correct answer</p> <p>Increased worker morale</p>	1

(ii) **Analyse the advantages and disadvantages of the training methods used by Haven Holidays.** [6]

Band	AO1	AO3
	2 marks	4 marks
3	<p>There are no Band 3 marks for this assessment objective</p> <p>2 marks are awarded for Band 2</p>	<p><b>4 marks</b></p> <p>An excellent analysis of the advantages and disadvantages of the training methods of coaching, shadowing and job rotation</p> <p>Writing is very well structured using accurate grammar, punctuation and spelling</p> <p>Well-reasoned and balanced discussion with clear lines of argument</p> <p>Clear judgements are made with supporting statements</p>
2	<p><b>2 marks</b></p> <p>Good knowledge and understanding of the training methods of coaching, shadowing and job rotation</p> <p>Good attempt at specialist vocabulary</p>	<p><b>2-3 marks</b></p> <p>A good analysis of the advantages and disadvantages of all training methods</p> <p>Writing is well structured using reasonably accurate grammar, punctuation and spelling</p> <p>Judgements are made with some attempt to support the analysis</p>
1	<p><b>1 mark</b></p> <p>Limited knowledge and/or understanding of at least two of the three training methods used</p> <p>Good attempt specialist vocabulary</p>	<p><b>1 mark</b></p> <p>A limited analysis of the disadvantages and/or advantages of at least 2 of the three training methods</p> <p>The analysis lacks detail and superficial comments are made with little development</p> <p>The analysis may be one sided discussing just the disadvantages or advantages</p> <p>Analysis may be brief and unsupported</p>
0	<p><b>0 marks</b></p> <p>No knowledge or understanding of the training methods</p>	<p><b>0 marks</b></p> <p>No analysis of the disadvantages and/or advantages of the training methods.</p>

### **Indicative content**

Haven Holidays uses coaching to train its staff. Coaching involves a more experienced member of staff supporting a less experienced member of staff. Coaching allows the worker to develop their confidence through being coached by an expert, but it can result in extra pressure for the coach because they often have to coach on top of their own work.

Shadowing is where the trainee observes the experienced member of staff doing their job, this allows the trainee to gain an authentic understanding of what is involved in a particular job during the working day. The problem is, with shadowing, the trainee may learn bad habits that the experienced member of staff has developed over time.

Job rotation is a training method where the trainee moves between different job roles, gaining different experience of a range of jobs. This is very motivating for the trainee because they don't get bored with repetitive work, however, they may not have enough time to consolidate their skills fully before they rotate, leading to gaps in knowledge.

Question	Answer	Mark
(d)	<p><b>State what is meant by a competitive market.</b></p> <p>AO1: 1 mark</p> <p>Award <b>1</b> mark for understanding of a competitive market</p> <p><b>Indicative content</b></p> <p>Many businesses offering the same service and competing for customers</p> <p>Customers have a choice on who to buy from</p>	1

(e) Evaluate the impact of economic factors on Haven Holidays and its customers. [10]

Band	AO1	AO2	AO3
	2 marks	2 marks	6 marks
3	<p>There are no Band 3 marks for this assessment objective</p> <p>2 marks are awarded for Band 2</p>	<p>There are no Band 3 marks for this assessment objective</p> <p>2 marks are awarded for Band 2</p>	<p><b>5-6 marks</b></p> <p>An excellent analysis and evaluation of the impact of economic factors on Haven Holidays</p> <p>Writing is very well structured using accurate grammar, punctuation and spelling.</p> <p>Well-reasoned and balanced discussion with clear lines of argument</p> <p>Clear judgements are made with supporting statements</p>
2	<p><b>2 marks</b></p> <p>Good knowledge and understanding of economic factors</p> <p>Good attempt at specialist vocabulary</p>	<p><b>2 marks</b></p> <p>Good application of the impact of economic factors on Haven Holidays</p> <p>The learner will use the context of Haven Holidays to support their answer</p>	<p><b>3-4 marks</b></p> <p>A good analysis and evaluation of the impact of economic factors on Haven Holidays</p> <p>Writing is generally well structured using reasonably accurate grammar, punctuation and spelling</p> <p>The discussion may be unbalanced</p> <p>Judgements are made with some attempt to support the evaluation</p>
1	<p><b>1 mark</b></p> <p>Limited knowledge or understanding of economic factors</p> <p>Limited attempt at specialist vocabulary</p>	<p><b>1 mark</b></p> <p>Limited application of the impact of economic factors on Haven Holidays</p> <p>The learner will use the context of Haven Holidays to support their answer</p>	<p><b>1-2 marks</b></p> <p>A limited analysis and evaluation of the impact of economic factors on Haven Holidays</p> <p>The discussion lacks detail and superficial comments are made with little development</p> <p>The discussions may be one sided, discussing just the disadvantages or advantages</p> <p>Judgements may be brief and unsupported</p>
0	<p><b>0 marks</b></p> <p>No knowledge or understanding of economic factors</p>	<p><b>0 marks</b></p> <p>No reference to Haven Holidays.</p>	<p><b>0 marks</b></p> <p>No analysis or evaluation of the impact of economic factors on Haven Holidays</p>

### **Indicative content**

Consumer incomes are one of the main economic factors that could affect Haven Holidays. If consumer incomes fall, treats such a holiday may have to stop for many families. This could affect Haven Holidays as it could mean less people will book holidays with them, affecting their sales and profits. It could mean that customers may not book some of the more luxury services they offer, such as a Prestige caravan, which will certainly cost more for customers. They may sell out of the cheaper standard caravans as demand for the cheaper alternative rises, leaving these more expensive caravans empty.

A fall in incomes, it could be argued, could have the opposite effect, people may decide to holiday in the UK rather than go abroad, this could actually lead to a rise in the amount of caravans rented, but perhaps less people would opt to buy a caravan to own as this could be very expensive.

Unemployment could have an effect on Haven Holidays. If unemployment rates rise, this could have a more significant effect. If people lose their jobs, it is likely that they will not even consider a holiday as paying bills and searching for work will be more of a priority. Alternatively, if unemployment falls, this can lead to more people spending on a holiday.

Another factor that could affect people's ability to have a holiday at one of Haven Holidays' parks is an interest rate change. If interest rates fall, it could mean more disposable incomes for families and borrowing could become cheaper. Families may be happy to take out finance to pay for the trip, knowing the interest payments that they will have to pay are low, alternatively, it could mean they opt for more expensive holidays abroad.