



Rewarding Learning

**General Certificate of Secondary Education
2018**

Business Studies

Unit 2

Business Development

[GBS21]

WEDNESDAY 6 JUNE, AFTERNOON

**MARK
SCHEME**

General Marking Instructions

Introduction

Mark schemes are published to assist teachers and students in their preparation for examinations. Through the mark schemes teachers and students will be able to see what examiners are looking for in response to questions and exactly where the marks have been awarded. The publishing of the mark schemes may help to show that examiners are not concerned about finding out what a student does not know but rather with rewarding students for what they do know.

The Purpose of Mark Schemes

Examination papers are set and revised by teams of examiners and revisers appointed by the Council. The teams of examiners and revisers include experienced teachers who are familiar with the level and standards expected of students in schools and colleges.

The job of the examiners is to set the questions and the mark schemes; and the job of the revisers is to review the questions and mark schemes commenting on a large range of issues about which they must be satisfied before the question papers and mark schemes are finalised.

The questions and the mark schemes are developed in association with each other so that the issues of differentiation and positive achievement can be addressed right from the start. Mark schemes, therefore, are regarded as part of an integral process which begins with the setting of questions and ends with the marking of the examination.

The main purpose of the mark scheme is to provide a uniform basis for the marking process so that all the markers are following exactly the same instructions and making the same judgements in so far as this is possible. Before marking begins a standardising meeting is held where all the markers are briefed using the mark scheme and samples of the students' work in the form of scripts. Consideration is also given at this stage to any comments on the operational papers received from teachers and their organisations. During this meeting, and up to and including the end of the marking, there is provision for amendments to be made to the mark scheme. What is published represents this final form of the mark scheme.

It is important to recognise that in some cases there may well be other correct responses which are equally acceptable to those published: the mark scheme can only cover those responses which emerged in the examination. There may also be instances where certain judgements may have to be left to the experience of the examiner, for example, where there is no absolute correct response – all teachers will be familiar with making such judgements.

- 1 (a)** One purpose of a Job Description from the following:
- Defines the main duties and responsibilities of the job
 - Acts as a reference document in event of later disputes
 - Shows how closely the employee matches the requirements of the job
 - Helps with design of the job advertisement [2]
- (b)** One purpose of a Person Specification from the following:
- Shows the skills and qualifications required by the applicant
 - Shows the personal qualities desirable in the applicant
 - Shows the desirable level of previous experience
 - Shows candidate if they are right for the job
 - Encourages appropriate candidates to apply
 - Helps with selection of the most suitable candidate
 - Helps with design of other recruitment documents
 - Shows the characteristic of the ideal candidate
 - Allows candidate to compare themselves to the ideal candidate [2]
- (c)** Two advantages of external recruitment from the following:
- Training is not required
 - The range of applicants is wider
 - New skills and ideas are introduced into the business/new blood is brought in
 - Choices do not have to be made between existing members of staff/no jealousy
 - Does not cause further vacancies in the staff
- (2 × [2]) [4]
- (d)** Two advantages for employers of Application Forms from the following:
- Forms contains the exact information required by the employer
 - Information is standardised on forms
 - Forms allow employers to compare applicants more accurately
 - Lets the employer see how well the applicant organises information/written communication skills
 - Helps with short listing
- (2 × [2]) NOT details contained on an application form [4]
- (e)** Legal control points from the following:
- On disability:
- Disabled people must be given the same opportunities in recruitment as able bodied people
 - Adjustments to property must be made to facilitate disabled people
 - Job advertisements must not exclude the disabled
- On gender:
- Male and female applicants must be given equal opportunities in recruitment
 - Women cannot be discriminated against because of pregnancy
 - Male and female employees must be given equal pay for equal work
 - Job advertisements must not exclude any gender
- (2 × [2]) [4]
- (f)** Two factors which affect Job Satisfaction from the following:
- Provision for Fringe Benefits
 - Job security
 - Level of responsibility
 - Provision for training
 - Opportunity for promotion
 - Sense of fulfilment/achievement in the job
 - Enjoyment derived from the job
 - Good working environment

- Good relationship with other employees and/or the employer
- Praise/recognition from employer and/or manager
- Level of payment including bonus. Profit share
- Conditions of employment

(2 × [2])

[4]

(g) Definition of Team Working:

Is a system of motivation where employees are organised into teams comprising the full range of skills and abilities required in the factory or in their section of the factory. The team is made responsible for how it carries out the work, and meets regularly to examine the quality of what they are doing, to make decisions, and to find ways to improve their work. [2]

One advantage for the company from the following:

- Encourages employees to improve their work/work harder
- Provides motivation for employees by giving them responsibility/ improved morale
- Provides opportunities for employees to hold discussions about their work/learn new skills from each other
- Enables employees to get an overview of the entire work of the company
- Makes employees feel appreciated
- Improves quality
- Brings new ideas into the business
- Employees learn from each other
- Brings employees closer together

([2] + [2])

[4]

(h) Three reasons why training is important from the following:

- To provide induction for new employees
- To familiarise employees with new methods/techniques/new ideas/skills
- To introduce new machinery or new technology
- To improve the competitiveness
- Corporate image of the organisation
- To improve efficiency
- Increased profits/more sales
- To minimise the risk of accidents/mistakes
- To provide motivation for employees/gives promotion prospects/job satisfaction
- To decrease the level of supervision needed
- To improve customer satisfaction
- To improve quality
- Off-the-job training brings in new ideas

Level 1 ([1]–[2])

Candidate demonstrates little knowledge and understanding of the importance of training. Either a full explanation of one reason is given, or two reasons are identified without explanation. Candidate displays limited accuracy in the use of spelling, punctuation and grammar.

Level 2 ([3]–[4])

Candidate demonstrates adequate knowledge and understanding of the importance of training. A full explanation of two reasons is given. Candidate displays satisfactory accuracy in the use of spelling, punctuation and grammar.

Level 3 ([5]–[6])

Candidate demonstrates excellent knowledge and understanding of the importance of training. A full explanation of three reasons is given. Candidate displays good accuracy in the use of spelling, punctuation and grammar.

(3 × [2])

[6]

- 2 (a) Three benefits of further growth from the following:
- Increased profit
 - Increased market share/sales
 - Improved corporate image/reputation of the company
 - Staff morale would improve with increased job security/motivation
 - Possibility of increased capital
 - May eliminate competitors
 - Easier access to loans
 - Economies of scale
 - Increased publicity
 - Increased range of products

Level 1 ([1]–[2])

Candidate demonstrates little knowledge and understanding of the benefits of further growth. Either one or two benefits are correctly identified, or one is correctly identified with some discussion. Candidate displays limited accuracy in the use of spelling, punctuation and grammar.

Level 2 ([3]–[4])

Candidate demonstrates adequate knowledge and understanding of the benefits of further growth. Two benefits are correctly identified, with discussion of one or both. Candidate displays satisfactory accuracy in the use of spelling, punctuation and grammar.

Level 3 ([5]–[6])

Candidate demonstrates excellent knowledge and understanding of the benefits of further growth. Three benefits are correctly identified, with excellent discussion. Candidate displays good accuracy in the use of spelling, punctuation and grammar.

(3 × [2])

[6]

- (b) Three disadvantages of further growth from the following:
- Communication may be more difficult in a bigger organisation
 - Costs may increase, e.g. more buildings/staff may be needed/extra capital required
 - Increased difficulties of co-ordination of the business/poor morale of staff/lack of motivation
 - Diseconomies of scale may result
 - Slow decision making
 - Loss of control by owners
 - Gain a bad reputation if it is putting others out of business
 - Wider market could lead to increased competition

(3 × [2])

[6]

- (c) Explanation of Internal/Organic Growth:
Internal/organic growth is growth which takes place inside the business organisation without reference to other business organisations.
- Description of methods of integral growth, e.g. new products
 - Slower method of growth

(2 × [1])

[2]

- (d) Three ways to grow internally/organically from the following:
- Expansion of existing business/machinery/equipment
 - Open another factory
 - Increase the number of employees
 - Introduce new products
 - Develop new market/s
 - Plough back profits

- Increase sales
 - * Introduce new capital by owners
 - Increase advertising
- (3 × [2]) [6]
- (e)** One social/moral advantage of growth from the following:
- Business would be able to provide more employment
 - Staff wages could increase
 - May be opportunities for staff promotion
 - Consumers will have greater variety of products
 - Products should be cheaper for consumers due to economies of scale
 - Choco would be able to afford sponsorships/local charity work
 - Business would be paying more corporation tax which helps the economy
 - More people will spend money in the local community [2]
- One social/moral disadvantage of growth from the following:
- Smaller competitors may be forced out of business
 - Increased noise pollution from the factory
 - Increased traffic to the factory
 - Damage to the local environment [2]
- (2 × [2]) [4]
- (f)** One effect of international trade on each element from the following:
- PRODUCT**
- May have to change to suit the legal/cultural needs of the foreign country
 - Name may have to be changed
 - Some ingredients may not be acceptable [2]
- PRICE**
- Must reflect what the foreign country is able to pay
 - Must be quoted in appropriate currency
 - Must take taxes and exchange rates into consideration
 - Needs to cover transportation costs/packaging [2]
- PROMOTION**
- Must not be offensive to the other country's culture
 - Must be in appropriate language
 - Packaging must be appropriate for the other country, e.g. colour
 - Needs to increase promotions/advertising [2]
- (3 × [2]) [6]

AVAILABLE
MARKS

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- 3 (a)** Two reasons for importance of Business Plan from the following:
- To show to the bank/shareholders/investors for information
 - To ensure proper planning of the business
 - To monitor performance
 - To keep checks on spending
 - To set aims/targets and ensure that they are being met
 - To provide a focus for the future
- (2 × [2]) [4]
- (b)** Two components of a Business Plan from the following:
- Introduction
 - Aims/Objectives
 - Resources Plan
 - Marketing Plan
 - Financial Plan
 - Summary
- (2 × [1]) [2]
- (c)** Two reasons why Cash Flow is important from the following:
- Even cash flow will ensure that there is always available money in the business
 - This means that essential bills can be paid on time
 - Good cash flow inspires confidence in suppliers that they will be paid promptly
 - The business would not have to borrow money and pay interest on loans
 - Business can take advantage of offers for cash payment
 - Without good cash flow the business would not survive
- (2 × [2]) [4]
- (d)** Value of the restaurant furniture: £32,000 [1]
 Bank Balance: £7,000 [1]
 Total Assets: £56,500 [1]
 Net Profit: £12,000 [1]
 Drawings: £9,000 [1]
 Total Equity and Liabilities: £56,500 [1] [6]
- (e)** Explanation of Current Assets:
 Current Assets are those items which are owned by the business for a short term.
 They can be turned into cash quickly, e.g. inventory [2]
- Explanation of Closing Inventory:
 The Closing Inventory is the value of the stock which is left unsold in the business at the end of the trading period [2]
- Explanation of Trade Payables:
 Trade Payables is the total amount of money owing by the business to suppliers for goods purchased on credit. [2]
- Explanation of Capital:
 Capital is the money invested in the business by the owner/s. [2] [8]

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- (f) Up to three comments on financial performance from the following:
- The financial performance in The Choco Restaurant overall is very good
 - The Net Profit of £12,000 is an excellent return on a capital investment of £20,000
 - Caroline has invested heavily in furniture and equipment which reduces her cash flow

Up to three pieces of advice from the following:

- Her closing inventory is quite large and should be sold off or used
- Caroline should try to reduce the loan to save interest payments
- Caroline should use the money in the bank to reduce amounts owing to trade payables
- Improve range of products
- Increase production
- Reduce costs
- Increase capital
- Form a partnership
- Reduce drawings

[3] + [3]

[6]

30

Total

90

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