

Mark schemes

1.

[AO1 = 1]

B

[1]

2.

[AO1 = 2]

1 mark for knowledge of why someone may start a new business

1 mark for explaining why someone may start a new business

Indicative content:

- Dissatisfied with current job
- Earn more money
- Identified a gap in the market
- Flexible working hours
- Be their own boss
- To pursue an interest.

Example of developed answer:

A reason why someone may start a new business is to have flexible working hours (1) this would allow them to fit work around their other priorities (1).

[2]

3.

[AO1 = 2]

1 mark for knowledge of the tertiary sector

1 mark for an example of tertiary sector

Possible examples:

- Banking
- Hotel
- Shops
- Entertainment
- Travel
- Insurance.

Example of developed answer:

The tertiary sector is concerned with providing services for its customer (1) for example a business selling holidays (1)

[2]

4. [AO1 = 3 AO2 = 3 AO3 = 6]

Level	Description	Marks
4	Developed integrated analysis and evaluation of topics with sustained judgement based on context. - An integrated line of reasoning, which is coherent, relevant, with a conclusion where the area which has been impacted on the most has been fully justified. - Interdependent nature of business areas are fully analysed. - Applies knowledge and understanding to the context and successfully draws together several functional areas of business.	10 – 12 AO3 AO3 AO2
3	Detailed analysis and evaluation of topics based on the context. - A line of reasoning, which is coherent, relevant, with a conclusion that is justified. - Different business areas are analysed independently or the - interdependent nature of business areas is partially analysed.	7 – 9 AO3 AO3 AO2
2	Applies knowledge and understanding to the context and starts to draw together several functional areas of business. Sound analysis and evaluation of topics in isolation of their interdependence based on the context. - A line of reasoning, with a conclusion that has some justification. - One business area is analysed independently. - Applies some knowledge and understanding to the context.	4 – 6 AO3 AO3 AO2
1	Basic generic discussion of topics. - A basic understanding of business concepts in isolation. - A basic understanding of one or more business concepts. - Partial relevance to the question.	1 – 3 AO1 AO1 AO1
0	Nothing worthy of credit.	

Integrated approach – ethics and links with other areas:

- Finance can improve as costs are reduced. Can business reduce labour and production costs without moving abroad? Living standards are lower in these developing countries and why should businesses not take advantage of them?
- Are ethics more important than profit for their shareholders? If they pay higher wages or give them shorter working hours this will cost more and reduce profit
- Will consumers be affected when buying their products? If they do not pay attention to newspaper reports then sales will remain the same
- Marketing and PR will be directly impacted by unethical decisions. It may increase costs in this area as their website has been developed and the extra checks may be needed.

Indicative content:

Understanding	Application	Analysis/evaluation
Ethics – is location in China morally right?	Working hours 10 per day are high.	Apple is seen to be trying to change and are working with suppliers and trying to monitor through checks which are seeking continued improvement. As Apple is a large company the media may pay more attention to them than others and therefore ethics become more important.
Finance – production costs wages lower, need to maintain profits. Other costs higher.	Employees paid £1.12 per hour or £180 month much lower than other parts of the world. 60 000 employees been sent on training courses for free. Checks increasing.	However Apple brings jobs to the area and provides better working conditions than other companies, therefore if they withdraw conditions will get worse for these workers.
Marketing – negative PR	The newspaper article has been written with some negative statements about Apple and the marketing department will need to respond to this	This may reduce sales as fewer buyers demand Apple products. However their code of conduct suggests that they take this seriously and are funding checks and initiatives to improve the situation. Their profit and sales would not suggest that this is having an impact on sales.
Factors affecting location – proximity to market.	China is a growing market for Apple and as sales are 25% of their total sales they rely heavily on this market.	If products are being produced in China there will be lower transport costs and no import taxes. This will make Apple more competitive in the growing market. They can invest money in marketing and R&D and also the training courses they are offering to improve living standards.

[12]

5.

[AO1 = 1]

A

[1]

6.

Possible reasons include:

- freedom to make his own decisions / wants to be his own boss
- greater flexibility with working hours
- sense of achievement
- possibility of making more money than being employed.

1 mark for identifying suitable reason plus 1 for some explanation / development.

NB – Two separate reasons not explained max 1 mark.

[2]

7.

Possible benefits include:

- advertising – he identifies this as a weakness as he relies on recommendations at present
- e-commerce – customers could buy his paintings through online sales
- can provide display – suitable for his paintings
- provides customer information such as process, delivery costs and contact details – as a new business this would be needed.

(1×1) twice

Has to be a benefit to Charlie and not his customers

Watch for re-wording of first point in second point

[4]

8.

Possible answers could include:

- to provide an interesting job
- because the current job is boring
- to make a profit / potential profit
- to run one's own business
- to provide a service / meet a need.

Example Answer:

One possible reason would be because she is bored in her current job (1) and running her own business would be more interesting (1)

Do not award for identifying two separate points

[2]

9.

Reasons could be:

Internal – wants to make money; wants to run her own business.

or

External – seen a gap in the market.

One mark for stating a point plus one mark for development.

Example:

She has seen a gap in the market (1) which means she could make a profit (1).

A01 – 1 mark.

A02 – 1 mark.

[2]



EXAM PAPERS PRACTICE

Examiner reports

7. This question was generally well answered with students identifying two benefits to Charlie from having a website and being able to explain those benefits. Those students that gave the benefits to customers, rather than to the business as instructed, failed to score any marks because of this.
8. Good use was made of the item and many gained the two marks for reason and explanation, those who failed to score two marks missed the word “explain” and so just produced a list.
9. A minority of candidates only listed rather than explaining two reasons. Most candidates, however, read the question correctly and picked up the ‘opportunity’ hint in the item. There were a variety of other acceptable answers which were awarded two marks.



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