

# Mark Scheme (Results)

## Summer 2016

Pearson Edexcel GCSE Business Studies (5BS03)  
Unit 3: Building a Business

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## 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.

**Section A:**

<b>Question Number</b>	<b>Answer</b>	<b>Mark</b>
<b>1(a)</b> <b>AO1=1</b>	A	<b>(1)</b>

<b>Question Number</b>	<b>Answer</b>	<b>Mark</b>
<b>1(b)</b> <b>AO1=1</b>	<p>1 mark for the identification of a barrier to effective communication.</p> <p>Possible barriers include:</p> <ul style="list-style-type: none"> <li>• use of technical language/jargon.</li> <li>• communication equipment may fail.</li> <li>• poor explanation by the sender.</li> <li>• lack of attention by the receiver.</li> </ul> <p>Accept any plausible answer e.g. lack of mobile phone signal.</p>	<b>(1)</b>

<b>Question Number</b>	<b>Answer</b>	<b>Mark</b>
<b>1(c)</b> <b>AO1=1</b> <b>AO3=2</b>	<p>For 3 marks, there will be <b>one</b> impact identified and <b>two</b> clearly identifiable linked strands of explanation between the statements. These may contain connective words such as, 'this leads to...', 'because...' etc.</p> <p>Possible impacts include:</p> <ul style="list-style-type: none"> <li>• poor motivation.</li> <li>• low customer satisfaction.</li> <li>• errors in ordering from suppliers.</li> <li>• disorganisation/errors/low levels of efficiency.</li> </ul> <p>E.g. The business will become inefficient (1 mark). This is because workers will not know what they should be doing (1 mark) as a result they will make lots of mistakes (1 mark).</p> <p>This answer would gain <b>three</b> marks since there are at least two relevant, linked points made, following the identification of a valid impact.</p>	<b>(3)</b>

Question Number	Answer	Mark
<p><b>1(d)</b></p> <p><b>AO1=1</b></p> <p><b>AO3=2</b></p>	<p>For 3 marks, there will be <b>one</b> benefit identified and <b>two</b> clearly identifiable linked strands of explanation between the statements. These may contain connective words such as, 'this leads to...', 'because...' etc.</p> <p>Possible benefits include:</p> <ul style="list-style-type: none"> <li>• decisions can be made faster.</li> <li>• can react to changes in the market faster.</li> <li>• increased efficiency.</li> <li>• fewer workers are required.</li> <li>• empowerment/increased worker motivation.</li> </ul> <p>E.g. The business will be able to react quicker to changes in the market (1 mark). This is because they do not have to check with the head office first (1 mark), therefore they can adapt their product range to suit their customers' needs (1 mark).</p> <p>This answer would gain <b>three</b> marks since there are at least two relevant, linked points made, following the identification of a valid reason.</p>	<p style="text-align: right;"><b>(3)</b></p>

Question Number	Answer	Mark
2(a) AO2=1	D	(1)

Question Number	Answer	Mark
2(b) AO1=1 AO2=1	<p>1 mark for the identification of a reason why <i>Soap and Glory</i> may decide to use product trials and 1 mark for some kind of appropriate development of the reason in context.</p> <p>Possible reasons include:</p> <ul style="list-style-type: none"> <li>• improve the cosmetics/marketing.</li> <li>• gain feedback from customers.</li> <li>• test the market.</li> <li>• identify the target market.</li> </ul> <p>E.g. <i>Soap and Glory</i> may want to gain market research information before a full product launch (1 mark). This would allow them to use this feedback to improve their cosmetics (1 mark).</p> <p>This answer would gain <b>two</b> marks <i>since</i> a reason has been identified 'gain market research information' and there is some development in context in the second sentence e.g. 'use this feedback to improve their cosmetics'.</p>	(2)

Question Number	Answer	Mark
<p><b>2(c)</b></p> <p><b>A02=2</b></p> <p><b>A03=1</b></p>	<p>For 3 marks, <b>one</b> advantage will be identified and there will be at least <b>two</b> clearly identifiable linked strands of explanation. These may contain connective words such as, 'this leads to...', 'because...' etc. The explanation <b>must be</b> in the context of <i>Soap and Glory</i>/cosmetics if it is to secure all three marks.</p> <p>Possible advantages include:</p> <ul style="list-style-type: none"> <li>• ability to charge higher (premium) prices.</li> <li>• increased sales/market share.</li> <li>• increased customer awareness/loyalty.</li> <li>• competitors will find it harder to compete.</li> <li>• brands are a source of differentiation.</li> <li>• ability to add-value.</li> </ul> <p>E.g. There will be increased customer awareness (1 mark) because customers will become more familiar with branded products (1 mark). Therefore <i>Soap and Glory</i> will be more likely to make sales in the future.</p> <p>This answer would gain <b>two</b> marks. Despite the existence of an advantage and least two linked strands of development the answer is generic and contains no context. The word '<i>Soap and Glory</i>' does not provide context since this word is provided in the question.</p>	<p><b>(3)</b></p>

Question Number	Answer	Mark
<p><b>2(d)</b></p> <p><b>AO1=1</b> <b>AO2=1</b> <b>AO3=2</b></p>	<p>For 4 marks, the description will make up to <b>four</b> relevant points (linked or separate) associated with the negative impact of <i>Soap and Glory</i> promoting their products. Four marks could also be achieved through a consideration of <b>one or two</b> points plus sufficient development of each. One mark can be awarded for a definition of 'promotion'.</p> <p><b>Without the use of context the response can only be awarded a maximum of 3 marks.</b></p> <p>Possible disadvantages include:</p> <ul style="list-style-type: none"> <li>• it is expensive/increases fixed costs.</li> <li>• competitors could respond by increasing their promotion.</li> <li>• may result in <i>Soap and Glory</i> neglecting other elements of the marketing mix.</li> <li>• reduces cash flow/margin of safety.</li> <li>• raises break-even point.</li> <li>• too much promotion could cheapen the image of the cosmetics.</li> </ul> <p>E.g. Promoting cosmetics will be expensive (1 mark). This is because top models will have to be hired for any adverts (1 mark). This will cause cash flow to go down (1 mark). As a result the business will have less cash to invest in new types of make-up (1 mark).</p> <p>This answer would gain <b>four</b> marks since the candidate has identified a disadvantage 'expensive', and contextualised the answer by referring to the 'cosmetics', 'models' and 'make-up'. The candidate has also fully described one disadvantage using three linked strands of development.</p>	<p style="text-align: right;"><b>(4)</b></p>



Question Number	Answer	Mark
<b>3(a)</b> <b>AO1=1</b>	C	<b>(1)</b>

Question Number	Answer	Mark
<b>3(b)</b> <b>AO2=3</b>	<p>1 mark for each method identified. The suggested method to improve <i>Hornby's</i> cash flow must be a realistic method that could be used by a model railway/toy producing firm.</p> <p>Possible methods include:</p> <ul style="list-style-type: none"> <li>• sell more train sets.</li> <li>• agree longer credit periods.</li> <li>• agree shorter debtor periods.</li> <li>• de-stocking.</li> <li>• negotiate loans/overdrafts/trade credit.</li> </ul> <p>Do NOT accept 'reduce cash outflow' and/or 'increase cash inflow'.</p> <p>Accept generic responses if they apply to <i>Hornby</i>.</p>	<b>(3)</b>

Question Number	Answer	Mark
<p><b>3(c)</b></p> <p><b>AO2=2</b></p> <p><b>AO3=1</b></p>	<p>For 3 marks, there will be <b>one</b> benefit identified and <b>two</b> clearly identifiable linked strands of explanation between the statements. These may contain connective words such as, 'this leads to...', 'because...' etc. The explanation <b>must be</b> in the <i>Hornby</i>/toy producing firm context if it is to secure all three marks.</p> <p>Possible benefits include:</p> <ul style="list-style-type: none"> <li>• larger market to sell to.</li> <li>• increased profits.</li> <li>• ability to charge lower prices.</li> <li>• can become more competitive compared to rivals.</li> </ul> <p>E.g. This means <i>Hornby</i> do not have to sell using a retailer (1 mark). Therefore <i>Hornby</i> will be able to keep more of the profits (1 mark). This then leads to them having more finance to invest in new products.</p> <p>This answer would gain <b>two</b> marks since although a benefit has been stated and there are two linked strands, there is no use of context that goes beyond using the name of the '<i>Hornby</i>'. Contextualisation could be as subtle as changing the word '<i>products</i>' to '<i>train sets</i>'. This would have elevated the answer to three marks.</p>	<p><b>(3)</b></p>

Question Number	Answer	Mark
<p><b>3(d)</b></p> <p><b>AO2=2</b></p> <p><b>AO3=1</b></p>	<p>For 3 marks, there will be <b>one</b> disadvantage identified and <b>two</b> clearly identifiable linked strands of explanation between the statements. These may contain connective words such as, 'this leads to...', 'because...' etc. The explanation <b><u>must be</u></b> in the <i>Hornby</i>/toy producing firm context if it is to secure all three marks.</p> <p>Possible disadvantages include:</p> <ul style="list-style-type: none"> <li>• interest on debt raises costs.</li> <li>• increased risk.</li> <li>• cash flow will decrease.</li> <li>• profits will be lower.</li> </ul> <p>E.g. Debts have to be paid back with interest (1 mark). This will increase the fixed costs faced by <i>Hornby</i> (1 mark). As a result, <i>Hornby</i> has a much greater risk of failing in the toy market (1 mark).</p> <p>This answer would gain <b>three</b> marks since a disadvantage has been stated and there are two linked strands one of which is in context through the reference to the phrase 'toy market'.</p>	<p><b>(3)</b></p>

Question Number	Answer	Mark
4(a) AO1=1	D	(1)

Question Number	Answer	Mark
4(b) AO1=1 AO2=1	<p>1 mark for the identification of an impact on <i>Dyson</i> resulting from the receipt of an export subsidy and 1 mark for some kind of appropriate development of the impact in context.</p> <p>Possible impacts include:</p> <ul style="list-style-type: none"> <li>• more manufacturing will take place in Singapore.</li> <li>• exported digital motors will become cheaper.</li> <li>• makes vacuum cleaners more competitive.</li> <li>• increased cash flow.</li> </ul> <p>E.g. The manufacturing costs of vacuum cleaners will go down (1 mark) therefore they can be sold at a more competitive price than <i>Hoover</i> (1 mark).</p> <p>This response would gain <b>two</b> marks since an impact has been identified 'manufacturing costs of vacuum cleaners will go down' and there is some development in context 'can be sold at a more competitive price than <i>Hoover</i>'.</p>	(2)

Question Number	Answer	Mark
<p><b>4(c)</b></p> <p><b>A02=2</b></p> <p><b>A03=1</b></p>	<p>For 3 marks, there will be <b>one</b> benefit identified and <b>two</b> clearly identifiable linked strands of explanation between the statements. These may contain connective words such as, 'this leads to...', 'because...' etc. The explanation <b>must be</b> in the <i>Dyson/vacuum cleaners/hand driers/fans</i> context if it is to secure all three marks.</p> <p>Possible benefits include:</p> <ul style="list-style-type: none"> <li>• <i>Dyson</i> can out-compete rivals.</li> <li>• improves the 'product' part of the marketing mix.</li> <li>• increased sales/market share.</li> <li>• stronger branding.</li> </ul> <p>E.g. Vacuum cleaners can be heavy when carried upstairs (1 mark). Therefore a lighter cleaner will make the product more attractive (1 mark). Therefore <i>Dyson</i> will make more sales compared to rivals such as <i>Hoover</i>. (1 mark).</p> <p>This answer would gain <b>three</b> marks since there are at least two linked strands that build the explanation, following the identification of a benefit. The answer is also rooted in the context of <i>Dyson/vacuum cleaners</i> since reference is made to '<i>heavy when carrying upstairs</i>' and '<i>Hoover</i>'.</p>	<p><b>(3)</b></p>

Question Number	Indicative content
<p><b>4(d)</b></p> <p><b>AO2=2</b></p> <p><b>AO3=4</b></p>	<p>The aim here is for candidates to make a judgement as to whether 'increase promotion' (option 1) or 'improve the product' (option 2) is more effective in allowing <i>Dyson</i> to extend the product life cycle. There is no right or wrong answer and the candidate can argue that either option is better, depending on the circumstances. Candidates might consider the following possible ideas as part of their answer:</p> <p>Option 1: Increase promotion:</p> <ul style="list-style-type: none"> <li>• will increase consumer awareness of the <i>DC54</i>.</li> <li>• can be done reasonably fast.</li> <li>• makes the <i>DC54</i> appear more competitive/better value than rival cleaners e.g. <i>Hoover</i> and <i>VAX</i>.</li> <li>• lower income families may prefer a vacuum cleaner that is on special offer.</li> </ul> <p>Option 2: Improve the product:</p> <ul style="list-style-type: none"> <li>• customers want better vacuum cleaners that are lighter/collect more dust etc.</li> <li>• <i>Dyson</i> have a reputation for innovation.</li> <li>• <i>DC54</i> will become more attractive than rivals.</li> <li>• may allow <i>DC54</i> to enter new market segments e.g. elderly consumers who cannot carry heavy cleaners.</li> </ul> <p>To be evaluative and support the judgement made, the candidate might suggest that option 2 might be better since increased promotion may result in higher costs/lower profits or may simply lead to rivals copying whatever promotion <i>Dyson</i> has used. The candidate might also suggest that the success of any promotion may depend on the type of promotional activity used.</p> <p>An alternative route to evaluation might come through the candidate suggesting that option 1 is the better option because some forms of promotion can be done more speedily than improving the <i>DC54</i> vacuum cleaner. The candidate might also suggest that any new features/innovation will need to be promoted via advertising otherwise consumers will not be aware of the improved vacuum cleaner.</p>

<b>Level</b>	<b>Mark</b>	<b>Descriptor</b>
<b>No mark</b>	<b>0</b>	Non-rewardable material.
<b>Level 1</b>	<b>1-2</b>	A judgement or point is given as to which method is more likely to allow <i>Dyson</i> to extend the product life cycle of its <i>DC54</i> vacuum cleaner. If there is just a simple judgement or where the support shows misunderstanding 1 mark should be awarded. If this judgement/point has some simple support, the response should be placed at the top of this level.
<b>Level 2</b>	<b>3-4</b>	A judgement/point is given on one or both issues with some development/support, which includes at least <b><u>one</u></b> reason/cause/consequence etc. At the top of this level this analysis will be relevant and linked to the judgement/point made.
<b>Level 3</b>	<b>5-6</b>	A judgement/point is given on one or both issues with some development/support, which includes at least <b><u>two</u></b> reasons/causes/consequences etc. <b><u>and includes some balance.</u></b>  At the top of this level there will be a conclusion drawn from the analysis <b><u>and the answer will be in <i>Dyson/vacuum cleaner</i> context.</u></b>

**Section B:**

<b>Question Number</b>	<b>Answer</b>	<b>Mark</b>
<b>5(a)</b> <b>AO1=2</b>	<p>'Qualitative market research' is the collection of non-numeric information that includes opinions and judgements.</p> <p>2 marks for an accurate definition (one that makes it clear that the information collected is not numeric).</p> <p>Note: Responses that just define 'market research' without any attempt to make a distinction between market research and qualitative market research should score 0 marks.</p>	<b>(2)</b>

<b>Question Number</b>	<b>Answer</b>	<b>Mark</b>
<b>5(b)</b> <b>AO2=1</b>	<p>1 mark for the identification of a method. The suggested method must be a realistic method that could be used by <i>Travelodge</i>/hotel firms.</p> <p>Possible methods include:</p> <ul style="list-style-type: none"><li>• cleaning rooms better.</li><li>• faster check-ins.</li><li>• better trained/friendlier receptionists.</li><li>• more facilities in the room.</li><li>• comfier beds.</li></ul> <p>Accept any realistic method that would apply to <i>Travelodge</i>/hotel firms. Accept generic responses if they could apply to <i>Travelodge</i>. E.g. improved training.</p>	<b>(1)</b>



Question Number	Answer	Mark
<p><b>5(c)</b></p> <p><b>AO2=2</b></p> <p><b>AO3=1</b></p>	<p>For 3 marks, there will be <b>one</b> impact identified and <b>two</b> clearly identifiable linked strands of explanation between the statements. These may contain connective words such as, 'this leads to...', 'because...' etc. The explanation <b>must be</b> in the <i>Travelodge</i>/hotel construction/environment context if it is to secure all three marks.</p> <p>Possible impacts include:</p> <ul style="list-style-type: none"> <li>• fewer resources used.</li> <li>• less pollution.</li> <li>• lower carbon footprint.</li> <li>• less disruption during construction.</li> </ul> <p>E.g. Less pollution will be created (1 mark). This is because fewer non-renewable resources, such as steel, will be used during construction (1 mark). This is because they are using second-hand shipping containers (1 mark).</p> <p>This answer would gain <b>three</b> marks since there are at least two linked strands that build the explanation, following the identification of an impact. The candidate also contextualises their response using the phrase '<i>second-hand shipping containers</i>' and the word '<i>steel</i>'.</p>	<p><b>(3)</b></p>

Question Number	Answer	Mark
<p><b>5(d)</b></p> <p><b>AO1=2</b> <b>AO2=2</b> <b>AO3=4</b></p>	<p>This question has a 2 x 4 mark split. There is <b>one</b> mark for identifying an advantage and <b>one</b> mark for identifying a disadvantage to <i>Travelodge</i>. The remaining <b>three</b> marks are for the explanation which should develop the advantage/disadvantage to <i>Travelodge</i>. Within the answer there should be at least <b>three</b> clearly identifiable strands of explanation. These may contain connective words such as, 'this leads to...', 'because...' etc. The explanation for both the advantage and disadvantage <b>must be</b> in context if it is to secure all four marks.</p> <p>Possible advantages include:</p> <ul style="list-style-type: none"> <li>• salaries are fixed costs so do not change.</li> <li>• <i>Travelodge</i> will not have to pay managers overtime.</li> <li>• managers will be more motivated.</li> <li>• <i>Travelodge</i> can plan cash flows/costs in advance.</li> </ul> <p>Possible disadvantages include:</p> <ul style="list-style-type: none"> <li>• salaries cannot be reduced if the hotel under-performs.</li> <li>• lower motivation.</li> <li>• other forms of remuneration may be more applicable.</li> <li>• could lead to higher prices.</li> </ul> <p>E.g. <b>Advantage:</b> Managers will be more motivated (1 mark).</p> <p>Paying managers a salary will provide them with high levels of security in Maslow's Hierarchy of Needs (1 mark). As a result, managers will have increased motivation. This will encourage them to solve problems in the hotel, such as dirty bedrooms, faster (1 mark). This will make customers happier/loyal (1 mark).</p> <p>This answer would gain <b>four</b> marks since an advantage has clearly been identified and there are at least <b>three</b> linked strands that build the explanation, with reference to the context through the use of the phrase '<i>dirty bedrooms</i>' Without the use of context this answer would only be worth 3 marks.</p>	<p><b>(8)</b></p>

Question Number	Answer	Mark
<b>6(a)</b>  <b>AO1=2</b>	<p>The '<i>margin of safety</i>' is the difference between the actual level of output and the break-even level of output.</p> <p>2 marks for an accurate definition. If an accurate definition is not given award 1 mark for an answer that suggests that the candidate has some understanding of the term. E.g. Amount by which sales can fall before a loss is made.</p>	<b>(2)</b>

Question Number	Answer	Mark
<b>6(b)(i)</b>  <b>AO1=1</b> <b>AO2=1</b> <b>AO3=1</b>	<p>1 mark for the identification of the formula, 1 mark for workings and 1 mark for the correct answer.</p> <p>Break-even = <math>\frac{\text{Total Fixed Costs}}{\text{Price} - \text{AVC}}</math></p> <p>Fixed costs = £100 000  Variable costs = £10 per room  Selling Price = £50 per room</p> <p>therefore:</p> <p>Break-even = <math>\frac{£100\ 000}{(£50 - £10)}</math></p> <p>therefore:</p> <p>Break-even = 2,500 rooms/nights.</p>	<b>(3)</b>

Question Number	Answer	Mark
<p><b>6(b)(ii)</b></p> <p><b>AO1=1</b> <b>AO2=1</b> <b>AO3=1</b></p>	<p>1 mark for the identification of the formula, 1 mark for workings and 1 mark for the correct answer.</p> <p>Profit = Revenue – Total Costs</p> <p>therefore:</p> <p>Revenue = 3,900 x £50 = £195 000</p> <p>Total costs = (3,900 x £10) + £100 000 = £139 000</p> <p>therefore:</p> <p>Profit = £195 000 - £139 000 = £56 000</p> <p>Also reward a candidate with full marks if they multiply the margin of safety (1,400 rooms) by the contribution per unit (£40) to reach the answer. 1 mark for showing workings and 1 mark for the correct answer.</p>	<p><b>(3)</b></p>



Question Number	Indicative content	
<p><b>*6(c)</b></p> <p><b>QWC Strands (i), (ii) and (iii)</b></p> <p><b>AO2=4</b> <b>AO3=4</b></p>	<p>The aim here is for candidates to consider the usefulness of break-even analysis to a hotel company such as <i>Travelodge</i>. The question has the command word 'assess', so the candidate must develop some evidence of balance within their answer. This could take the form of considering the extent to which break-even analysis could be useful. Assessment could also be developed by suggesting that hotels such as <i>Travelodge</i> operate in a competitive market so variables, such as the price of each room, can change. This reduces the usefulness of break-even analysis to <i>Travelodge</i>. An alternative route to attaining assessment marks could come through the consideration of the drawbacks of break-even analysis e.g. the assumption that all the hotels rooms can be sold regardless of the price.</p> <p>Possible reasons why break-even analysis could be useful:</p> <ul style="list-style-type: none"> <li>• can see how many rooms need to be sold per night to break-even/calculate margin of safety.</li> <li>• can ask 'what-if' questions e.g. seeing impacts of price changes on the break-even level of output.</li> <li>• helps <i>Travelodge</i> to set targets.</li> <li>• <i>Travelodge</i> only really sell one product (rooms) so it could be a useful tool.</li> </ul> <p>Possible sources of balance:</p> <ul style="list-style-type: none"> <li>• many hotel rooms are sold at different prices so it is hard to calculate a single break-even point.</li> <li>• too simplistic – variable costs can rise.</li> <li>• can only cope with one product and <i>Travelodge</i> may sell many different items such as food.</li> </ul>	
Level	Mark	Descriptor
<b>No mark</b>	<b>0</b>	Non-rewardable material. No mark is to be awarded if the candidate just re-states the question.
<b>Level 1</b>	<b>1-2</b>	<p>Candidate will consider <b>one</b> factor related to usefulness of break-even analysis <b>with no development</b> - bottom of level.</p> <p>Candidate will consider <b>one</b> factor related to the usefulness of break-even analysis <b>with simple development</b> – top of level.</p> <p>Candidate will consider <b>two</b> factors relating to the usefulness of break-even analysis <b>with no development</b> – top of level.</p> <p>The quality of written communication will be poor with frequent spelling, punctuation, style and grammar errors.</p>

<p><b>Level 2</b></p>	<p><b>3-5</b></p>	<p>Candidate will consider <b>one</b> factor relating to the usefulness of break-even analysis <b><u>with more detailed development</u></b> – bottom of level.</p> <p>Candidate will further develop their responses with a reason/cause/consequence – middle of level.</p> <p>Candidate will have <b><u>some evidence of balance</u></b> – top of level.</p> <p>At the top of the level there will be some evidence of balance to the point/judgement in the form of advantage/disadvantage, cost/benefit, pro/con or some counterbalancing factor. At the top of the level, candidates may attach some value/importance to one of the factors.</p> <p>There will be a good level of quality of written communication with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter.</p>
<p><b>Level 3</b></p>	<p><b>6-8</b></p>	<p>Candidate will consider factor(s) relating to the usefulness of break-even analysis with development which includes <b>two</b> reasons/causes/consequences, balance with unsupported conclusion/judgement(s) all of which is in the context of the business – bottom of level.</p> <p>Candidate will consider factor(s) relating to the usefulness of break-even analysis with development which includes <b>two</b> reasons/causes/consequences, clear balance with supported conclusion/judgement(s) all of which is in the context of the business – middle of level.</p> <p>Candidate will consider factor(s) relating to the usefulness of break-even analysis with development which includes <b>two</b> reasons/causes/consequences, clear balance with supported conclusion/judgement(s) all of which is in the context of the business and using the 'it depends' rule or something similar – top of the level.</p> <p>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 and there will be clear evidence that the candidate has structured their answer clearly and coherently, using appropriate terminology.</p>

**Section C:**

Question Number	Answer	Mark
<p><b>7</b></p> <p><b>AO1=2</b></p>	<p>A '<i>pressure group</i>' is an organisation or group of people that try to influence the decision making of a business or government.</p> <p>2 marks for an accurate definition. If an accurate definition is not given award 1 mark for an answer that suggests that candidate has some understanding of the term. E.g. They try and stop a business from being bad.</p> <p>An imperfect definition can be raised to 2 marks through the use of an example or some kind of accurate elaboration. E.g. <i>Greenpeace</i> are trying to get <i>Zara</i> to reduce the use of harmful dyes in its factories.</p>	<p><b>(2)</b></p>

Question Number	Answer	Mark
<p><b>8</b></p> <p><b>AO1=1</b></p> <p><b>AO2=1</b></p>	<p>1 mark for the identification of an impact on <i>Zara</i> from improving its health and safety record and 1 mark for some kind of appropriate development of the impact in context.</p> <p>Possible impacts include:</p> <ul style="list-style-type: none"> <li>• less damage to brand.</li> <li>• reduces pressure group activity.</li> <li>• avoids government regulation/fines.</li> <li>• reduces staff turnover.</li> <li>• increases worker motivation.</li> <li>• increased costs.</li> <li>• more bureaucracy/paperwork.</li> </ul> <p>E.g. By doing this it would reduce <i>Greenpeace's</i> campaign against them (1 mark). Therefore the <i>Zara</i> brand won't be damaged (1 mark).</p> <p>This answer would gain <b>two</b> marks since an impact has been identified '<i>reduce Greenpeace's campaign</i>' and this is developed through '<i>brand won't be damaged</i>'. Contextualisation is provided through '<i>Greenpeace</i>'.</p>	<p><b>(2)</b></p>





Question Number		Indicative content
*9  QWC Strands (i), (ii) and (iii)  AO2=3 AO3=3		<p>The aim here is for candidates to consider the benefits to <i>Zara</i> from improving its ethical behaviour. The question asks the candidate to 'discuss', so we should expect some balance within the answer. This could come from considering the extent to which improving ethical behaviour is beneficial or through a consideration of the drawbacks of doing so.</p> <p>Reasons why improved ethical behaviour could be beneficial:</p> <ul style="list-style-type: none"> <li>• improves the brand image.</li> <li>• source of added value.</li> <li>• reduces pressure group activity.</li> <li>• source of competitiveness.</li> </ul> <p>Possible sources of balance:</p> <ul style="list-style-type: none"> <li>• some consumers may not care/know.</li> <li>• increased costs may lead to higher prices.</li> </ul>
Level	Mark	Descriptor
No mark	0	Non-rewardable material.
Level 1	1-2	<p><b>One</b> point as to why improving its ethical behaviour would be beneficial to <i>Zara</i> with some simple development or <b>two</b> points are given with no development of either.</p> <p>An alternative route to marks in this level is if just a simple judgement or value is given to a benefit. 1 mark can be awarded for no support and 2 if some simple support is offered.</p> <p>The quality of written communication will be poor with frequent spelling, punctuation, style and grammar errors.</p>
Level 2	3-4	<p>Reference to at least <b>two</b> points as to why improving its ethical behaviour would be beneficial to <i>Zara</i> with some development of one of the benefits. At the lower end of the level some development/support, which includes at least <b>one</b> reason/cause/consequence etc.</p> <p>At the top of the level there will be a clear development of two benefits.</p> <p>There will be a good level of quality of written communication with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter.</p>
Level	5-6	Reference to at least <b>two</b> points as to why improving its

<b>3</b>	<p>ethical behaviour would be beneficial to <i>Zara</i>. A judgement is given with some development which includes at least <b><u>two</u></b> reasons/causes/consequences etc. for each point <b><u>and should include some comparison/judgement as to which point is more important/evidence of balance.</u></b></p> <p>Answers at the top of this level will refer to the <i>Zara/clothing/'Detox your fashion'</i> context.</p> <p>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 and there will be clear evidence that the candidate has structured their answer clearly and coherently, using appropriate terminology.</p>
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Question Number		Indicative content
<p><b>*10</b></p> <p><b>QWC Strands (i), (ii) and (iii)</b></p> <p><b>AO2=4</b> <b>AO3=6</b></p>		<p>The aim here is for candidates to make a judgement as to whether Just In Time (JIT) is important in allowing <i>Zara</i> to remain competitive. To demonstrate the evaluative skill, candidates could consider the importance of JIT relative to other methods of stock control that <i>Zara</i> could adopt. For instance, candidates may consider that JIT is critical since <i>Zara</i> is not then left with clothing that has gone out of fashion. Other candidates may suggest that other factors such as the quality of the clothes, ethical responsibility and promotion etc. are much more important in allowing <i>Zara</i> to remain competitive. Some candidates may link JIT to the clothing product and state that JIT is important since it allows <i>Zara</i> to produce fashionable clothes far quicker than competitors. There is no right or wrong answer to this question, but candidates should aim to make a judgement which is supported and balanced. Candidates may consider the following ideas as part of their answer:</p> <p>Reasons why JIT may be important in allowing <i>Zara</i> to remain competitive:</p> <ul style="list-style-type: none"> <li>• can produce new clothing collections quicker.</li> <li>• is not left with clothes that are out of fashion.</li> <li>• reduces stockholding costs.</li> <li>• can react to changes in the market faster than rivals.</li> <li>• more suitable than other stock control systems.</li> </ul> <p>Possible sources of balance:</p> <ul style="list-style-type: none"> <li>• <i>Zara's</i> factories may be late in producing clothes.</li> <li>• they could run out of popular items despite the twice weekly deliveries.</li> <li>• other factors that lead to competitiveness may be much more important. E.g. promotion, ethical responsibility, product quality etc.</li> <li>• in certain circumstances, other stock control systems may have greater advantages.</li> </ul>
Level	Mark	Descriptor
No mark	0	Non-rewardable material.
Level 1	1-4	<p>Candidates will consider <b>one</b> point with no statement – bottom of level.</p> <p>Candidate will consider <b>one</b> point with basic statement – middle of level.</p> <p>Candidate statements are supported - top of level.</p> <p>The quality of written communication will be poor with frequent spelling, punctuation, style and grammar errors.</p>

<p><b>Level 2</b></p>	<p><b>5-7</b></p>	<p>Candidate will consider <b>two</b> reasons/causes/consequences to support point(s) – bottom of level.</p> <p>Candidate will develop their reasons/causes/consequences – middle of level.</p> <p>Candidate will have some evidence of balance – top of level.</p> <p>There will be a good level of quality of written communication with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter.</p>
<p><b>Level 3</b></p>	<p><b>8-10</b></p>	<p>Candidate will consider point(s) with development which includes <b>two</b> reasons/causes/consequences, balance with an unsupported conclusion or judgement(s) all of which is in the context of <i>Zara/clothing</i> – bottom of level.</p> <p>Candidate will consider point(s) with development which includes <b>two</b> reasons/causes/consequences, clear balance with supported conclusion/judgement(s) all of which is in the context of <i>Zara/clothing</i> – middle of level.</p> <p>Candidate will consider point(s) with development which includes <b>two</b> reasons/causes/consequences, clear balance with supported conclusion/judgement(s) all of which is in the context of <i>Zara/clothing</i> and using the 'it depends' rule or something similar – top of the level.</p> <p>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 and there will be clear evidence that the candidate has structured their answer clearly and coherently, using appropriate terminology.</p>