

Mark Scheme (Results)

Summer 2010

GCE

GCE APPLIED BUSINESS (6921) Paper 01

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For all questions, accept any reasonable answer if it is correct

Question Number	Exemplar Responses	Mark Allocation
1 (a) <u>AO1</u> MB1 = 1 MB2 = 1	<ul style="list-style-type: none"> A name/symbol that has been registered as belonging to a specific business - makes it illegal to copy and use the trademark for commercial gain/helps business's products to be recognised. 	1 mark for understanding the whole term (may be implied) 1 mark for advantage of it being registered/or of having a trade mark (2 marks)

Question Number	Exemplar Responses	Mark Allocation
1 (b) <u>AO2</u> MB1 = 1 MB2 = 1 MB3 = 1	<ul style="list-style-type: none"> The trademark was 'Mouseman' - this related to the founder who had carved the first mouse - each piece of furniture now has a mouse carved on it so 'Mouseman' refers to all of the craftsmen. 	1 mark for identification of the trademark One mark for why it was chosen 1 mark for why it is particularly appropriate (3 marks)

Question Number	Exemplar Responses	Mark Allocation
1 (c) <u>AO1</u> MB3 = 1 <u>AO2</u> MB2 = 1 <u>AO3</u> MB1 = 1 MB2 = 1	<ul style="list-style-type: none"> The showroom - this allows customers to inspect the actual furniture - they can then see the quality for themselves - will then see whether or not the quality is being exaggerated. Articles in the press - these stress the value of the furniture - customers are looking for quality oak furniture and value will reflect this - the articles are written independently of the business/will not need to exaggerate the quality but will report what they have found. 	1 mark for method if justified 1 mark for what this shows potential customers 1 mark for how quality will be shown 1 mark for why that will not exaggerate the quality (4 marks)

Question Number	Exemplar Responses	Mark Allocation
2 (a) <u>A02</u> MB1 = 1	<ul style="list-style-type: none"> • It is not a typical form of promotion. • It is outside of the home. • It is in the environment where the visitors are. 	1 mark for reason (1 mark)

Question Number	Exemplar Responses	Mark Allocation
2 (b) <u>A01</u> MB1 = 2 <u>A02</u> MB1 = 2 MB2 = 1	<ul style="list-style-type: none"> • Only in Kilburn - only seen by visitors to the actual workshop - many may not be potential customers. • Only open during normal business hours - unlikely to be open at weekends - that may be when most visitors come. • Viewing is from a gallery - will only be able to see from a distance - potential buyers may want to see the work up close. • Some visitors will be tourists - they may not be interested in buying any furniture - may just be interested in seeing how it is made. 	1 mark for limitation (maximum 2 marks) 1 mark for why it comes from this form of ambient promotion (maximum 3 marks) (5 marks)

Question Number		Indicative content
3 Qwc <u>A01</u> MB1 = 1 MB2 = 1 <u>A03</u> MB1 = 2 MB2 = 2 MB3 = 2 <u>A04</u> MB1 = 1 MB2 = 1 MB3 = 1		<p><u>Target market:</u></p> <ul style="list-style-type: none"> • People wanting quality, valuable, furniture. • UK and abroad. • People buying furniture as an investment for the future. <p><u>Specific nature:</u></p> <ul style="list-style-type: none"> • Leaflets are for tourists, visitors. • Website is for everyone, visitors, customers, businesses. <p><u>Application and assessment</u></p> <ul style="list-style-type: none"> • People wanting quality oak furniture (1) - they could be anywhere in the UK or abroad (1) - the leaflets are for visitors (2) - they are available in tourist information centres (2) - the website is available to everyone (2) - has details of prices, unlikely to be shown on the leaflets (2) - the main target market is customers who will buy the furniture (3) - will want to know what products are available (3) - will want to be able to order the products (3) - these details are available on the website (4) - will not be available in the leaflet as that is for tourists going to the visitor centre (4).
Level	Mark	Descriptor
0	0	No rewardable material
Level 1	1 - 2	<p>Identification of the main target market (may be implied) and relevant general details on the features of leaflet and websites. There is no consideration of the specific natures of the leaflet and website nor any application of that to the target market.</p> <p>The candidate uses everyday language and the response lacks clarity and organisation and is difficult to comprehend. Spelling, punctuation and the rules of grammar are used with little accuracy.</p>
Level 2	3 - 6	<p>The basic nature of the leaflet and the website are examined with appropriate details selected from Figure 1. Basic application to the main target market. Basic points of comparison.</p> <p>The candidate uses everyday language and the response lacks clarity and organisation and is difficult to comprehend. Spelling, punctuation and the rules of grammar are used with limited accuracy.</p>
Level 3	7 - 9	<p>The benefits and drawbacks of the two methods are considered in terms of their nature and compared to, and related to, the main target market.</p> <p>The candidate uses some specialist terms and the response shows some focus and organisation. Spelling, punctuation and the rules of grammar are used with some accuracy.</p>
Level 4	10 - 11	<p>A reasoned conclusion as to which of the methods is more effective in terms of the reaching the target market.</p> <p>The candidate uses appropriate specialist terms and the response shows good focus and organisation. Spelling, punctuation and the</p>

		rules of grammar are used with considerable accuracy.
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Question Number	Exemplar Responses	Mark Allocation
4 (a) <u>AO1</u> MB1 = 1	<ul style="list-style-type: none"> • Public relations/PR. • Good publicity. • Sales promotion. 	1 mark for the type (1 mark)

Question Number	Exemplar Responses	Mark Allocation
4 (b) <u>AO1</u> MB1 = 1 MB2 = 1 <u>AO2</u> MB1 = 1 MB2 = 1 MB3 = 1	<ul style="list-style-type: none"> • Will create a positive image of the business - the donations are being given to good causes - they also support local interests so customers may be more willing to buy - Volco chooses the products - could be chosen to get rid of slow selling stock. • Will make the business look generous - part of the price/revenue is being given away instead of taken as profit - supports local good causes by buying at the local store - the products could be selected which are regularly purchased - most people will be buying these products so feeling they are helping to support the local community. • Stock clearance - the products chosen may be those Volco has a surplus of - additional sales will help Volco get rid of stocks that are not selling fast enough - customers will buy the selected items because their purchases will help the local community - are unlikely to think of the products as being ones Volco wants to get rid of. • Increases sales/number of customers - customers will be attracted to the shops because they have specially offers - this may not be an offer being made by competitors - customers will feel that their purchases help other people - may want to concentrate on these products when there are alternatives in the shop, or in competitors shops. 	mark for general objective 1 mark for why that is good PR/promotion (maximum 2 marks) 1 mark for objective linked to the certain products bought (maximum 2 marks) (5 marks)

Question Number	Exemplar Responses	Mark Allocation
5 (a) <u>AO1</u> MB1 = 1 <u>AO2</u> MB1 = 2 MB2 = 1	<ul style="list-style-type: none"> Prices will need to be in another currency/euros - <i>Volco</i> will need to find out what the currency exchange rates are - will have to consider what the competitor's prices are in euros - will set prices in the promotional literature at acceptable levels. Promotions will have to be costed in Euros - will need to find out what the costs are for different forms of promotion - may need to change Pounds into Euros in order to pay for promotions in Europe - will need to consider possible changes in the value of the Pound. Packaging will need to show any prices in Euros - <i>Volco</i> may decide to put prices in Pounds and Euros - may then need to make frequent changes if the £/€ rate changes - may decide it would be safer to put no prices on the packaging. 	1 mark for change in promotion needed (maximum 2 marks) 1 mark for how that will affect <i>Volco's</i> planning of its promotion (maximum 3 marks) (4 marks)

Question Number	Exemplar Responses	Mark Allocation
5 (b) <u>AO1</u> MB1 = 1 MB2 = 1 <u>AO2</u> MB1 = 1 <u>AO3</u> MB1 = 1	<ul style="list-style-type: none"> Can help to keep costs down - when one leaflet is designed it can be used for all outlets - the goods are supplied by <i>Volco</i> - all special offers, etc, can be made the same. <i>Volco</i> will choose how it wants to promote its products - it can ensure that the '<i>Volco</i>' name is publicised on all of its promotions - this will make the '<i>Volco</i>' name well known - would encourage other independent retailers to join the voluntary chain. Retailers will not need to worry about promotion - can concentrate on selling more goods - will then order more goods from <i>Volco</i> - this will provide <i>Volco</i> with even more money to support additional promotion. 	1 mark for way it helps (maximum 2 marks) 1 mark for why this comes from carrying out most of the promotion (maximum 3 marks) (4 marks)

Question Number		Indicative content
<p>6</p> <p>Qwc</p> <p><u>A01</u> MB2 = 1 MB3 = 1</p> <p><u>A02</u> MB2 = 1 MB3 = 1</p> <p><u>A03</u> MB1 = 1 MB2 = 1 MB3 = 1</p> <p><u>A04</u> MB1 = 2 MB2 = 1 MB3 = 1</p>		<ul style="list-style-type: none"> 60% of respondents gave delivery to homes (1) - this is the highest response of the three methods (1) - only 20% of respondents quoted each of the other two methods (2) - response for delivered leaflets is three time greater than either of the other methods (2) - in terms of the numbers of people seeing a method first leaflets delivered to people's doors is most effect and should be concentrated on (2) - when the cost per unit is combined with the number of units used cost are 1 = £36, 2 = £4 and 3 = 20p (3) - in terms of cost the posters are the most efficient (3) - however 80 of respondents went for other methods (3) - if any of the methods are dropped 20% of customers may be lost (4) - however, the question only asked which was seen first and not what the impact was (4) - without further study it would be best to keep all three methods (4). <p>NB. If no data is considered from Table 1 and there is only general reference to the methods, L1 could be achieved as follows:</p> <ul style="list-style-type: none"> Leaflets delivered to homes may be seen but then thrown away as junk mail (1) - posters in the window may be seen an attract customers into the shops there and then (1).
Level	Mark	Descriptor
0	0	No rewardable material
Level 1	1 - 2	<p>Basic understanding of what the data shows in terms of the number of leaflets and posters used and the response from customers. Appropriate data is selected, but cost is not considered. Alternatively, answers only refer to the nature of using leaflets or posters as the method of promotion.</p> <p>The candidate uses everyday language and the response lacks clarity and organisation and is difficult to comprehend. Spelling, punctuation and the rules of grammar are used with little accuracy.</p>
Level 2	3 - 5	<p>Relevant data is considered and compared in terms of numbers being used and numbers of customers saying they saw the method first. A reason decision is made on the basis of only this data. Cost/unit may be referred to as it is recorded on the table, but no additional analysis is made.</p> <p>The candidate uses everyday language and the response lacks clarity and organisation and is difficult to comprehend. Spelling, punctuation and the rules of grammar are used with limited accuracy.</p>
Level 3	6 - 8	<p>Analysis of the cost is made to provide relative costs for each method. Analysis considers both the respondents' figures and the total costs of the promotions. Figures will be expressed in measurements that have taken the cost per unit and the numbers used. At the higher end these will be compared to the percentage responses.</p>

		The candidate uses some specialist terms and the response shows some focus and organisation. Spelling, punctuation and the rules of grammar are used with some accuracy.
Level 4	9 - 11	<p>Reasoned decision will be made which takes into account the actual total costs. Limitations of the figures shown on Table 1 are taken into account.</p> <p>The candidate uses appropriate specialist terms and the response shows good focus and organisation. Spelling, punctuation and the rules of grammar are used with considerable accuracy.</p>

Question Number	Exemplar Responses	Mark Allocation
7 (a) <u>AO1</u> MB1 = 1 MB3 = 1 <u>AO2</u> MB1 = 1 MB2 = 1	<ul style="list-style-type: none"> Half price and BOGOF - both mean that customers will be paying half the normal price on the offer - will depend on what the original price was - saving on what was a £12 bottle of spirits will be £6 where as savings on £4 beer offer will only be £2. Half price and BOGOF - the BOGOF offer means the price of two items will be half the original price - if a person only wants one item BOGOF will not appeal - the half price items will then offer better value for money. 	1 mark for both promotions 1 mark for why they are the best value for money 1 mark for consideration of other factors (maximum 2 marks) (4 marks)

Question Number	Exemplar Responses	Mark Allocation
7 (b) <u>AO1</u> MB1 = 2 MB2 = 1 <u>AO2</u> MB1 = 2	<ul style="list-style-type: none"> These are all alcoholic products - lowering the prices may encourage people to drink more - prices have been lowered by up to 50% so many people may take up the offer - this could be bad for their health - it would be wrong for a business to encourage people to do something that is bad for them. Alcoholic products - these are only being offered to people who want to buy alcohol - only one product is offered that is not alcoholic - people who do not drink alcohol/who feel it is wrong to drink alcohol may feel this is unfair - they may feel they are being discriminated against. 	1 mark for nature of the products 1 mark for effect of the promotion (maximum 3 marks) 1 mark for why that is unethical (maximum 2 marks) (1 + 3 + 1) or (1 + 2 + 2) (5 marks)

Question Number	Exemplar Responses	Mark Allocation
8 (a) <u>AO1</u> MB1 = 1 MB2 = 1 <u>AO2</u> MB1 = 2	<p>(<i>Tesco</i> has been used as an example for Q8)</p> <p><u>Name of business - <i>Tesco</i>.</u></p> <p><u>Main type of good or services - groceries</u></p> <ul style="list-style-type: none"> To announce reduced price in the fresh fruit and vegetables section - selected items had been reduced by up to 50% - used to make customers in the store aware of the change in prices - used to help clear items that were reaching their sell by date. To announce new lines in the store - increased range of organic vegetables - details of the aisle where the products were displayed - helps to promote products that customers may not know about. Christmas music played at that season - supporting the sale of a variety of items associated with Christmas - puts customers in a festive mood - will think about what foods, drinks, decorations they need to buy for Christmas. 	<p>1 mark for example of when it was used (maximum 2 marks)</p> <p>1 mark for details of what was being promoted (maximum 2 marks)</p> <p>1 mark for how this promoted the products (maximum 2 marks)</p> <p>(N.B. all parts of the mark allocation must be covered for full marks)</p> <p>(4 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
8 (b) <u>AO2</u> MB1 = 1 MB2 = 1 MB3 = 2	<p>Monitors the changes in sales against the PA announcements - when sales are not increasing as expected another PA announcement is given - this allows <i>Tesco</i> to assess effectiveness against other methods - if re-labelling with lower prices is effective no PA is made.</p> <p>(N.B. The answer should relate to the example(s) given in part (a))</p>	<p>1 mark for the way used (maximum 2 marks)</p> <p>1 mark for why that will help it to be effective (maximum 2 marks)</p> <p>(4 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
8 (c) <u>AO1</u> MB1 = 2	<ul style="list-style-type: none"> Customers may have set lists so ignore the PA announcement. Will only promote to customer who are in the store. 	<p>1 mark for each drawback</p> <p>(2 marks)</p>

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|--|--|--|
| | <ul style="list-style-type: none">• Deaf customers will not hear it. | |
|--|--|--|

Question Number	Exemplar Responses	Mark Allocation
9 (a) <u>A01</u> MB1 = 2 MB2 = 1 MB3 = 1	<p>(The <i>Red Bull</i> sponsorship has been taken as an example for Q9)</p> <p><u>Name of sponsor - <i>Red Bull</i></u></p> <p><u>Name of business/organisation sponsored - F1</u></p> <ul style="list-style-type: none"> Funds provided to pay for running the F1 team - 'Red Bull' given as the name of the F1 team - <i>Red Bull</i> agreed to support the team for three years - £20 million paid. 	<p>1 mark for what the sponsor provided</p> <p>1 mark for what the business being sponsored provided</p> <p>1 mark for detail of what was agreed in terms of time/cost, etc. (maximum 2 marks)</p> <p>(4 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
9 (b) <u>A01</u> MB2 = 1 <u>A02</u> MB3 = 1 <u>A03</u> MB2 = 1 MB3 = 1 <u>A04</u> MB1 = 1 MB2 = 1	<ul style="list-style-type: none"> Gets its name promoted whenever the Red Bull team races - Red Bull team has part of its very expensive production costs paid for - £20 mil. is a major part of the cost for the team - <i>Red Bull</i> has a very much higher turnover/budget than the team so £20 mil is less important - <i>Red Bull</i> will benefit when the team performs well - the team will benefit from the sponsorship funds even when it does not win races so overall the team is likely to benefit more than <i>Red Bull</i>. 	<p>1 mark for benefit for sponsor (maximum 2 marks)</p> <p>1 mark for benefit for sponsored business (maximum 2 marks)</p> <p>1 mark for comparison (maximum 2 marks)</p> <p>1 mark for justification of why one business benefits more than the other.</p> <p>(2 + 1 + 2 + 1) or (1 + 2 + 2 + 1)</p> <p>(6 marks)</p>

Question Number	Exemplar Responses	Mark Allocation
10 (a) <u>AO1</u> MB1 = 1	(<i>Kia Motors</i> has been taken as an example for Q10) <u>Name of business being promoted</u> - <i>Kia Motors</i> . <u>Name of business owning website</u> - <i>Daily Mirror</i> . Pop-up showed details of <i>Kia</i> 's new vehicle the CEE'D.	1 mark for name of both businesses and description (1 mark)

Question Number	Exemplar Responses	Mark Allocation
10 (b) <u>AO1</u> MB2 = 1 MB3 = 1 <u>AO2</u> MB1 = 1 <u>AO4</u> MB1 = 2	Website shows news items - the pop-up showed details of the launch of a new model of car - this is a news item for <i>Kia</i> so a newspaper site is an appropriate place to the promotion - the price range for the CEE'D was £7,995 upwards - this was a price range that readers of the paper would feel was a reasonable price.	1 mark for feature of the website (maximum 2 marks) 1 mark for how the pop-up related to that website (maximum 2 marks) 1 mark for why the business placing the pop-up benefited from this site (maximum 2 marks) (5 marks)

Question Number	Exemplar Responses	Mark Allocation
10 (c) <u>AO1</u> MB1 = 2 MB2 = 1 <u>AO2</u> MB3 = 1	<ul style="list-style-type: none"> The <i>Daily Mirror</i> was paid for allowing the pop-up on its site - the pop-up covered a large part of the news page so <i>Kia</i> needed to pay for its advertisement blocking what people might want to read - <i>Kia</i> is a major company in the motor vehicle industry - if the pop-up was successful <i>Kia</i> is likely to continue to pay the <i>Daily Mail</i> for accesses. The pop-up gives added interest to the website - it gives information on a new product that is available - it is about a new model of car that was being launched - the Mirror has a major section of its website dedicated to motoring. 	1 mark for benefit (maximum 2 marks) 1 mark for why it comes from a pop-up 1 mark for why it comes from this pop-up (maximum 2 marks) (4 marks)

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