

Mark Scheme (Results)

June 2014

GCE Applied Business

6916

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Question Number	Exemplar Responses	Mark Allocation
<b>1a)</b> <b>AO1</b> <b>MB1 = 2</b>	<ul style="list-style-type: none"> <li>• Short chain of command / wide span of control</li> <li>• Layla has direct control over each employee</li> <li>• Employees receive instructions direct from Layla</li> <li>• Instructions are not diluted/changed</li> <li>• Employees/Layla can communicate directly with each other</li> <li>• Layla can receive immediate/direct feedback from employees</li> <li>• Delegation is made easy for Layla</li> </ul>	1 mark for each advantage  <b>(2 marks)</b>

Question Number	Exemplar Responses	Mark Allocation
<b>1b i)</b> <b>AO1</b> <b>MB1 = 1</b> <b>MB2 = 1</b> <b>MB3 = 1</b>	Features: <ul style="list-style-type: none"> <li>• Business will have shares/shareholders</li> <li>• Sale of shares is limited and not public</li> <li>• Existing shareholders decide who can buy shares</li> <li>• Shareholders in many Ltds are family and friends</li> </ul> Effects: <ul style="list-style-type: none"> <li>• The more shares Layla sells the less control she has</li> <li>• Additional shareholders will have to be considered</li> <li>• Because existing shareholders have to agree sale of shares, this reduces the possibility of a takeover</li> <li>• Layla may end up with less than 50% of the shares and lose control</li> </ul>	1 mark for feature of ownership of a private limited company (maximum 2 marks)  +  1 mark for how ownership affects control (maximum 2 marks)  <b>(3 marks)</b>

Question Number	Exemplar Responses	Mark Allocation
<b>1b ii)</b> <b>AO2</b> <b>MB1 = 1</b> <b>MB2 = 1</b> <b>MB3 = 1</b>	<ul style="list-style-type: none"> <li>Layla's personal assets are separate from the business itself – this means that she will not lose her personal assets if business goes bust – as limited liability means that she will only be liable up to the value of her initial investment</li> <li>It makes investing in the business more attractive/could help attract more money from investors - if the business fails the personal liability of shareholders is limited to the amount paid for the shares when they were first purchased – which means that they may be more likely to take the risk of investing</li> </ul>	1 mark for benefit of limited liability TO LAYLA (maximum 2 marks) + 1 mark for explanation (maximum 2 marks)  <b>(3 marks)</b>

Question Number	Exemplar Responses	Mark Allocation
<b>1c)</b> <b>AO4</b> <b>MB1 = 2</b> <b>MB2 = 4</b>	<ul style="list-style-type: none"> <li>Care of the environment could affect choice of materials used – for example they could use recycled paper tissues – this will mean that fewer trees are cut down to produce the tissues – another way could be to use treatments that have not been tested on animals – there is a link between this and care for the environment as all animals are part of the natural environment – Layla could use this as part of her promotion to demonstrate the ethical credentials of the business</li> <li>Layla could include an environmental care statement in the mission statement for the business – this will show customers that she and the business care about the environment – however, Layla cannot assume that all employees have the same attitude to the environment as she does – so as part of staff training Layla could include information about how to reduce the impact of the business on the environment – and why certain products are used - and bring all employees into line with the ethos of the business</li> </ul>	1 mark for example of influence (maximum 2 marks) + 1 mark for discussion (maximum 5 marks)  <b>(6 marks)</b>

Question Number	Exemplar Responses	Mark Allocation
<p><b>1d)</b></p> <p><b>AO1</b></p> <p><b>MB1 = 1</b></p> <p><b>MB2 = 2</b></p> <p><b>AO2</b></p> <p><b>MB1 = 1</b></p> <p><b>MB2 = 1</b></p> <p><b>MB3 = 1</b></p>	<ul style="list-style-type: none"> <li>• If a customer wants to have a treatment, the receptionist is the person who answers the phone and takes the call – they keep a diary for each of the specialists/therapists – and make sure that the person is available – or that the date is OK with the customer – this avoids clashes/over-booking – and it means that the customer will not be let down</li> <li>• The receptionist keeps a diary for each of the specialist employees – hair stylist/skin/teeth/massager/beauty therapist - makes the appointment for the customer – and lets the specialist know when they have got a customer – this makes the business look efficient – and customers will want to return</li> <li>• The receptionist will be the first person a customer makes contact with – either face-to-face is they visit – or on the phone if they call – the customer will ask the receptionist about the business/what treatments or services are available – or if they can make an appointment - If the receptionist does a good job it will help increase customer satisfaction – which will encourage the customer to return/tell friends</li> </ul>	<p>1 mark for knowledge of functions of a receptionist (may be implied) (maximum 2 marks)</p> <p>1 mark for describing how the receptionist works with the specialists (maximum 3 marks)</p> <p>1 mark for how working together makes the business more successful (maximum 3 marks)</p> <p><b>(6 marks)</b></p>

Question Number	Exemplar Responses	Mark Allocation
1e) AO1 MB1 = 1 MB2 = 1 MB2 = 2	<p><b><u>Name of Business: Sainsbury's</u></b>  <b><u>Main Activities: retail supermarkets and financial services</u></b></p> <p>A long-term aim of this business is to become the number one supermarket in Britain – to do this they need to overtake Tesco – by cutting prices - or increasing advertising</p> <p><b><u>Name of Business: Gregor Graphics</u></b>  <b><u>Main Activities: design studio</u></b></p> <p>A long term aim of this business is to be bought out by a larger agency – Mr Gregor wants to retire when he is sixty and has been building up the business to sell – he has done this by increasing the value of his client's business – and by making the business more profitable and attractive to potential buyers</p>	<p>1 mark for long-term aim</p> <p>1 mark for outline (maximum 3 marks)</p> <p><b>(4 marks)</b></p>

Question Number	Exemplar Responses	Mark Allocation
1f) AO3 MB1 = 2 MB2 = 2 MB3 = 2	<p><b><u>Name of Business: Boots</u></b>  <b><u>Main Activities: retail pharmacy</u></b></p> <p>Boots is principally owned by a private equity company which provides its financing - this affects the way that it operates as its finances are not declared publically - as it would be if it was a plc - but kept private by its owners who are based in Switzerland – this form of financing also means that the business is continually trying to cut its running costs – and increase its profitability for the owners</p> <p><b><u>Name of Business: Sandy's Coffee Bar</u></b>  <b><u>Main Activities: coffee bar and tuck shop</u></b></p> <p>Sandy's is based in the Twickenham Youth centre and is financed privately by its owner – who operates as a sole trader – this means that they have to be very careful about spending money on stock – which means that stocks of sweets and biscuits are always low – as the owner can only spend as much on stock as she takes each week – this is so that she does not risk going into debt</p>	<p>1 mark for outlining financing arrangements (maximum 2 marks)</p> <p>1 mark for how form of financing outlined influences that way it operates (maximum 5 marks)</p> <p><b>(6 marks)</b></p>

Question Number		Indicative content
2a)		<p>Internal promotion is when Layla promotes someone who is already working in the business – external promotion is when she has to recruit someone from outside of the business – advantages of internal promotion will include: the fact that the person knows how the business works, knows the standards set and expected by the business and its customers, the customers are already likely to know the person so will be comfortable seeing a familiar face, customers may also be pleased to see that someone they know is 'getting on' in the business.</p> <p>Internal recruitment will also be less expensive as Layla will not need to advertise the position, or pay a recruitment agency to find someone for the job. Layla will not need to wait to find a new employee, as the person being promoted is already working in the business, and can therefore take on the increased responsibilities immediately. The person being promoted is likely to be motivated as a result of the promotion, the change of status and the likely increase in wages. However, disadvantages may be that Layla is missing the opportunity to bring new blood/new ideas into the business; the person being promoted may have trouble exerting their authority as the other employees will remember that they were once lower down the levels of authority. Layla needs a manager, and current employees may be very good therapists but have limited management skills.</p> <p>Advantages of external recruitment include: new ideas may be brought into the business; the person may have already been trained or have been working as a manager, so Layla will not need to pay for training to bring them up to the management level. Someone from outside the business will be an unknown quantity to the existing employees, so should be able to exert their authority/manage the employees, as they have no history within the business.</p> <p>If Layla uses a recruitment agency, she will have some guarantee that the person can do the job, and if not she could get compensation, also, an agency will save Layla the time it will take to conduct the recruiting herself.</p> <p>Disadvantages of external recruitment include: the risk that the new employee may not be right for the business, cannot do the job, does not get on with customers, and needs a lot of training. Overall, I think that Layla would be safer promoting internally, as the risk to the business is lower – if the person promoted is not up to the job of management, she can always bring in someone from outside; but if she had gone for an outsider in the first place, and that does not work out, she will have the trouble and cost of getting rid of them.</p>
Level	Mark	Descriptor
	0	No rewardable material

<b>Level 1</b>	<b>1 - 3</b>	<p>Candidate shows some knowledge and understanding of the general ways of recruiting staff, but makes little or no distinction between internal appointment or external recruitment, answer likely to be subjective and general, possibly based on personal experience rather than learning, any advantages or disadvantages are likely to be general statements.</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>
<b>Level 2</b>	<b>4 - 6</b>	<p>The candidate applies their knowledge and starts to show some understanding of internal appointment and/or external recruitment, advantages and disadvantages should start to be formulated and may be linked to particular issues around appointment and recruitment.</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>
<b>Level 3</b>	<b>7 - 9</b>	<p>The candidate considers internal appointment and/or external recruitment, advantages and disadvantages should start to be related to aspects of appointment and recruitment.</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>
<b>Level 4</b>	<b>10 - 12</b>	<p>The candidate identifies the differences between internal appointment and external recruitment, advantages and disadvantages will be clearly related to aspects of appointment and recruitment; examples are likely to be used to give further explanation and aid comparison.</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
<b>2b)</b> <b>AO3</b> <b>MB1 = 1</b> <b>MB2 = 1</b> <b>MB3 = 2</b>	<u>Qualities for a manager</u> <ul style="list-style-type: none"> <li>• Leadership – moves business forward through clear direction and purpose</li> <li>• Inspirational – leads through example and encouragement of subordinates</li> <li>• Good listener – has time for other employees and customers</li> <li>• Decision making – does not prevaricate but confronts problems and deals with them</li> <li>• Financially astute – to help the business make money as and when it can/watches out for where the business could be losing money and makes changes to prevent this</li> <li>• Empathetic – can be used effectively with staff and customers</li> <li>• Confident – can handle difficult situations</li> </ul>	1 mark for qualities required for a manager (maximum 2 marks)  1 mark for discussion and development of qualities (maximum 3 marks)  <b>(4 marks)</b>

Question Number	Exemplar Responses	Mark Allocation
<b>2c)</b> <b>AO2</b> <b>MB1 = 4</b>	<u>How useful</u> <ul style="list-style-type: none"> <li>• Gives some background to candidate</li> <li>• Demonstrates that candidate has put some thought into job application</li> <li>• May highlight/identify skills that were not listed in job description but may be useful to the business</li> <li>• Could provide basis for questions at interview</li> <li>• Could provide basis for following up references</li> <li>• Helps with shortlisting</li> </ul> <u>How not useful</u> <ul style="list-style-type: none"> <li>• May not be true/accurate</li> <li>• Not in any formal order</li> <li>• Difficult to read</li> <li>• Difficult to follow</li> <li>• May have been created professionally/downloaded</li> <li>• Difficult to compare one candidate's CV against another</li> </ul>	1 mark for how useful or not  <b>(4 marks)</b>

Question Number	Exemplar Responses	Mark Allocation
<p>2d)</p> <p>AO1</p> <p>MB1 = 2</p> <p>MB2 = 1</p> <p>MB3 = 1</p>	<p><b><u>Name of Business: Smashing Windows</u></b>  <b><u>Main Activities: window cleaning</u></b></p> <p>Before they give someone a job, the owner of Smashing Windows gets the applicant to clean the office windows – the applicant is given all the tools and materials used on customers’ windows – they are then timed and the windows are inspected – if they are up to the required standard they are given the job.</p> <p><b><u>Name of Business: Sainsbury’s</u></b>  <b><u>Main Activities: retail grocery supermarket</u></b></p> <p>Sainsbury’s give short-listed applicants an aptitude test before they are appointed – this means that they are given a practical test – the form of test will differ depending on the job applied for – but will always be related to the job.</p> <p>Note: the specification lists ‘psychometric’ and ‘aptitude’ testing, candidates may use these terms or others that are appropriate to the named business e.g. role play, skills test, etc.</p>	<p>1 mark for stating method</p> <p>1 mark for points of description (maximum 3 marks)</p> <p><b>(4 marks)</b></p>

Question Number	Exemplar Responses	Mark Allocation
<p>2e)</p> <p>AO1</p> <p>MB1 = 2</p> <p>MB2 = 2</p> <p>MB3 = 2</p>	<p><b><u>Name of Business: Canterbury Cars</u></b>  <b><u>Main Activities: car dealer</u></b></p> <p>Appraisal is when management discuss with an employee the contribution that they have made to the business - and how well they have performed – at Canterbury Cars this takes place every 3 months – the manage meets with each of the sales team individually and looks at their sales figures – they talk about what’s gone well and what’s gone badly – and set objectives for the next 3 months</p> <p><b><u>Name of Business: Tesco</u></b>  <b><u>Main Activities: retail supermarket</u></b></p> <p>Staff on the shop floor at Tesco are appraised regularly – each employee meets with their supervisor – the supervisor says what has gone well – and what may need to be improved – the employee has the opportunity to ask questions – and maybe request additional training which will help them in their job</p>	<p>1 mark for knowledge of appraisal (may be implied)</p> <p>+</p> <p>1 mark for description of appraisal process (maximum 5 marks)</p> <p><b>(6 marks)</b></p>

Question Number		Indicative content
3a)		<p>Staff training is when an employer provides the opportunity for its employees to gain additional skills and/or knowledge which will help them do their job better, or bring new skills and ideas into the business.</p> <p>Staff training could be conducted internally, within the business, using either senior or more experienced employees to deliver the training, or by bringing an expert trainer into the business.</p> <p>Internal training could be done 'on the job' training that takes place as the employee carries out their normal functions in the workplace, or it could be 'off-the-job' but taking the trainees into a separate room or training area away from their usual workplace.</p> <p>Another form of training that could be used is external training, where the employees/trainees go away from the business to the offices or training centre of a specialist organisation.</p> <p>Internal training is likely to be lower cost than external training, as employees will not be taken away from the business and therefore there will be no travel, food or accommodation costs – just the cost of a hiring specialist trainer, if one is involved. Training can have a very positive effect on employee motivation, as the employees are pleased that the business is taking an interest in them, is prepared to spend money on training them, is reassuring as training implies that the employer wants the trainee to stay with the business, as they are investing money in the training, so feelings of job security are increased.</p> <p>Employees are also likely to be pleased that they are being given new skills which should help their prospects for promotion, and may help improve their CV if they are looking for another job.</p> <p>Conversely, training could have a negative effect on motivation – employees may feel that they are not good enough, as they need to be trained; they may feel that they are being forced to acquire skills that they do not want and may be forced to change their job/pattern of working once they are trained.</p> <p>Some employees may be cynical, and feel that they would rather have a pay rise rather than see money being spent on training, which they may feel is unnecessary. In general, training is perceived to be a positive thing, as it enhances employees' skills and knowledge, and is likely to improve their work experience.</p>
Level	Mark	Descriptor
	0	No rewardable material
Level 1	1 – 3	<p>Candidate shows some knowledge and a general understanding of training, there may be some understanding that training can have a motivating effect on some employees.</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>

<b>Level 2</b>	<b>4 – 6</b>	<p>The candidate applies their knowledge and understanding of training, there will be an understanding of different features of training; candidate will understand that training may have a motivating effect on some employees.</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>
<b>Level 3</b>	<b>7 – 9</b>	<p>The candidate has a good knowledge and understanding of training, there will be an understanding of different features of training; candidate will understand that training can have a motivating effect on some employees.</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>
<b>Level 4</b>	<b>10 - 12</b>	<p>The candidate has a good knowledge and understanding of training, there will be a clear understanding of different features of training and the effects that it can have on employees; candidate will understand that internal and external training can have different motivating effects on different employees.</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
<b>3b)</b> <b>AO4</b> <b>MB1 = 2</b> <b>MB2 = 1</b> <b>MB3 = 1</b>	<ul style="list-style-type: none"> <li>a code of practice is a set of recommendations/minimum standards to which a business is required to perform if it supports/belongs to the organisation which has drawn-up the code of practice – if <i>Real U</i> follow a code of practice it must meet these standards – to do this may involve investing in equipment – or training employees to the standards required</li> <li>a code of practice is designed to raise standards in an industry – for <i>Real U</i> to do this the management and employees must agree to the standards set by the code – and make sure that the business meets these standards – by directing all employees to follow the standards/code of practice</li> </ul>	<p>1 mark for understanding of code of practice (may be implied)</p> <p>1 mark for potential effects of codes of practice (maximum 3 marks)</p> <p><b>(4 marks)</b></p>

Question Number	Exemplar Responses	Mark Allocation
<b>3c)</b> <b>AO2</b> <b>MB1 = 2</b> <b>MB2 = 2</b>	<ul style="list-style-type: none"> <li>the manager could organise some external training – by sending employees to the local college for a health &amp; safety at work course – this would mean that employees are taken out of the day-to-day work environment – and should be able to concentrate on nothing but health &amp; safety training</li> <li>The manger could provide personal protective equipment – such as gloves/overalls – and explain to employees why they must use/wear the PPE – and the hazards if they do not</li> <li>the manager could ask for a representative from the manufacturer to come and talk to employees – this would reinforce awareness of how to use the chemicals – and coming direct from the manufacturer will mean that the information is accurate and up-to-date – also, employees could ask questions about particular issues that they may have when using the chemicals</li> </ul>	<p>1 mark for method of increasing awareness of health &amp; safety (maximum 2 marks)</p> <p>1 mark for developing discussion about ways of increasing awareness of health &amp; safety (maximum 3 marks)</p> <p><b>(4 marks)</b></p>

Question Number	Exemplar Responses	Mark Allocation
<p>3d)</p> <p>AO2</p> <p>MB1 = 4</p> <p>MB2 = 1</p> <p>MB3 = 1</p>	<p><b><u>Name of Business: Google</u></b>  <b><u>Main Activities: internet search engine and IT pioneer</u></b></p> <p>Employees at Google are kept happy by the perks and benefits that the business provides – these include clean, bright and airy offices - chill-out rooms where employees can play computer games – or just relax – there are cafes and restaurants within the office complex - they are also kept happy by the salaries which are high for the industry</p> <p><b><u>Name of Business: John Lewis</u></b>  <b><u>Main Activities: retail departments stores and supermarkets</u></b></p> <p>JLP also operate a sabbatical system which means that if you work for the business for a number of years you can take a long break from work – so that you can progress your own interests and make you feel positive towards the business</p>	<p>1 mark for each way that business keeps employees happy (maximum 4 marks)</p> <p>1 mark for explanation (maximum 5 marks)</p> <p><b>(6 marks)</b></p>

Question Number	Exemplar Responses	Mark Allocation
<p>3e)</p> <p>AO1</p> <p>MB1 = 2</p> <p>MB2 = 2</p>	<p><b><u>Name of Business: Samsung</u></b>  <b><u>Main Activities: manufacturers of electronic goods</u></b></p> <p>Samsung has been a major sponsor of the London Olympic Games – everybody who has seen their name and logo associated with the Olympics will have a positive feeling towards Samsung – this will reflect in a positive way on employees – who will be perceived as working for a good company and therefore likely to be good employees/good people in general</p> <p><b><u>Name of Business: Barclays</u></b>  <b><u>Main Activities: retail banking and financial services</u></b></p> <p>Barclays has received a lot of bad publicity in the news and financial media about the way that the business has been run – this has affected some employees by making them feel embarrassed about working for a business that is seen in a negative light – they may not want to tell people that they work for this business – and they could be worried that it could affect their future prospects if they want to join another company</p>	<p>1 mark for external issue</p> <p>1 mark for how external issue affects employees (maximum 3 marks)</p> <p><b>(4 marks)</b></p>



Question	Content Area			
	1.1	1.2	1.3	1.4
1a)	2			
1b i)	3			
1b ii)	3			
1c)	6			
1d)	6			
1e)	4			
1f)	6			
2a)		12		
2b)		4		
2c)		4		
2d)		4		
2e)		6		
3a)			12	
3b)				4
3c)				4
3d)			6	
3e)				4
3f)				
<b>Marks</b>	30	30	18	12
<b>Target Marks</b>	<b>30</b>	<b>30</b>	<b>18</b>	<b>12</b>

	AO1 Band equivalent			AO2Band equivalent			AO3 Band equivalent			AO4 Band equivalent			Total Mark
	1	2	3	1	2	3	1	2	3	1	2	3	
1a)	2												2
1b i)	1	1	1										3
1b ii)				1	1	1							3
1c)										2	4		6
1d)	1	2		1	1	1							6
1e)	1	1	2										4
1f)							2	2	2				6
2a)	1	1	1	1	1	1	1	1	1	1	1	1	12
2b)							1	1	2				4
2c)				4									4
2d)	2	1	1										4
2e)	2	2	2										6
3a)	1	1	1	1	1	1	1	1	1	1	1	1	12
3b)										2	1	1	4
3c)				2	2								4
3d)				4	1	1							6
3e)	2	2											4
<b>Totals</b>	15	16	7	14	7	5	5	5	6	6	7	3	<b>90</b>
	<b>32</b>			<b>28</b>			<b>16</b>			<b>16</b>			
<b>Range</b>	<b>27-36</b>			<b>22-31</b>			<b>13-22</b>			<b>9-18</b>			

