

GCE

Sample Assessment Materials

Edexcel Advanced Subsidiary GCE in Applied Business
(Single Award: 8721)/(Double Award: 8722)

Edexcel Advanced GCE in Applied Business
(Single Award: 9721)/(Double Award: 9722)

Edexcel Advanced GCE with Advanced Subsidiary
(Additional) in Applied Business (9723)

First assessment June 2010

Issue 2 – May 2009

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Authorised by Roger Beard
Prepared by Phil Myers

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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.
- Mark schemes will indicate within the table where, and which strands of QWC, are being assessed. The strands are as follows:

i) ensure that text is legible and that spelling, punctuation and grammar are accurate so that meaning is clear

ii) select and use a form and style of writing appropriate to purpose and to complex subject matter

iii) organise information clearly and coherently, using specialist vocabulary when appropriate.

Write your name here

Surname

Other names

Centre Number

Candidate Number

Edexcel GCE

Applied Business

Unit 1: Investigating People at Work

Sample Assessment Material
Time: 1 hour 30 minutes

Paper Reference
6916/01

You do not need any other materials.

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions.
- Answer the questions in the spaces provided
– *there may be more space than you need.*

Information

- The total mark for this paper is 90.
- The marks for **each** question are shown in brackets
– *use this as a guide as to how much time to spend on each question.*
- Questions labelled with an **asterisk** (*) are ones where the quality of your written communication will be assessed
– *you should take particular care on these questions with your spelling, punctuation and grammar, as well as the clarity of expression.*

Advice

- Read each question carefully before you start to answer it.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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Answer ALL questions.

1

Mercia Airport is located in the east of England. It has good road and railway links. It is used mainly by airlines that provide low cost 'no frills' flights to cities and holiday destinations in the UK and the rest of Europe. Such flights are in the domestic and short-haul market.

Mercia Airport is owned by *Mercia Airports Ltd*, a private limited company, part of *Rack Holdings Ltd* that owns a number of businesses in the road, rail and air transport sector.

Mercia Airports Ltd has three main types of customers:

- the airlines that operate from Mercia Airport
- travellers who use the services of the airlines that fly in and out of Mercia Airport
- the retailers that rent and operate the shops located within the airport.

The main aim of *Mercia Airports Ltd* is to 'delight and satisfy all of its customers'.

(a) State **four** likely reasons why *Mercia Airports Ltd* has this aim for its customers.

(4)

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(b) How would the marketing function of *Mercia Airports Ltd* support its main aim 'to delight and satisfy all of its customers'?

(4)

The Department for Transport report, 'Air Traffic Forecasts for the United Kingdom 2000', forecasts that holiday flights are expected to grow at 4.4 per cent per annum between 1998 and 2020.

One of the objectives that *Rack Holdings Ltd* has set for *Mercia Airport* is to increase its income in line with this forecast growth in holiday flights.

*(c) Assess the risk to *Rack Holdings Ltd* of linking its objective for income growth to the forecast growth in holiday flights.

(12)

A large rectangular area with rounded corners, containing 15 horizontal dotted lines for writing.

You are advised to read the question below, before choosing your business.

In the space below, record the details of ONE business that you have studied during your course. Refer to this business when answering question 1(d).

Name of Business:

Main Activities:

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(d) Explain the role of the manager responsible for finance in the business you have chosen.

(4)

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You are advised to read the question below, before choosing your business.

In the space below, record the details of ONE business that you have studied during your course. Refer to this business when answering question 1(e).

Name of Business:

Main Activities:

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Head offices will set objectives for all their branches. This is an example of centralised management.

(e) Discuss to what extent centralised management affects the day-to-day work at one branch of the business you have chosen.

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(Total for Question 1 = 30 marks)

2

Many passengers using Mercia Airport rely on local taxi services to get them to and from the airport. One of the largest local taxi firms is *Eastern Cabs Ltd*.

Taxi firms have a high turnover of drivers and need to recruit new ones on a regular basis.

(a) (i) Why are taxi firms likely to have a high turnover of drivers?

(1)

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(ii) What would be **two** personal qualities looked for by *Eastern Cabs Ltd* when recruiting new drivers?

(2)

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(b) Discuss the likely recruitment process for taxi drivers.

(4)

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(c) Analyse why face-to-face interviews are conducted with potential employees during the selection process.

(4)

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(d) Analyse the use of curriculum vitae (CVs) in the recruitment of staff.

(4)

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GoSkills is the Sector Skills Council (SSC) for businesses working in the UK passenger transport sector. Its mission is 'to develop the skills and status of passenger transport'. It develops and promotes nationally recognised training schemes for the transport sector including the taxi industry.

(e) Analyse why a nationally recognised training scheme will benefit taxi firms.

(5)

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You are advised to read the question below, before choosing your business.

In the space below, record the details of ONE business that you have studied during your course. Refer to this business when answering question 2(f).

Name of Business:

Main Activities:

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(f) Explain **two** common elements that would appear in any job description from the business you have chosen.

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(b) Using **two** needs from Maslow's hierarchy, demonstrate why protests from pressure groups could demotivate staff working at the airport.

(4)

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Mercia Airport operates 24 hours a day.

(c) (i) Describe **one** piece of legislation that is designed to protect the well-being of employees in businesses that operate 24 hours a day.

(2)

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(ii) What would be the consequence to an employer who fails to abide by this legislation?

(2)

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You are advised to read the question below, before choosing your business.

In the space below, record the details of ONE business that you have studied during your course. Refer to this business when answering question 3(d).

Name of Business:

Main Activities:

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(d) How does this business retain its employees?

(4)

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You are advised to read the question below, before choosing your business.

In the space below, record the details of ONE business that you have studied during your course. Refer to this business when answering question 3(e).

Name of Business:

Main Activities:

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(e) To what extent has this business been successful in dealing with a local environmental issue?

(6)

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(Total for Question 3 = 30 marks)

TOTAL FOR PAPER = 90 MARKS

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Unit 1: Investigating People at Work

Sample Mark Scheme

Question Number	Answer	Mark
1(a)	<p>1 mark for each reason (maximum 4 marks)</p> <ul style="list-style-type: none"> • To attract more airlines • Because satisfied customers are easier to deal with • To maintain/increase business at the airport • To attract travellers • To reduce level of complains • To retain retail customers • To attract new retail customers • To maintain customer loyalty 	(4)

Question Number	Answer	Mark
1(b)	<p>1 mark for how marketing function supports main aim (maximum 2 marks) + 1 mark for application (maximum 2 marks)</p> <p>or</p> <p>1 mark for how marketing function supports main aim + 1 mark for application (maximum 3 marks)</p> <ul style="list-style-type: none"> • Use the marketing mix - select appropriate elements to use to communicate information about <i>Mercia Airports Ltd</i> that show customer support - make plans to communicate message - put plans into action and monitor progress/success • Raise awareness of all the positive aspects of the airport - use PR/advertising/sales promotion as method of communication - plan communication strategy - put into action • Conduct marketing research to produce customer feedback - use this to monitor customer satisfaction - use to suggest changes if customers are not satisfied - further research to check is successful • Work with other business functions to make sure that this aim is communicated to all employees - use internal communications/newsletter/meetings to promote customer service - feed back findings from customer research - run internal promotions/incentives to encourage improvements in customer service 	(4)

Question Number	Indicative content	
1(c) QWC (i-iii)	<p>Valid points could include:</p> <ul style="list-style-type: none"> • Forecast growth may not happen • Holidays are affected by economical/environmental factors • Other business objectives may be overlooked • Short-term objectives may be affected by this kind of long-term objective • Ignores external/wider market influences such as competition <p>A Level 4 response, having explained basic problems of relating objectives to external forecasts would include that business should not focus on a forecast produced by someone else - because they may miss commercial opportunities - it is not a SMART objective - too long-term - and forecasts are always risky.</p> <p>A Level 3 response will not come to a firm conclusion.</p>	
Level	Mark	Descriptor
	0	No rewardable material
Level 1	1-3	Candidate shows some knowledge of objectives and risk based on unpredictability of forecasting. 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.
Level 2	4-6	Candidate applies knowledge by stating why forecasts are a risk. The candidate uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy.
Level 3	7-9	Candidate explains how business is affected by linking objective to forecast. The candidate uses some terms and shows some focus and organisation. Spelling, punctuation and the rules of grammar are used with some accuracy.
Level 4	10-12	Candidate explains how business is affected by linking objective to forecast. The candidate uses a range of appropriate terms and shows good focus and organisation. Spelling, punctuation and the rules of grammar are used with considerable accuracy.

Question Number	Answer	Mark
1(d)	<p>1 mark for generic knowledge (maximum 2 marks)</p> <p>1 mark for applying aspects of responsibility to chosen business (maximum 2 marks)</p> <p>Nita Stores</p> <ul style="list-style-type: none"> Anita does the books - and pays the wages - she is married to the owner which means that she has a personal interest in the finance of the business - this means that she is very careful to check that all the money is paid into the bank regularly <p>Wrexam Distributors Ltd</p> <ul style="list-style-type: none"> George, the credit control manager, is responsible for debt collecting - he keeps a check on credit customers to make sure that they pay within standard terms/30 days of invoice being issued - after 30 days he organises a statement to be sent and telephones - if they have not paid after another 30 days he goes round to see them <p>Tesco</p> <ul style="list-style-type: none"> The financial director reports to the board of directors about all things financial - such as income from sales, what's been spent on wages, materials and overheads, how much profit has been made this month, etc - he will be responsible for providing the financial data for the company's annual report - and making sure that the financial data provided to Companies House is accurate 	(4)

Question Number	Answer	Mark
1(e)	<p>1 mark for features of centralised management policy (maximum 2 marks)</p> <p>4 marks for how centralised management policy affects chosen business day-to-day (maximum 4 marks)</p> <p>Morrisons Supermarket</p> <ul style="list-style-type: none"> The <i>Morrisons Supermarket</i> group has about 370 stores across the country with its head office in Bradford - all the promotional planning is done in the head office - this means that the managers of individual stores have to follow the promotional plans sent out from the head office - in some ways this is good because store managers do not have to think up their own ideas and do not have to organise their own printing etc. - once they get the pack of promotional material from the head office all the store manager has to do is display it - if they do not like the promotion there is nothing that they can do about it as the head office will check to see that each store is making good use of the promotional material that they have been sent. <p>Euronics</p> <ul style="list-style-type: none"> <i>Euronics</i> is a buying group that supplies its members who are independent electrical retailers - it negotiates with the manufacturers of electrical goods and uses the buying power of the group to get really good prices for its members - this means that members can compete on price with multiple stores like Comet - the disadvantage of this is that individual members can only stock televisions from brands that are willing to deal with <i>Euronics</i> - if a customer asks for another make the <i>Euronics</i> member may not be able to get it - this could make the customer shop elsewhere and the independent shop would lose the business 	(6)

Question Number	Answer	Mark
2(a)(i)	<ul style="list-style-type: none"> • Unsocial hours • Personal risk to drivers/threats/abuse • Business tends to attract people between jobs/freshly out of work and looking for a more permanent job • Tends to be shift work which can cause social pressures resulting in • People attracted because it sounds like easy work but they drop out quickly when they discover hard work/long hours/unsocial hours 	(1)

Question Number	Answer	Mark
2(a)(ii)	<ul style="list-style-type: none"> • Honesty • Reliability • Calm/not easily provoked • Polite to customers • Punctual • Good personal hygiene • Fit/healthy • Can communicate with customers • Professional attitude/presence 	(2)

Question Number	Answer	Mark
2(b)	<p>1 mark for feature of recruitment process (maximum 2 marks)</p> <p>1 mark for feature of recruitment process applied to taxi drivers (maximum 2 marks)</p> <ul style="list-style-type: none"> • identify vacancy • Draw up job specification • Advertise vacancy - use local newspaper/media - more likely to be seen by local drivers • Interview - check licence is clean - check driving skills - test local knowledge • Safety record likely to be taken into account • Selection may include checking criminal record/database as taxi drivers dealing direct with public and handling cash • Checking likely to be informal 	(4)

Question Number	Answer	Mark
2(c)	<p>1 mark for basic reason (maximum 2 marks)</p> <p>1 mark for each analysis/application/point (maximum 2 marks)</p> <ul style="list-style-type: none"> To meet the person - to check their appearance - written applications or telephone conversations could hide a potential problem - it is only by meeting the applicant that the owner can see if the applicant is likely to be accepted by customers To see if they can communicate/converse - this is a big part of a taxi driver's job - they must be able to understand where the customer wants to go - and be able to ask for the fare with a clear voice so that there is no confusion To see if they have the right attitude - attitude cannot be interpreted entirely from written applications - it can only be judged through face-to-face questioning - and seeing how the applicant reacts To investigate claims made in application/CV more thoroughly - to judge whether they are lying - this can be judged through face-to-face questioning - and seeing how the applicant reacts to different questions To assess whether they will fit in with other team members - this is important to maintain a good working team - cannot always tell from written application - so need to meet them face-to-face to help make final decision whether or not to employ them <p>(May also be answered from point-of-view of employee)</p> <ul style="list-style-type: none"> Can meet potential new employer - nice to see what they are like - check whether likely to get on with employer - can use opportunity to explain strengths directly 	(4)

Question Number	Answer	Mark
2(d)	<p>1 mark for basic use of a CV (maximum 2 marks)</p> <p>1 mark for use within recruitment process (maximum 2 marks)</p> <ul style="list-style-type: none"> Provides a snapshot of applicant's qualifications and experience - applicants' claims can be compared directly - selection can be made quicker than interviewing all applicants individually Is a document that provides a list of qualifications and experience often sent with application form - helps in selection of shortlist as it can be compared directly with person specification - provides a starting point for subsequent interview - provides a paper record which may be useful in future 	(4)

Question Number	Answer	Mark
2(e)	<p>1 mark for understanding meaning of nationally recognised training schemes (may be implied) (maximum 2 marks)</p> <p>1 mark for each reason why nationally recognised training schemes will benefit taxi firms (maximum 3 marks)</p> <ul style="list-style-type: none"> • Training/qualifications are offered by a national or international professional/trade organisation such as a Sector Skills Council (SSC) - they are designed to improve the skills and standard of service within the industry that they represent • If they employ qualified staff their image will improve • Can raise overall standard/quality of service • Can increase prices/profit if standards/quality of service is of a high standard • May mean that insurance costs can be lowered as they are employing more skilled drivers • Better/advanced qualified drivers less likely to be involved in accidents • Less likely to receive complaints from customers • It means that individual taxi firms do not have to develop their own training schemes/can use schemes offered by SSC 	(5)

Question Number	Answer	Mark
2(f)	<p>1 mark for common element of a job description (maximum 2 marks)</p> <p>1 mark for applying each distinct element of job description (maximum 4 marks)</p> <p>John Lewis</p> <ul style="list-style-type: none"> • Job title - this is so that employee can see where they fit in company hierarchy - shows potential for job advancement • Who employee is responsible to - confirms line of reporting in case of dispute - reduces potential conflict over who gives instruction to employee • Where job is located - essential to confirm where employee will be working - helps firm with HR management/gives stability to employee • What job entails/duties/responsibilities - sets basic parameter of job so that employee performance - so that compliance can be monitored • Hours of work/working terms/conditions - clarifies minimum requirement - can be used to monitor performance • Pay - confirms what employee should expect - reduces potential for disagreement/conflict 	(6)

Question Number	Answer	Mark
2(g)	<p>1 mark for each distinct element of a person specification applied to having face-to-face dealings with customers</p> <p>(No generic marks)</p> <p>Receptionists at Kings Dental Practice</p> <ul style="list-style-type: none"> • Receptionist must be able to keep the appointment software up-to date • Likely to have had experience in another job that involved meeting and greeting customers • Will have a minimum of GCSE English and ICT • Must be clean, well presented and have a good speaking voice so that are reassured when they visit the dentist, often a stressful situation 	(4)

Question Number	Indicative content	
3(a) QWC (i-iii)	<p>Valid points could include:</p> <p>Local Residents</p> <ul style="list-style-type: none"> • Disruption to lifestyle • Loss of property • Property values fall • Affect on local environment • Affect on natural environment <p>Local businesses</p> <ul style="list-style-type: none"> • Potential to increase business • More passing trade • Employment opportunities • Distribution/logistics opportunities • Local tourism <p>A level 3 response may well be full of effects but will not draw a conclusion</p> <p>A level 4 response would follow an argument such as: <i>Local residents will feel that the second runway would disrupt their life - because it will produce more flights - more noise - more environmental pollution locally - as well as affecting the ozone layer - the benefits to local businesses and for employment - do not outweigh the potential damage to their lifestyle - or the life of future generations</i></p>	
Level	Mark	Descriptor
0	0	No rewardable material
Level 1	1 - 3	Candidate shows some knowledge of general effects of pressure groups. 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.
Level 2	4 - 6	Candidate applies knowledge of how specific pressure groups will be affected by building of a second runway. The candidate uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy.
Level 3	7 - 9	Candidate compares and/or differentiates between the effects on both pressure groups. The candidate uses some terms and shows some focus and organisation. Spelling, punctuation and the rules of grammar are used with some accuracy.
Level 4	10 - 12	Candidate concludes why pressure groups are for or against a second runway. The candidate uses a range of appropriate terms and shows good focus and organisation. Spelling, punctuation and the rules of grammar are used with considerable accuracy.

Question Number	Answer	Mark
3(b)	<p>1 mark for applying Maslow's hierarchy of needs to operational staff working at airport (maximum 2 marks)</p> <p>1 mark for applying to demotivation (maximum 2 marks)</p> <ul style="list-style-type: none"> • Psychological/basic needs - protests could close airport/restrict access/working hours which could lead to loss of wages which could result in problems paying for food/accommodation • Security/safety - having to go to work through protestors could threaten personal safety/job security could be threatened • Social/belongingness - airport workers seen as pariahs/work teams unsettled by protests/working environment no longer friendly place • Esteem - unable to please protestors/self esteem knocked by protests • Self actualisation - frustration/helplessness due to being unable to influence outcome of situation 	(4)

Question Number	Answer	Mark
3(c)(i)	<p>1 mark for naming appropriate legislation</p> <p>1 mark for describing how legislation is designed to protect employees</p> <ul style="list-style-type: none"> • The Working Time Directive • European Working Time Directive • Working Time Regulations <p>(focus must be on time)</p> <ul style="list-style-type: none"> • Based on maintaining health and safety of workers/health and safety issues related to consequence of tiredness (but not basic health and safety facilities) • Provides a limit of an average of 8 hours work in 24 which night workers can be required to work. • Gives night workers a right to receive free health assessments. • Gives workers a right to 11 hours rest a day. • Gives workers a right to a day off each week. • Gives workers a right to an in-work rest break if the working day is longer than 6 hours. • Should not have to work more than 48 a week on average over a 17 week period. 	(2)

Question Number	Answer	Mark
3(c)(ii)	<p>1 mark for general consequence</p> <p>1 mark for development or application to a business</p> <ul style="list-style-type: none"> • Enforcement - by the Health and Safety Executive/local authority environmental health departments - that are responsible for monitoring legislation and making sure that businesses abide by legislation • Business taken to industrial tribunal/court - to enforce workers' rights - bad publicity and potential fine for business as well as being forced to apply legislation • Employees would be demotivated - output would fall - high levels of absenteeism 	(2)

Question Number	Answer	Mark
3(d)	<p>1 mark for ways of retaining employees (maximum 2 marks)</p> <p>1 mark for description (maximum 2 marks)</p> <p>McDonald's</p> <ul style="list-style-type: none"> • Training - McDonald's has in-house training schemes - once you are trained you can move up a level - this means that you get paid a bit more money • Promotion scheme - designed to show employees that they can move up through the business - this can happen if you become more skilled/qualified - through the use of company training schemes <p>John Lewis</p> <ul style="list-style-type: none"> • Escalating leave scheme - the longer you work for JLP the more leave you are entitled to - new employees get four weeks per year, rising to five weeks after three years - There are further long-service increases for most Partners after ten or fifteen years, and by the time you have worked for JLP for 25 years you can take 6 months paid leave 	(4)

Question Number	Answer	Mark
3(e)	<p>1 mark for environmental issue (may be implied)</p> <p>1 mark for cause of environmental issue</p> <p>1 mark for what business has done (maximum 2 marks)</p> <p>1 mark for outcome (maximum 2 marks)</p> <p>Tesco, Hertford</p> <ul style="list-style-type: none"> • Tesco applied for permission to open store 24 hours 7 days a week - this was likely to cause noise and disruption for local residents - company management called public meeting with local residents - reassured them that store would do all it could to minimise disruption - this included dimming lights in car park - employing security staff to keep an eye on customers and encourage them to keep the noise down when visiting store during the night. <p>Jones Garage</p> <ul style="list-style-type: none"> • Jones Garage produces a quantity of used and damaged tyres as a result of fitting new tyres for customers - consequent pile of old tyres is unsightly, a fire hazard and if piled too high could fall and injure employees/customers - Jones owner researched options for disposing of and/or recycling old tyres - as a result old tyres are now collected weekly to reduce the number on site at any one time - the old tyres are sent to a rubber recover business that processes old tyres into new product - by doing this Jones Garage has addressed both the local environment by removing old tyres and the wider environment by having waste materials re-processed/recycled into useful goods instead of using up new materials 	(6)

Write your name here

Surname

Other names

Centre Number

Candidate Number

Edexcel GCE

Applied Business

Unit 6: Investigating Promotion

Sample Assessment Material
Time: 1 hour 30 minutes

Paper Reference
6921/01

You do not need any other materials.

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions.
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Advice

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- Keep an eye on the time.
- Try to answer every question.
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Turn over ►

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Answer ALL questions.

Questions 1 to 4 relate to the information about 'Deal or No Deal' shown in Figure 1.

The United Kingdom (UK) version of 'Deal or No Deal' is a television (TV) game show in which studio contestants can win between 1p and £250 000. Viewers can also phone or email in to win a daily prize of £1 000, £2 000 or £10 000 with a rollover of up to £30 000 if the top prize was not won. A new game is shown every weekday from 4.15–5.00 p.m. and on Sundays from 4.55–5.45 p.m. A repeat of one of these programmes is shown on Saturdays from 5.10–6.00 p.m., for which there is no viewer prize.

For the week ending the 4th of March 2007, the programme had over 3 million viewers on Monday, Tuesday, Wednesday and Sunday, which was the 4th to 7th highest ratings for Channel 4 viewing. Thursday and Friday had over 2.8 million viewers. The Saturday repeat had less than 2 million viewers.

Figure 1

1 This programme was sponsored in 2006 and 2007 in a multi-million pound deal by *BT's* The Phone Book, which provides a directory service of telephone numbers. The sponsorship deal includes an agreement that the programme producers state that the programme is sponsored by The Phone Book each time it is shown and that linked advertisements are used at each commercial break.

(a) Considering how the programme works, why was 'Deal or No Deal' a particularly suitable programme for *BT* to sponsor?

(2)

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(b) Explain the likely benefits to *BT* of sponsoring this programme.

(6)

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(c) Explain why sponsoring this kind of programme might create negative publicity for *BT*.

(3)

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(Total for Question 1 = 11 marks)

2 On Saturday 17th March 2007, during the 5.40 p.m. break in the show, eight businesses other than *BT* advertised. **Table 1** shows the businesses and the products being advertised.

Business	Product
Chicago Town	Pizza
Expedia	Holidays
Guinness	Guinness drink
Fiat (Cars)	Punto Grande
The Automobile Association	Car Insurance
The Co-op (Supermarket)	Scottish Salmon
Just for Men	Hair colouring
B & Q	Garden equipment

Table 1

(a) Explain which **two** of these businesses are likely to have chosen March as the best time to advertise their product.

(6)

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(b) Show how choosing this Saturday 5.10–6.00 p.m. slot would create **three** distinct drawbacks for the business advertising.

(6)

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(Total for Question 2 = 12 marks)

3 The viewer figures only tell a business how many people were recorded as looking at a programme.

(a) Why might the viewers of the programme not be affected by the individual advertisements?

(3)

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(b) Advise these businesses on how they could cost-effectively check if their advertisements had reached target audiences across the UK.

(5)

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(Total for Question 3 = 8 marks)

4 Advertising on Channel 4 is restricted to a maximum average of seven minutes per hour.

(a) Identify the organisation responsible for setting this limit.

(1)

(b) State why this limit is set.

(2)

(Total for Question 4 = 3 marks)

Questions 5 to 7 relate to promotional campaigns used by *Tolvaddon Farm Ltd.*

Tolvaddon is located in the North of Cornwall, 4 miles from the sea. Originally it was simply a 200 acre farm but now many of the buildings have been converted into cottages for holiday lets. There is a farm shop, a tea room and visitor trails that allow people to see the animals and the work done on the farm.

A wide range of promotional methods are used including roadside signs, advertisements in the press, a multi-page website and even a large helium balloon floated over the tea room in the summer.

The target population for the holiday lets is the rest of the United Kingdom (UK), the United States (USA) and the European Union (EU).

The target population for the farm shop and tea room is mainly locals, people staying in the cottages or people passing by.

Figure 2

***5** Judge how effective the use of a multi-page website is likely to be in promoting *Tolvaddon's* facilities to the distinct target populations shown in **Figure 2**.

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(Total for Question 5 = 12 marks)

7 When creating its multi-page website the owners of *Tolvaddon* had to employ the services of a specialist website design firm.

Examine the internal constraints within *Tolvaddon* that are likely to have forced the owners to have the website designed by another business.

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(Total for Question 7 = 4 marks)

Questions 8 to 10 are based upon parts of real promotional campaigns that you have studied during your course.

8 Many businesses still use **large** roadside billboards for advertising. With reference to **one** specific recent advertisement using this method, answer the questions below.

(a) Name or describe the product/service being advertised

(1)

State the specific location of the advertisement

(b) (i) Analyse **one** feature used in this advertisement that made it particularly suitable for a large billboard placement.

(3)

(ii) Analyse **one** feature used in this advertisement that made it particularly suitable for advertising this product.

(3)

(c) Explain why the specific location chosen was so important for the effectiveness of this advertisement.

(3)

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(Total for Question 8 = 10 marks)

9 Effective promotion needs to get through to the target audience. Using an example of a product where the promotion has been specifically targeted at mothers, answer the following questions.

(a) Identify and describe the product.

(1)

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(b) Describe the way in which this product is being promoted to mothers.

(3)

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(c) Why is this way effective for promoting to the target audience?

(4)

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(d) Outline **one** possible negative effect of this way of promoting to the target audience.

(2)

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(Total for Question 9 = 10 marks)

10 With reference to a real business that has used advertising on its packaging to inform customers about a special offer, answer the following questions.

(a) Name the product being promoted

(2)

Where was it being sold?

Give details of the special offer

(b) Analyse the features of the advertising on the packaging that made the special offer effective.

(6)

(c) Describe a legal constraint that would apply to how the special offer was advertised on the packaging

(2)

(Total for Question 10 = 10 marks)

TOTAL FOR PAPER = 90 MARKS

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Unit 6: Investigating Promotion

Sample Mark Scheme

Question Number	Answer	Mark
1(a)	<p>1 mark for relevant feature of the programme</p> <p>1 mark for why that makes it particularly suitable for <i>BT</i></p> <ul style="list-style-type: none">• Viewers can participate by phoning/emailing the programme - <i>BT</i> provides phone/internet services.• A daily prize can be won by phoning in - The Phone Book provides a telephone directory service.	(2)

Question Number	Answer	Mark
1(b)	<p>1 mark for positive feature of programme (maximum 2 marks)</p> <p>1 mark for detail/or why it comes from the programme (maximum 2 marks)</p> <p>1 mark for how this benefits <i>BT</i> (maximum 2 marks)</p> <ul style="list-style-type: none">• High audience numbers - over 3 million on each of four days - around 20 million viewers in a week - viewers will see who has sponsored the programme - may be influenced to think about The Phone Book when looking for a number.• <i>BT</i> has the right to advertise in the breaks - there are a number of breaks in a 45/50 minute programme - each break will start with a Phone Book advertisement - this will reinforce any message - encourage viewers to use The Phone Book.• The potential prize is very high - up to £250 000 - this is available six days a week - The Phone Book will be associated with providing these prizes - will create good PR/corporate image.	(6)

Question Number	Answer	Mark
1(c)	<p>1 mark for relevant nature/feature of the programme</p> <p>1 mark for why that would be negative</p> <p>1 mark for why negative for <i>BT</i></p> <ul style="list-style-type: none"> • The lowest prize is only 1p - many contestants could get low prizes - <i>BT</i> may be seen as ungenerous. • May be associated with gambling - many people disapprove of gambling - may therefore disapprove of <i>BT</i>/not watch the show. • These programmes have been associated with conning the public - viewers being allowed to phone in when viewers' prizes have already been awarded - that would also create a negative image for the sponsor. 	(3)

Question Number	Answer	Mark
2(a)	<p>1 mark for the business when explained</p> <p>1 mark for relevant feature of the product or the target population</p> <p>1 mark for why March is important.</p> <p>(1 + 1 + 1) x 2</p> <ul style="list-style-type: none"> • Expedia - people will be thinking about the summer holidays - March will be a good time to encourage people to buy holidays. • B & Q - people will be thinking about getting into the garden as the weather improves - March signals the beginning of spring. • Fiat (cars) - many people want to buy cars that will be seen as being new - new half year registration date is in March. <p>(Allow other businesses if a valid argument is given as to why March is important, eg, with Guinness and St. Patrick's Day)</p>	(6)

Question Number	Answer	Mark
2(b)	<p>1 mark for each distinct feature of the time</p> <p>1 mark for why it is a drawback for the businesses</p> <p>(1 + 1) x 3</p> <ul style="list-style-type: none"> • Lowest viewer figure of the week - less of the target market being reached. • This is a repeat show - many potential customers will not bother tuning in. • There is no viewer prize - may feel <i>BT</i> is not being as generous as it could be. • Target audience may be watching other main programmes/sports results and news - expensive advertising will be less effective. 	(6)

Question Number	Answer	Mark
3(a)	<p>1 mark for distinct factor (maximum 2 marks)</p> <p>1 mark for why that would lead to not being affected</p> <p>1 mark for application to this show/ or the businesses advertising.</p> <p>(1 + 1 + 1) or (2 + 0 + 1)</p> <ul style="list-style-type: none"> • May get up to make a cup of tea - would then miss the advertisement - viewer's main interest is in seeing the show. • Some advertisements better than others - will be attracted to the best ones - there were 8 being shown. 	(3)

Question Number	Answer	Mark
3(b)	<p>1 mark for method</p> <p>1 mark for how this would help check if target audience was reached (maximum 2 marks)</p> <p>1 mark for why it would be cost effective (maximum 2 marks)</p> <ul style="list-style-type: none"> • Use existing research data that checks detailed viewing habits - questions could be added that relate to the particular advertisement - negative and positive answers would allow the business to check if it did reach the target audience - surveys are already set up - likely to have lower costs. • Set up focus groups across the UK - select members who are known to watch these kind of shows - ask questions related to the specific advertisement - only those who watch the shows are asked - helps to keep research cost down/money is not wasted researching non-viewers. <p>(Do not accept just a basic method, e.g. focus group, questionnaire, etc., unless it is shown to be used in a relevant way)</p>	(5)

Question Number	Answer	Mark
4(a)	<p>1 mark for organisation</p> <ul style="list-style-type: none"> • Ofcom (not the ASA) • Office of Communications 	(1)

Question Number	Answer	Mark
4(b)	<p>1 mark for basic reason why the limit is set</p> <p>1 mark for development</p> <ul style="list-style-type: none"> • Viewers tune in to see the programmes - the advertisements detract from that pleasure. • Commercial stations want as many advertisements as possible because they generate income - might mean lower standard of programmes. 	(2)

Question Number	Indicative content	
5 QWC (i-iii)	<p>Target populations and facilities</p> <ul style="list-style-type: none"> • People travelling from other parts of UK, USA, EU wanting holiday lets. • Local, people in cottages, passers by using the farm shop and tea rooms. • Passers by visiting the farm trails. <p>Website facilities</p> <ul style="list-style-type: none"> • Available to anyone with internet access - can be accessed by people in different countries. • Multi-paged will allow a large amount of information - could provide people want to use the tea room with full menus. • Can be regularly updated - can provide information on changing fresh products in the farm shop. <p>Judging effectiveness for target population and facilities</p> <ul style="list-style-type: none"> • People in the USA may want to rent a holiday cottage in Cornwall - will not be able to visit <i>Tolvaddon</i> in advance to check it out - can access the details via the website - will provide details of availability cost, etc - likely to have pictures to promote and persuade - will only be effective if people in the USA can easily find the website. • Passers by may not be planning a specific visit - may still be attracted to use the farm shop or tea room - would not have checked the website in advance - it would not, therefore, have been effective for this group - however people who know they will be visiting the area may check what attractions there are first - the website is multi-paged so will show all the facilities, thus promoting the shop and tea room to this target population. 	
Level	Mark	Descriptor
0	0	No rewardable material
Level 1	1 - 3	Identification of distinct target populations in relation to the facilities 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.
Level 2	4 - 6	Application of the features of a multi-page website to the different distinct target populations/ facilities The candidate uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy.
Level 3	7 - 9	Judging the effectiveness in terms of different target populations or facilities The candidate uses some terms and shows some focus and organisation. Spelling, punctuation and the rules of grammar are used with some accuracy.
Level 4	10 - 12	Judging the effectiveness in terms of different target populations and facilities The candidate uses a range of appropriate terms and shows good focus and organisation. Spelling, punctuation and the rules of grammar are used with considerable accuracy.

Question Number	Indicative content	
6 QWC(i-iii)	<p>Relevant features</p> <ul style="list-style-type: none"> • Free or paid for. • Black & white or colour. • Monthly or weekly. • Seven small local towns or North Cornwall. <p>Application to the target group</p> <ul style="list-style-type: none"> • Tourists are coming from America so will have spent a considerable amount to get to Cornwall - price of a paper may not be significant. • Monthly/weekly will determine how often information can be updated - American will want information that relates to when they are there. • This target group will be visitors to Cornwall but who do not know about <i>Tolvaddon</i> - both papers are available to people travelling around Cornwall. <p>Comparison</p> <ul style="list-style-type: none"> • The Gazette is only in 7 small towns but the Guardian is throughout North Cornwall - the Guardian is more likely to be seen by American visiting Cornwall as a whole. • The American tourists will want information about what there is to see - colour or black and white may not be important so advertising in both papers could be as effective. • American tourists may want up-to-date information - may only consider that a weekly publication will provide them with valuable details. 	
Level	Mark	Descriptor
0	0	No rewardable material
Level 1	1 - 2	Identify relevant features of the two papers The candidate uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy.
Level 2	3 - 6	Apply the features to the target group in terms of why they are relevant/not relevant 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 3	7 - 10	Compare the likely effectiveness of the newspapers in terms of reaching the target group. The candidate uses appropriate specialist terms consistently and the response shows good focus and organisation. Spelling, punctuation and the rules of grammar are used with considerable accuracy.

Question Number	Answer	Mark
7	<p>1 mark for internal constraint (maximum 2 marks)</p> <p>1 mark for why that constraint occurs in this business (maximum 2 marks)</p> <ul style="list-style-type: none"> • Lack of skilled staff - most staff are involved with farming, retailing, renting - will not have been trained to be web designers. • Lack of specialist resources - the business is not involved with computer technology - will not have the software necessary. 	(4)

Question Number	Answer	Mark
8(a)	<p>1 mark for name/description of product and for location of advertisement</p> <p>(McVitie's chocolate digestive biscuits have been used as an example for Q8)</p> <p>Name/description of product - McVitie's chocolate digestive biscuits.</p> <p>Location - Churchill Way, Salisbury.</p>	(1)

Question Number	Answer	Mark
8(b)(i)	<p>1 mark for appropriate feature.</p> <p>1 mark for why that would make it suitable for a large billboard/for the chosen product (maximum 2 marks)</p> <p>Large billboard placement</p> <ul style="list-style-type: none"> • Very few words being used - made the message stand out - easily seen by passing drivers and passengers. • Simple large shapes and colours - easy to identify the message - even when it is only being seen for a few seconds. 	(3)

Question Number	Answer	Mark
8(b)(ii)	<p>1 mark for appropriate feature.</p> <p>1 mark for why that would make it suitable for a large billboard/for the chosen product (maximum 2 marks)</p> <p>This product</p> <ul style="list-style-type: none"> • The main words chosen' - 'Whole lot of wholemeal'/'Share the goodness of McVitie's' - getting across the message of a wholesome product. • The 'O's in the message were chocolate biscuits - creating interest through humour - identifying the product directly. • Background with different bands of brown in stripes - making the message stand out - and relating it to the wholemeal and the chocolate. 	(3)

Question Number	Answer	Mark
8(c)	<p>1 mark for feature of the location</p> <p>1 mark for why that made it important for effectiveness (maximum 2 marks)</p> <ul style="list-style-type: none"> • Next to the roundabout halfway down Churchill Way - would be seen as vehicles slow down to go round the roundabout - the longer it is seen the more effective it is likely to be. • To the side of traffic light - vehicles will have to stop when the lights are red - so occupants will have more time to see the advertisement. • On the side of the western by-pass to the city - will have a large number of vehicles passing - will mean it reaches a large target audience. 	(3)

Question Number	Answer	Mark
9(a)	<p>1 mark for identification and description of the product</p> <p>(Iceland has been taken as an example for Q9) Identify and describe the product.</p> <ul style="list-style-type: none"> • <i>Iceland</i> Supermarket, the full range of foods and drink. 	(1)

Question Number	Answer	Mark
9(b)	<p>1 mark for way</p> <p>1 mark for each distinct point of description</p> <ul style="list-style-type: none"> Use of banners in advertisements/shop windows - states ‘...so that’s why mums go to Iceland’ - changed for a time to ‘mums are heroes’. 	(3)

Question Number	Answer	Mark
9(c)	<p>Up to 1 mark for feature of the way</p> <p>Up to 3 marks for why that would make it effective for target audience</p> <ul style="list-style-type: none"> The banner advertising makes the message stand out - emphasises the importance of being a mum - will make mums feel particularly welcome at <i>Iceland</i>. Kerry Katona fronts the advertisements - voted celebrity mum in 2002/2005 - mothers will relate to her - may feel as she is recommending <i>Iceland</i> it must be special. 	(4)

Question Number	Answer	Mark
9(d)	<p>1 mark for negative effect</p> <p>1 mark for why it comes from mothers being targeted</p> <ul style="list-style-type: none"> Some mothers may be offended by this - it stereotypes women as doing the shopping. Men/fathers may feel that they are less important to <i>Iceland</i> - the promotion focuses on mothers and ignores men/fathers. 	(2)

Question Number	Answer	Mark
10(a)	<p>1 mark for name of product and where sold</p> <p>1 mark for details of the special offer</p> <p>(<i>Cadbury</i> drinking chocolate has been taken as an example for Q10)</p> <p>Name and where sold - <i>Cadbury</i> drinking chocolate, sold in <i>Somerfield</i> supermarket.</p> <p>Special offer</p> <ul style="list-style-type: none"> 50% extra free. 	(2)

Question Number	Answer	Mark
10(b)	<p>1 mark for feature (maximum 2 marks)</p> <p>1 mark for why that made the advertising effective (maximum 4 marks)</p> <p>(Maximum of 4 marks for one feature explained)</p> <ul style="list-style-type: none"> • 50% extra free written in large capitals - makes the offer stand out - customers more likely to be persuaded because of this. • Words placed on a yellow band - contrasts with the purple background - draws customers attention to it. • Main message repeated round the top of the container - can be seen despite the way it is put on the shelf - will help ensure customers see the offer as they pass. • Offer also made in terms of the weight - '750g for the price of 500g' - helps to convince customers that they are getting a bargain. 	(6)

Question Number	Answer	Mark
10(c)	<p>1 mark for constraint (maximum 2 marks)</p> <p>1 mark for named legislation</p> <ul style="list-style-type: none"> • Must not put on misleading prices - Consumer Protection Act. • Must not make false claims about the product/state 50% free when there is less than 50% - Trade Descriptions Act. • As this is part of an advertisement it must be honest and truthful - Control of Misleading Advertisements Regulations 1988. • The weight must be the minimum stated on the package - Weights and Measures Act/ Weights and Packaged Goods Regulations. 	(2)

Edexcel GCE

Applied Business

Unit 8: Business Development

Externally Set Assignment

Sample Assessment Material

Paper Reference

6923/01

You do not need any other materials.

Turn over ►

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advancing learning, changing lives

This Externally Set Assessment is about starting up, running and developing your own business.

Operating under a franchise agreement or taking over an existing business are not options open to you.

Scenario

You have always wanted to work for yourself and have dreamed of starting up, running and developing your own business. You have recently received a legacy from one of your grandparents of £10 000 and feel that the time is right to fulfil your dream and open up a small business, operating as a sole trader or a partnership.

You realise that the legacy will not be sufficient to cover all the costs of starting up the business, and that you will need to obtain additional finance from other sources. Your total start up capital is unlikely to exceed £50 000.

You have decided to carry out detailed research and planning, then assemble the information in a business development plan and present it in a professional format. This should clearly demonstrate your business idea as a potentially viable concern worthy of investment. Your business development plan should clearly explain your idea and the related costs to potential investors.

You must produce the following assessment evidence for this unit.

You must create a business development plan in order to convince potential investors. It is important that your business development plan clearly shows the following:

The Business Idea

- an analysis of the outcomes of your primary and secondary research (include data and findings as Appendix 1)
- reasons for your choice of business
- reasons for rejection of other business ideas
- aims and objectives of your business
- the marketing mix and strategies for your business
- any further market analysis and evaluation to further justify the development of your business.

(28 marks)

Resource and Quality Issues

- physical, financial and human resources and associated costs
- any relevant legal, economic, technical and environmental constraints
- how the business will be run, considering the planning and quality assurance
- how your business is managed.

(14 marks)

Financial Resources

- sources of finance
- start-up budget
- cash flow forecast for year one, including an explanation of inflows and outflows
- opening balance sheet
- projected closing balance sheets for year one
- forecast profit and loss for year one
- break-even forecast
- an explanation of the likely changes (legal, economic, political, technical and environmental) over the next two years and their impact on the finance of the business.

(27 marks)

Feasibility and Evaluation

- a recognition of any seasonal, cyclical or other effects that may arise
- projection of the business position of the subsequent two years
- difficulties of estimating future positions through the consideration of cash flow, profitability and liquidity
- calculation of key ratios, analysis and evaluation over three years
- justified conclusions and recommendations.

(21 marks)

Instructions for the conduct of the assessment

1. The given scenario is the **only** vehicle for the assessment of Unit 8: Business Development.
2. Apart from this document there will be **no examination paper** for the assessment.
3. Assessment will be carried out by centre assessors, whose decisions will be subject to moderation by Edexcel's external moderators. All moderation will be carried out by sending a sample of the candidates' work that will be indicated on accompanying documents sent to the centre in the year of examination. This will take place at the same time as the moderation of the portfolio units, in the summer moderation series.
4. Work must be carried out under controlled conditions.
5. Candidates' work must be completed and assessed by the centre by the **end of the deadline for submission of marks for moderation**.
6. Candidates should spend no more than a total of 15 hours in controlled situations completing the business plan.
7. Candidate marks must be entered on the appropriate OPTEMS forms and returned to Edexcel by **the deadline for submission of marks for moderation**.
8. Evidence to be assessed against Unit 8 must be produced specifically to meet the requirements of the scenario.
9. **Centres should note that this unit is moderated in summer only, and that marks and candidates' work can only be submitted then.**

Assessment of Unit 8

The externally set assignment for Unit 8 will be available on the Edexcel website one year before the examination (www.edexcel.org.uk). There will be no examination paper for the assessment following the publication of this document.

The business development plan must be carried out under controlled conditions which provide an effective way of verifying coursework authenticity. Controlled conditions are defined as follows:

- Work must be done in the classroom and/or at a computer and must be supervised by a business teacher to ensure work can be authenticated.
- Candidates may have access to the task stimulus, research notes and dictionary.
- Candidates must not access the Internet under any circumstances while working under controlled conditions.
- Candidates will know the coursework task in advance of the controlled conditions and may spend time identifying a valid business opportunity in preparation for the controlled task.
- There are no restrictions on formative research that is undertaken in advance of the controlled conditions. The extent of preliminary research must, however, be outlined on the 'Declaration of Assessment Conditions' form on page 5.
- The business development plan created during these controlled conditions should be of a suitable quality to submit to a provider of finance in line with the Assessment Criteria.
- Although no minimum amount of hours is stated for this exercise, it is envisaged that candidates should be given at least 10 hours to complete the assignment under controlled conditions.
- Candidates should spend no more than a total of 15 hours completing the business development plan.
- The controlled conditions may be spread over a number of days or weeks.
- In the likely event that the work is not completed in a single session the teacher must store it securely until the next controlled session.
- A record must be kept of when and under what conditions the work in the candidate's folder was completed. Please complete the 'Declaration of Assessment Conditions' form found in this document on page 5 which must be used for this purpose.
- In order to assess work accurately and measure the degree of the candidates' business understanding, Centres are required to make a formal declaration of source and support materials used including traditional and online dictionaries. Centres must also maintain a copy of Centre devised worksheets, website pages and copies of relevant pages from text books used. The use of this material must be captured on an information log or the 'Declaration of Assessment Conditions' form.
- Teachers and candidates are required to authenticate the business development plan as the candidate's own work on the front of the mark record sheet which should be enclosed with the candidate's work.

Declaration of Assessment Conditions

Edexcel GCE in Applied Business

Unit 8: Business Development

Centre no: Centre name:

Candidate no: Candidate name:

Time spent under controlled conditions:

Work Completed in preparation for Controlled Assessment:

Work Completed under Controlled Conditions:

I declare that work submitted for assessment and the information above is accurate and acceptable under the scheme of assessment.

Candidate Signature: Teacher Name:

Teacher Signature:

Edexcel Moderators only

Number: Name:

Signature:

Unit 8 - Business Development Assessment criteria

	Mark Band 1	Mark Band 2	Mark Band 3	Mark Awarded
(a)* AO1, AO2, AO3, AO4, QWC (i-iii)	Potential business idea selected, giving basic reasons for choice and viability and outlining marketing / promotional strategies and identifying competitor information. The learner uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy. (0-14)	Sound information on business idea supported by evidence of viability and detailed strategies with some justification of proposal. Sound information on competitors. The learner uses some specialist terms and the response shows some focus and organisation. Spelling, punctuation and the rules of grammar are used with some accuracy. (15-22)	Comprehensive and original ideas with fully supported and justified evidence and proposals. Comprehensive and original information on competitors. The learner uses appropriate specialist terms consistently and the response shows good focus and organisation. Spelling, punctuation and the rules of grammar are used with considerable accuracy. (23-28)	28
(b) AO1, AO2, AO3	Resource requirements and quality issues dealt with at basic level. (0-7)	Resources and quality issues soundly presented, with relevant examples and good application. (8-11)	Resources and quality issues comprehensively presented with fully supported detailed evidence. (12-14)	14
(c) AO1, AO2, AO3, AO4	A finance plan providing the basic information required for sources, budgets, cash flow, break-even and accounts. (0-13)	Detailed finance plan covering all required aspects showing independence of thought and clear understanding. (14-20)	Comprehensive, professionally presented finance plan with accurate application and analysis of forecasts showing originality, independence of thought and clear understanding. (21-27)	27
(d) AO1, AO2, AO3, AO4	A simple evaluation of the business position at year-end and projected for three years hence. (0-10)	Sound analysis and evaluation of present and projected position showing independence of thought. (11-16)	Comprehensive analysis and evaluation of present and projected position with detailed and original recommendations and justified conclusions. (17-21)	21
* Opportunity for learners to be assessed on Quality of Written Communication (QWC) - (i-iii).				90

Sample Format for the Business Development Plan

Guidance for candidates

This is a sample format for the presentation of the Business Development Plan.

Candidates retain the right to submit their work in alternative formats if they wish.

(Title Page)

CANDIDATE NAME:

COURSE: **GCE APPLIED BUSINESS**

UNIT TITLE: **BUSINESS DEVELOPMENT**

UNIT NUMBER: **8**

BUSINESS DEVELOPMENT PLAN FOR:

(Name of Proposed Business)

(Contents Page)

Contents

- 1 Executive Summary**
- 2 The Business Idea**
- 3 Resource and Quality Issues**
- 4 Financial Resources**
- 5 Feasibility and Evaluation**
- 6 Appendices**
 - i. Primary and Secondary Research**
 - ii. Other appendices as required**

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Write your name here

Surname

Other names

Centre Number

Candidate Number

Edexcel GCE

Applied Business

Unit 10: Marketing Decisions

Sample Assessment Material

Time: 1 hour 30 minutes

Paper Reference

6925/01

You do not need any other materials.

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions.
- Answer the questions in the spaces provided
– *there may be more space than you need.*

Information

- The total mark for this paper is 90.
- The marks for **each** question are shown in brackets
– *use this as a guide as to how much time to spend on each question.*
- Questions labelled with an **asterisk** (*) are ones where the quality of your written communication will be assessed
– *you should take particular care on these questions with your spelling, punctuation and grammar, as well as the clarity of expression.*

Advice

- Read each question carefully before you start to answer it.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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Answer ALL questions.

Questions 1 to 6 relates to the scenario below.

Scenario – Sony Computer Entertainment Inc (SCEI)

SCEI produces and markets the PlayStation games consoles. SCEI has been a global leader of consumer-based computer entertainment for more than a decade. It is often at the forefront of new computer technologies, such as the use of advanced 3D graphics in computer games. With its second major development of the PlayStation, PlayStation 2 (PS2), it captured 70% of the market against very aggressive marketing from its two major competitors, *Microsoft* and *Nintendo*.

2006 and 2007 saw the launch of the new generation of computer consoles from these three world players. When designing the consoles, technology is a major issue in terms of what facilities are being provided because new communication and computer technologies are being developed so rapidly. Customers now expect that games consoles will also have CD, DVD, wireless and advanced graphics and playability as standard. The product needs to be right, but the correct marketing is also a major factor in ensuring success.

The new PlayStation 3 (PS3) had features not offered by its competitors. In the UK and Europe SCEI planned the launch for the end of 2006. Problems with obtaining some parts delayed this until March 2007. This gave the *Microsoft Xbox 360* more than a year to capitalise on its launch and the *Nintendo Wii* a three month advantage.

Price was also a potential issue. The Xbox 360 was launched in the UK at £280, the *Nintendo Wii* at £179, and the PS3 at £430. Luckily, PlayStation has many loyal customers, who were prepared to wait for the launch and to pay the high price. This helped ensure that the PS3 achieved the highest two-day launch sales for any console in the UK, 165,000 compared to 71,000 for the Xbox 360 and 105,000 for the Wii.

Some expert commentators believed that the delayed launch and the high price would mean sales would rapidly drop following the launch and that the price would have to be lowered considerably to attract other customers. There were also problems with compatibility which meant that some games that could be played on the PS2 could not be played on the PS3.

Figure 1

1 SWOT and PEST analyses are used to assess the position of a business in the market at a specific time.

(a) (i) Using **Figure 1**, identify a strength, weakness, opportunity and threat that would relate to SCEI's launch of the PS3 in March 2007.

(4)

Strength

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Weakness

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Opportunity

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Threat

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(ii) Why is each of your choices in (i) a strength, weakness, opportunity or threat for *SCEI*?

(4)

Strength

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Weakness

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Opportunity

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Threat

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(b) Explain why the sociological aspect of PEST is so important in terms of marketing for *SCEI*.

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(Total for Question 1 = 12 marks)

*2 It has been a common practice, with the launch of new consoles, to use skimming as a pricing strategy. However, in April 2007 typical prices for the three main new consoles were very similar to their launch prices.

With reference to **Figure 1**, discuss the use of skimming as a pricing strategy for the launch of the PS3.

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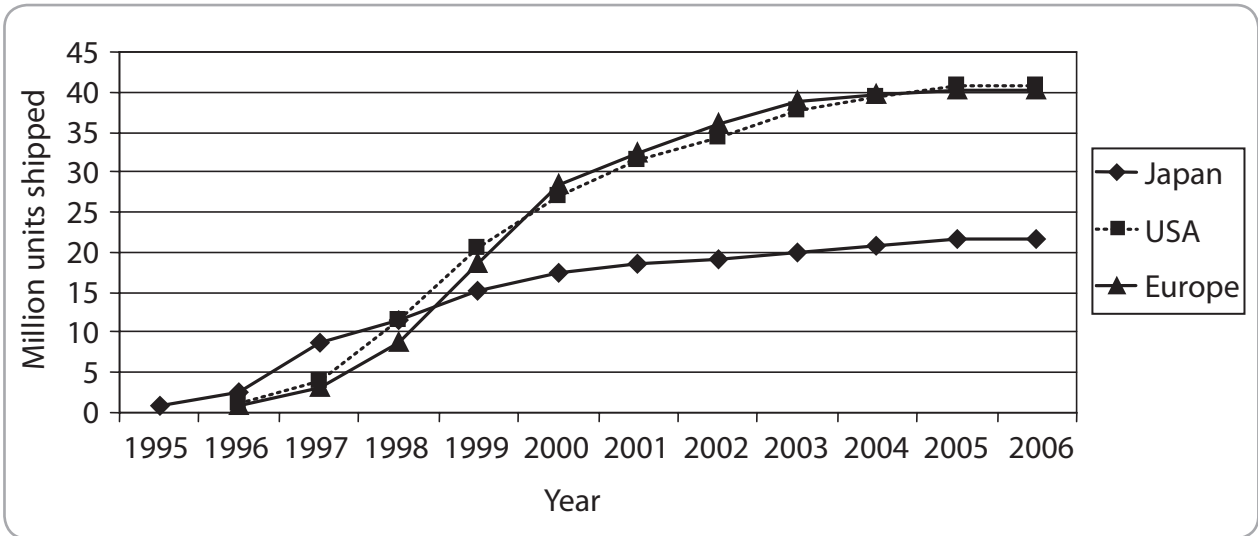
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(Total for Question 2 = 10 marks)

3 **Figure 2** shows the shipment of the PlayStation consoles from 1995 to 2006. The figure for Japan includes shipment to Asia.



(Source: Adapted from PlayStation website)

Figure 2 – Production and shipment of SCEI's PlayStation Hardware (million units)

Figure 2 also represents product life cycles for the three different markets.

(a) For the Europe product life cycle, name the stages for the following years.

(2)

1996

1997

1998–1999

2005–2006

(b) Explain how **Figure 2** confirms that the decision by *SCEI* to enter the USA and European markets in 1996 was a sound business decision.

(6)

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(c) With reference to **Figure 2**, why was an extension strategy needed?

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(d) With reference to **Figure 1** on **Page 2**, explain why the extension strategy chosen by *SCEI* was likely to be a success.

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(Total for Question 3 = 15 marks)

4 Initially, in 1995, PlayStation consoles were only sold in Japan, but in 1996 SCEI decided to develop its markets in the USA and Europe.

(a) Why was this decision to develop its markets in the USA and Europe a strategic marketing decision rather than a tactical one?

(4)

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(b) Examine **two** likely changes that would need to have been made to elements of the marketing mix in order to successfully develop these markets.

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(Total for Question 4 = 10 marks)

5 SCEI's largest market in Europe is the UK. To ensure that this market is well understood market research needs to be carried out.

(a) Justify a suitable secondary source that SCEI could use to find out about the potential UK market.

(4)

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In June 2007 *Nintendo* released a computer game in the UK called Brain Age specifically targeted at the 45+ age group, but it is also being played by younger age groups.

(b) Explain how the use of quota sampling in the UK would help SCEI to decide for which age group it would be most cost effective to produce a similar game.

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(Total for Question 5 = 10 marks)

6 SCEI operates in a global market and it is therefore affected by the macro marketing environment. At the beginning of April 2007 PS3 consoles were available for sale in the UK at £430 but they were also available in Hong Kong for just £250 and Japan for just £260.

(a) Why were the prices in the UK and Hong Kong so different?

(3)

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PS3 consoles were available in Japan and Hong Kong in November 2006.

*** (b) Consider the benefits and drawbacks for SCEI of launching the PS3 in different countries at different times and with different prices.**

(10)

(This area contains 26 horizontal dotted lines for writing the answer.)

(Total for Question 6 = 13 marks)

Questions 7 and 8 are based upon your own investigations of real marketing campaigns that you have studied during your course.

7 With reference to **one** real UK or multinational business which has used a street survey in order to collect primary market research data on its good or service, answer the following questions.

Name of the business

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Name of the good or service

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(a) State the town or city the research was carried out in. (1)

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(b) Discuss the type of sampling that was used when selecting who to survey. (3)

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(c) Explain how the data collected was used to improve the good or service provided by the business. (6)

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(Total for Question 7 = 10 marks)

8 With reference to **one** real UK or multinational business that has a good or service in the 'dog' section of the Boston Matrix, answer the following questions.

Name of business

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(a) Name the good or service.

(1)

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(b) Analyse why this good or service is in this position on the matrix.

(5)

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(c) Explain **one** marketing action that this business is taking because the good or service is in this position on the matrix.

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(Total for Question 8 = 10 marks)

TOTAL FOR PAPER = 90 MARKS

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Unit 10: Marketing Decisions

Sample Mark Scheme

Question Number	Answer	Mark
1(a) (i) + (ii)	<p>1 mark for each SWOT point from the data</p> <p>1 mark for application of SWOT point to <i>SCEI</i></p> <p>(1 + 1) x 4</p> <p>Strength</p> <ul style="list-style-type: none"> Loyal customer base - able to sell many consoles even though delayed/high price. Been at the forefront of new technologies for a decade - customers will expect similar advances for the PS3. <p>Weakness</p> <ul style="list-style-type: none"> Launch delayed - will cause some potential customer to buy the alternative. Not compatible with PS2 - customers unable to use existing games so may not upgrade. <p>Opportunity</p> <ul style="list-style-type: none"> Global market - able to sell the new console in a great many countries. Loyal customer base - will allow <i>SCEI</i> to change price timing etc. and they will still buy it. <p>Threat</p> <ul style="list-style-type: none"> Two major competitors - both producing their own new models which could take sales away from <i>SCEI</i>. 	(8)

Question Number	Answer	Mark
1(b)	<p>1 mark for sociological aspect</p> <p>1 mark for why this aspect is so important to <i>SCEI</i> (maximum 2 marks)</p> <p>1 mark for how it will affect the marketing (maximum 2 marks)</p> <p>(1 + 1 + 2) or (1 + 2 + 1)</p> <ul style="list-style-type: none"> Lifestyle - this includes how people spend their leisure time - playing computer games is part of people's leisure time - <i>SCEI</i> should emphasise the fun/enjoyment/ relaxation that would come from owning the PS3. Peer pressure - for many people having the newest model is important - <i>SCEI</i> should publicise the advanced aspects - emphasising that this is a 'must have' product. 	(4)

Question Number	Indicative content	
2 QWC (i-iii)	<ul style="list-style-type: none"> • Can charge a high price to those who really want the product - <i>SCEI</i> has a loyal customer base - these people will be very keen to get the latest PlayStation console - <i>SCEI</i> set a price of £430, well above the price of the competitors' consoles - it still had 165,000 sales in the first two days. • Lowering price later will gain additional customers - competitors prices were much lower than for the PS3 - consoles often fall in price after they have been on the market for some time - customers who could not afford £430 might be attracted by a lowering of the price - on the other hand they may have already bought a competitor's product and not want another console. • High initial price will help cover development costs - the PS3 had many new features - this would have meant large costs in research and development before the launch - the high price of £430 and the high initial sales would have helped repay these costs. 	
Level	Mark	Descriptor
	0	No rewardable material
Level 1	1 - 3	Identify basic advantages and disadvantages of the strategy. The candidate uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy.
Level 2	4 - 6	Application to the product, company and market. 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 3	7 - 10	Discussion of the likely success of the strategy for <i>SCEI</i> when launching the PS3 The candidate uses appropriate specialist terms consistently and the response shows good focus and organisation. Spelling, punctuation and the rules of grammar are used with considerable accuracy.

Question Number	Answer	Mark
3(a)	<p>1 mark for two correct terms</p> <p>or</p> <p>2 marks for all four correct</p> <p>1996 Launch. 1997 Introduction. 1998 - 1999 Growth. 2005 - 2006 Saturation/maturity.</p>	(2)

Question Number	Answer	Mark
3(b)	<p>1 mark for feature shown on graph (maximum 2 marks)</p> <p>1 mark for how that feature supports the decision (maximum 4 marks)</p> <p>(maximum of 4 marks for only one feature)</p> <ul style="list-style-type: none"> • USA and Europe both have larger overall shipments - suggests that they are much bigger markets than Japan - helps to ensure business as a whole can grow - turns <i>SCEI</i> into a global business. • Japanese market reaching maturity in 1999/2000 - the USA and European markets still growing at this stage - allows whole <i>SCEI</i> business to continue to grow - forms part of a valuable extension strategy. • Sales in USA/Europe twice that of Japan in 2006 - Japan has a limited population and other Asian countries limited income per head - the USA and Europe are relatively prosperous markets - able to afford luxuries such as PS3. • Nominal approach 	(6)

Question Number	Answer	Mark
3(c)	<p>1 mark for showing understanding of term (may be implied)</p> <p>1 mark for application to the data</p> <p>1 mark for reason</p> <p>Term</p> <ul style="list-style-type: none"> • Strategy to ensure that the growth/maturity stage is continued. <p>Explanation</p> <ul style="list-style-type: none"> • Graph shows no growth in shipped units in 2006 - extension strategy needed to be used if <i>SCEI</i> wanted to expand sales. • A typical product life cycle would move, after 2006, into decline - to ensure this does not happen new marketing strategies are needed. 	(3)

Question Number	Answer	Mark
3(d)	<p>1 mark for identifying extension strategy</p> <p>1 mark for details of the strategy</p> <p>1 mark for why the strategy would be/was a success (maximum 2 marks)</p> <ul style="list-style-type: none"> • Bringing out a new model - this has many new features - will attract loyal customers and new customers - most games players want the latest technology. • Launch of the PS3 - part of the new generation of computers - the first two days of the launch in the UK was a record - higher than the sales of main competitors. 	(4)

Question Number	Answer	Mark
4(a)	<p>1 mark for showing understanding of the term/giving feature of strategic (may be implied)</p> <p>1 mark for how expansion relates to this</p> <p>1 mark for why this expansion would be strategic for <i>SCEI</i> (maximum 2 marks)</p> <ul style="list-style-type: none"> • Strategic refers to long term plans - breaking into new markets abroad would take a long time to set up and plan - distribution channels need to be established - customers need to be made familiar with and be persuaded to buy the new product. • Strategic planning refers to the whole business - this was a major decision - moving from national sales to global sales - would affect all parts of the business in terms of production and shipment. 	(4)

Question Number	Answer	Mark
4(b)	<p>1 mark for change to an element of the marketing mix</p> <p>1 mark for basic reason why the changes will be needed</p> <p>1 mark for application to the product.</p> <p>(1 + 1 + 1) x 2</p> <ul style="list-style-type: none"> • Distributors/agents may be needed - will understand/have contacts with the markets in the new countries - initially <i>SCEI</i> would only have contacts in Japan. • Use of penetration pricing - product will not be known in new markets - may need to keep price low to gain edge on competitors/Nintendo. • Promotion must appeal to market in USA/Europe - language and message likely to need to be changed - Japanese culture quite different to USA or Europe culture. 	(6)

Question Number	Answer	Mark
5(a)	<p>1 mark for source</p> <p>1 mark for details of the data it would provide (maximum 2 marks)</p> <p>1 mark for why this would be suitable (maximum 2 marks)</p> <p>(1 + 2 + 1) or (1 + 1 + 2)</p> <ul style="list-style-type: none"> • Sales figures for the PS2 - this will give details of the size of the market for that console - many customers are loyal to the particular make of console - will give <i>SCEI</i> a good indication of likely sales for the PS3. • Government ONS publications such as Social Trends - this includes data on leisure activities - should provide details on the number of people who own consoles - this would indicate the likely potential total market. • The internet - could access the websites of major competitors - see how they are marketing their consoles - could then introduce more attractive strategies 	(4)

Question Number	Answer	Mark
5(b)	<p>1 mark for understanding of term (may be implied)</p> <p>1 mark basis of quota in this case</p> <p>1 mark for how this would provide the data needed (maximum 2 marks)</p> <p>1 mark for why having the data would make it cost effective to produce a similar game (maximum 2 marks)</p> <ul style="list-style-type: none"> • A sample where the numbers in each group in the sample is set in terms of a specific characteristic - here this will be set in terms of age - the sample should be divided in terms of the demographic breakdown of the UK - this would ensure that the answers are correctly weighted - it would then be possible to target the right group - making sure costly marketing is not wasted on the other groups. 	(6)

Question Number	Answer	Mark
6(a)	<p>1 mark for feature of the market(s)</p> <p>1 mark for why that would make the prices different (maximum 2 marks)</p> <ul style="list-style-type: none"> • Different income levels - the average income in Hong Kong is lower than in the UK - prices need to be lower in order to sell the product. • Lower transport cost - Hong Kong is closer to Japan than the UK - could be exported there at a lower cost. • Closer competition - easier for people in Hong Kong to get consoles from Japan - the low Japanese price meant price in Hong Kong had to be low. 	(3)

Question Number	Indicative content	
6(b) QWC (i-iii)	<p>Benefits</p> <ul style="list-style-type: none"> • Different launch dates helps production schedules - makes it easier to ensure that very high demand in the first week can be met - in the UK 165,000 were sold in just two days - if customers have to wait for the console they may buy an alternative. • Different prices can attract more customers - some countries have lower incomes per head than others - would not buy the consoles if they had UK or USA price tags - the PS2 was able to gain 70% of the market. • Problems can be identified and corrected - the PS3 had many advanced components - the early launch in Japan could identify any problems so that they could be corrected before the other launches - recalling consoles to correct problems would be very expensive. <p>Drawbacks</p> <ul style="list-style-type: none"> • Could lose profits - UK customers could order consoles at £250 from Hong Kong - even with delivery costs this would probably be well below the £430 price in the UK - SCEI would only receive the Hong Kong cost price. • Negative publicity - customers in the UK might be dissatisfied with having to wait when they know it is available elsewhere - may decide to buy a competitor product instead - the Xbox 360 and the Wii were both already available in the UK, so any significant additional delay could be very lose SCEI many customers. <p>(Maximum of 6 marks for just benefits or just drawbacks)</p>	
Level	Mark	Descriptor
	0	No rewardable material
Level 1	1 - 2	Description of the benefits and drawbacks in general terms 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.
Level 2	3 - 4	Benefits and drawbacks applied to SCEI The candidate uses everyday language and the response lacks clarity and organisation. Spelling, punctuation and the rules of grammar are used with limited accuracy.
Level 3	5 - 7	Explanation of why these were benefits or drawbacks for SCEI The candidate uses some terms and shows some focus and organisation. Spelling, punctuation and the rules of grammar are used with some accuracy.
Level 4	8 - 10	Appropriate conclusions about the benefits and drawbacks of both time and price differences for SCEI The candidate uses a range of appropriate terms and shows good focus and organisation. Spelling, punctuation and the rules of grammar are used with considerable accuracy.

Question Number	Answer	Mark
7(a)	<p>1 mark for location</p> <p>(N.B. the business and product must also be provided)</p> <p><i>South West Trains</i> has been taken as the example for Q7.</p> <p><u>Business - <i>South West Trains</i>.</u></p> <p><u>Good/service - Train travel.</u></p> <p><u>Location</u> Basingstoke.</p>	(1)

Question Number	Answer	Mark
7(b)	<p>1 mark for sample method</p> <p>1 mark for each distinct detail of how the sampling was carried out/or why this method of sampling was used (maximum 2 marks)</p> <ul style="list-style-type: none"> • Convenience sample - the survey was conducted outside of the station - this was where the target customers were most likely to be. • Cluster sample - this was conducted in specific towns - chosen on the basis of the routes that <i>South West Trains</i> wanted customer details about. • Convenience sampling - <i>South West Trains</i> wanted to cause as little disruption to passengers as possible - only asked those who clearly were not in a hurry 	(3)

Question Number	Answer	Mark
7(c)	<p>1 mark for identifying the purpose of the survey</p> <p>1 mark for detail of what data was collected (maximum 2 marks)</p> <p>1 mark for how that data would help to improve the good or service (maximum 4 marks)</p> <p>(1 + 1 + 4) or (1 + 2 + 3)</p> <ul style="list-style-type: none"> • To find out how many people would be using trains over the Easter break - public asked if they would be using trains over the break - would provide <i>South West Trains</i> with likely passenger numbers - parts of the lines were being closed over this period for repairs - company would know how many buses to lay on - would ensure minimum disruption for customers. 	(6)

Question Number	Answer	Mark
8(a)	1 mark for product (<i>Lidl</i> has been taken as an example for Q8) <ul style="list-style-type: none"> Selling groceries. 	(1)

Question Number	Answer	Mark
8(b)	1 mark for basic theoretical answer (may be implied) 1 mark for why market share is low (maximum 2 marks) 1 mark for why market growth is low (maximum 2 marks) <ul style="list-style-type: none"> Low market share and low market growth - the market is dominated by four major supermarket chains - <i>Lidl</i> is a relatively new supermarket in the UK- the majority of the goods are necessities so demand does not increase very much each year - market growth was only 3.4% for 2006/7. 	(5)

Question Number	Answer	Mark
8(c)	1 mark for marketing action 1 mark for why the business takes this action (maximum 3 marks) <ul style="list-style-type: none"> Keeps prices lower than competitors - this ensures that it maintains sales - helps to attract more customers - provides good profits even though market share is low. Has regular changes in non grocery products - this attracts customers - will buy the grocery products whilst in the store - keeps sales for grocery products at an acceptable level. 	(4)

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