

Mark Scheme (Results)

Summer 2012

GCE Business Studies (6BS01)  
Paper 01

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**6BS01/6EB01 – June 2012 mark scheme**

1. (a)	Answer – secondary research data (B)	1
1. (b)	<p>Explain your answer</p> <ul style="list-style-type: none"> <li>- Defines secondary research as data which is collated from that which has been collected by others for general use/described as desk research (1 mark)</li> <li>- In this case by the ONS on behalf of the UK Government (1 mark)</li> <li>- As a result this may not be exactly what the retailer needs (1 mark)</li> </ul> <p><b>Up to 2 of the marks above can be achieved alternatively by explaining distracters, e.g.</b></p> <ul style="list-style-type: none"> <li>- primary data is collected first hand by the retailer themselves for their specific use (1 mark)</li> </ul> <p>Any acceptable answer which shows selective knowledge/application and/or development</p> <p>NB Maximum of 2 additional marks for reason if part (a) is incorrect or if only the wrong answers are focused on in the explanation.</p>	<p>1-3 marks</p> <p>(Total 4)</p>
2. (a)	Answer – market orientation (A)	1
2. (b)	<p>Explain your answer</p> <ul style="list-style-type: none"> <li>- Market orientation is showing a sensitivity to customers' requirements (1 mark)</li> <li>- Such as producing fuel efficient cars/cars with technology (1 mark)</li> <li>- Which therefore increases the likelihood of a sale (1 mark)</li> </ul> <p><b>Up to 2 of the marks above can be achieved alternatively by explaining distracters, e.g.</b></p> <ul style="list-style-type: none"> <li>- D will cause costs/prices to increase, which will reduce production/demand. (1 mark)</li> </ul> <p>Any acceptable answer which shows selective knowledge/application and/or development</p> <p>NB Maximum of 2 additional marks for reason if part (a) is incorrect or if only the wrong answers are focused on in the explanation.</p>	<p>1-3 marks</p> <p>(Total 4)</p>

3. (a)	Answer – electricity (C)	1
3. (b)	<p>Explain your answer</p> <ul style="list-style-type: none"> <li>- Defines demand as the amount consumer are willing and able to but at a given price (1 mark)</li> <li>- If a young adult returns to their parental home they would not have a home of their own (1 mark)</li> <li>- Which would mean that they would not be using as much electricity/ a share of an increased overall electricity bill would be now used (1 mark)</li> </ul> <p><b>Up to 2 of the marks above can be achieved alternatively by explaining distracters, e.g.</b></p> <ul style="list-style-type: none"> <li>- Moving back home might actually give them more disposable income (1 mark), which might increase demand for alternative products such as clothing/computer games (1 mark)</li> <li>- Clothing is a necessity so demand is unlikely to fall (1 mark)</li> </ul> <p>Any acceptable answer which shows selective knowledge/application and/or development</p> <p>NB Maximum of 2 additional marks for reason if part (a) is incorrect or if only the wrong answers are focused on in the explanation.</p>	<p>1-3 marks</p> <p>(Total 4)</p>

4. (a)	Answer – niche marketing (A)	1
4. (b)	<p>Explain your answer</p> <ul style="list-style-type: none"> <li>- Definition of niche marketing, e.g. selling to a small section/sub-set of a market/customers with distinct specialised/distinct features (1 mark)</li> <li>- In this case producing and selling make-up to Muslim/Islamic women/vegetarians/ethical (1 mark)</li> <li>- As opposed to the mass marketing of make-up which is made from animal fats and alcohol (1 mark)</li> </ul> <p><b>Up to 2 of the marks above can be achieved alternatively by explaining distracters, e.g.</b></p> <ul style="list-style-type: none"> <li>- D is not correct because a trade off is when choosing one thing means giving up something in exchange which we have no evidence for in Samima’s case (1 mark)</li> </ul>	<p>1-3 marks</p> <p>(Total 4)</p>

	<p>Any acceptable answer which shows selective knowledge/application and/or development</p> <p>NB Maximum of 2 additional marks for reason if part (a) is incorrect or if only the wrong answers are focused on in the explanation.</p>	
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5. (a)	Answer – a fall in the level of unemployment (D)	1
5. (b)	<p>Explain your answer</p> <ul style="list-style-type: none"> <li>- Unemployment is the number of people willing and able to work but out of work (1)</li> <li>- Fall in unemployment tends to increase levels of disposable income (1 mark)</li> <li>- Which will increase the ability to spend on non-essential products such as going to night clubs (1 mark)</li> <li>- Which will therefore lead to a rise in demand and prevent closure (1 mark)</li> </ul> <p><b>Up to 2 of the marks above can be achieved alternatively by explaining distracters, e.g.</b></p> <ul style="list-style-type: none"> <li>- Cut-price alcohol from supermarkets is a cheaper alternative therefore serves as a substitute good (1 mark)</li> </ul> <p>Any acceptable answer which shows selective knowledge/application and/or development</p> <p>NB Maximum of 2 additional marks for reason if part (a) is incorrect or if only the wrong answers are focused on in the explanation.</p>	<p>1-3 marks</p> <p>(Total 4)</p>

6. (a)	Answer – supports applications for start-up capital (C)	1
6. (b)	<p>Explain your answer</p> <ul style="list-style-type: none"> <li>- Business plans are drawn up by owners of a business to give a business direction and help secure finance (1 mark)</li> <li>- This is because they can indicate cash-flow which indicates liquidity (1 mark)</li> <li>- And therefore the ability of the borrower to pay back any start-up capital borrowed (1 mark)</li> </ul> <p><b>Up to 2 of the marks above can be achieved alternatively by explaining distracters, e.g.</b></p> <ul style="list-style-type: none"> <li>- D is incorrect because improved cash-flow is not guaranteed by a BP (though it may be assisted) because improved cash-flow depends on actual receipts improving compared to expenditures (1 mark)</li> </ul> <p>Any acceptable answer which shows selective knowledge/application and/or development</p> <p>NB Maximum of 2 additional marks for reason if part (a) is incorrect or if only the wrong answers are focused on in the explanation.</p>	<p>1-3 marks</p> <p>(Total 4)</p>

7. (a)	Answer – price or sales volume may have increased (D)	1
7. (b)	<p>Explain your answer</p> <ul style="list-style-type: none"> <li>- Defines revenue as price x sales volume/income from sales (1 mark)</li> <li>- Total revenue has increased (1 mark)</li> <li>- Therefore at least one of these must have increased (1 mark)</li> <li>- Costs must have either stayed the same or fallen in order for profits to increase (1 mark)</li> </ul> <p><b>Up to 2 of the marks above can be achieved alternatively by explaining distracters, e.g.</b></p> <ul style="list-style-type: none"> <li>- A is incorrect as this would lead to a fall in profit (1 mark)</li> </ul> <p>Any acceptable answer which shows selective knowledge/application and/or development</p>	<p>1-3 marks</p> <p>(Total 4)</p>

	NB Maximum of 2 additional marks for reason if part (a) is incorrect or if only the wrong answers are focused on in the explanation.	
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8. (a)	Answer – £7.38 (C)	1
8. (b)	<p>Explain your answer (show your workings)</p> <ul style="list-style-type: none"> <li>- The exchange rate is the price of one currency expressed in terms of another (1 mark) = knowledge which is necessary for 1 mark</li> </ul> <p>Application: from</p> <ul style="list-style-type: none"> <li>- 1 euro therefore = 83p/£0.83 (1 mark)</li> <li>- so <math>0.83 \times 8.85 = 7.38</math> (1)</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>- The total of the spend is 8.85 Euros (1 mark)</li> <li>- Divided by 1.2 = 7.38 (1 mark)</li> </ul> <p><b>Up to 2 of the marks above can be achieved alternatively by explaining distracters, e.g.</b></p> <ul style="list-style-type: none"> <li>- It cannot be A because this indicates that the exchange rate is the reverse, i.e. 1 euro = £1.20 (1 mark)</li> </ul> <p><b>I</b></p> <p>NOTE: Some candidates will divide each spend first before dividing by 1.2, in which case 2 marks still awardable if complete.</p> <p>Any acceptable answer which shows selective knowledge/application and/or development</p> <p>NB Maximum of 2 additional marks for reason if part (a) is incorrect or if only the wrong answers are focused on in the explanation.</p>	<p>1-3 marks</p> <p>(Total 4)</p>

### Section B Mark Scheme

Question Number	Question	Marks
9	Explain <b>two</b> factors that could affect the demand for Anna's cakes	<b>(6 marks)</b>
	Answer	Mark
	<p style="text-align: center;"><b>Knowledge 2, Application 2, Analysis 2</b></p> <p><b>Knowledge: up to 2 marks</b> are available, e.g. for describing what is meant by demand/demand factors – the amount of product/service which people are willing and able to buy at a given price, at a given time OR lists factors such as income, taste, fashion, demographics, marketing aspects (location, product, advertising), price of substitutes/complements OR refers to data in chart</p> <p><b>Application: up to 2 marks</b> are available for relating the above to Anna, e.g. the number of weddings (reference to fig 1), Anna's reputation for baking delicious cakes, growing number of corporate events, endorsement by Vogue magazine.</p> <p><b>Analysis: up to 2 marks</b> are available for providing reasons/causes/consequences, etc. e.g. if there is a recession, then typically incomes fall and the demand for luxury products like cakes tend to fall. Fewer marriages may mean fewer receptions which may lead to a decline in the demand for her wedding cakes.</p> <p>Both factors needed for full marks (max 3 marks for one factor explained)</p>	<p style="text-align: center;">1-2</p> <p style="text-align: center;">1-2</p> <p style="text-align: center;">1-2</p>

Question Number	Question	Marks
10	With reference to the case study, explain <b>one</b> entrepreneurial motive which has contributed to Anna's success.	<b>(4 marks)</b>
	Answer	Mark
	<p style="text-align: center;"><b>Knowledge 1, Application 1, Analysis 2</b></p> <p><b>Knowledge: 1 mark</b> is available for defining entrepreneurial motive, e.g. reasons why people set up in business/drive/incentive OR identifying a motive such as to be more creative, be independent, increase income, non-profit</p> <p><b>Application: 1 mark</b> for applying in context, e.g. Anna's cake ingredients are Fair Trade/eco-friendly.</p> <p><b>Analysis: up to 2 marks</b> for expanding on one of the above, e.g. by being eco-friendly she is showing a sensitivity for the environment and therefore providing her business with a unique selling point (1) which may increase sales as a result (1) .</p> <p><b>NB Do not accept risk taking and hard work as motives – they are characteristics</b></p>	<p>1</p> <p>1</p> <p>1-2</p>

Question Number	Question		Marks
11	Assess whether or not Anna should use a bank overdraft to help her to finance new product developments		<b>(8 marks)</b>
Level	Mark	Descriptor	Example
1	1-2	Candidate offers some relevant knowledge/understanding of the question	e.g. definition of overdraft/new product developments – e.g. a short-term method of finance to support liquidity/cash-flow
2	3-4	Application should be present, i.e. the answer must be contextualised	e.g. overdraft can be used to buy extra equipment or ingredients which are unexpectedly necessary
3	5-6	Candidate analyses by offering reasons/ causes/ consequences etc. of why a bank overdraft should/should not be used to finance NPD  Arguments will be one-sided.  NB Analysis not in context 5 marks	e.g. the ingredients needed for making new cakes may require short term finance which makes an overdraft suitable in this case  e.g. the new oven which cost over £2,000 needed to make more cakes may be financed through a bank overdraft but it would attract a high rate of interest
4	7-8	Evaluation must be present and in context i.e. the candidate must present arguments for and against the use of a overdraft in Anna's business  Evaluation where context is used in ONE argument award 7 marks; 8 marks if context in BOTH	e.g. an overdraft is a temporary method of finance which means it is flexible and only incurs interest for as long as it is needed to support the purchase of Anna's everyday ingredients.  However, a loan would be more suitable for capital financing the £2,000 oven as the rate of interest payable would be lower as the purchase is more predictable/more expensive than ingredients

Question Number	Question		Marks
12	Evaluate the likely effect of inflation on Button's Bakery		<b>(8 marks)</b>
Level	Mark	Descriptor	Example
1	1-2	Candidate offers some relevant knowledge/understanding of the question, i.e. of inflation	e.g. persistent increase in the aggregate level of prices
2	3-4	Application should be present, i.e. the answer must be contextualised	e.g. Button's Bakery will find that its costs such as ingredients will increase
3	5-6	Candidate analyses by offering reasons/ causes/ consequences etc. i.e. in this case the candidate must identify and explain the effect of inflation in the context of Button's Bakery.  Arguments will be one-sided.	e.g. Anna may have to increase her prices in order to maintain her profitability  e.g. profit margins of the business may be squeezed if the bakery cannot increase its prices if costs have risen  e.g. Anna's income will fall in real terms
4	7-8	Evaluation must be present and in context i.e. the candidate must present costs and benefits of inflation to Button's Bakery.	e.g. if BB products increase in price then this may lead to a reduction in demand so sales may suffer  e.g. Button's bakery products are aimed at high end consumers and for the wedding market which means that higher prices will not mean a fall in demand  NB it depends on the rate of inflation; the question does not state this.

Question Number	Question		Marks
13	Evaluate the likely value of the following to Button's Bakery: a) Market mapping b) Break-even analysis		<b>(12 Marks)</b>
Level	Marks Per element	Descriptor	Example
1	1	Candidate offers some relevant knowledge/understanding of the question, i.e. of break-even analysis/market mapping  <i>QWC: To achieve a mark of 1 the candidate will have struggled to use business terminology or write legibly with frequent errors in spg and/or weak style and structure of writing.</i>	e.g. market mapping is about positioning the products/service your business plans to provide  e.g. break-even is where total revenue = total costs
2	2	Application must be present, i.e. the answer must be contextualised  <i>QWC: To achieve a mark of 2 the candidate will use some business terms but the style of writing could be better / there will be some errors in spg / the legibility of the text could have been better in places.</i>	e.g. could use market mapping to compare her cup-cakes in relation to rival bakeries  e.g. Anna could make use of break-even analysis to determine how many cup-cakes she needs to make to cover her fixed and total variable costs
3	3-4	Candidate analyses by offering reasons/ causes/ consequences etc. i.e. candidate will explain why market mapping/break-even analysis might benefit Button's Bakery  Arguments will be one-sided.  <b>NB Not in context – award 3 marks</b> <b>In Context – award 4 marks</b>	e.g. Anna can make sure she prices her wedding cup-cakes appropriately at the high-end of the market given the endorsement by Vogue magazine.  e.g. she can make sure that when she plans her sale of cakes, that she only accepts orders that will cover the cost of electricity and the ingredients.

		<p><i>QWC: To achieve a mark of 3-4 the candidate will use business terminology quite well/style of writing is appropriate to the question/ reasonable to good spg.</i></p>	
4	5-6	<p>Evaluation must be present and in context, i.e. the candidate must present arguments for and against Anna making use of market mapping/break-even analysis</p> <p><i>QWC: To achieve a mark of 5-6 the candidate will use business terminology precisely and effectively and will organise their answer to provide a coherent and fluent response/ good to excellent spelling, punctuation and grammar.</i></p>	<p>e.g. Markets change because of changes in consumer tastes and preference or incomes or because of new entrants, in which case the variables which determine the product positioning of cakes are no longer valid.</p> <p>e.g. However, break even analysis assumes that all output is sold. Often Anna simply makes to order. Anna also makes a variety of cakes in which case BEA is rendered useless because it would be too difficult to determine break-even given different size cakes, different ingredients, different labour times.</p>

Jun 2012	Assessment Objective Mark Grid –						
Question	Content	K/U	Applic	Analysis	Evaluate	Total	Marker
1	1.3.3a	2	2	0	0	4	
2	1.3.3d	1	1	1	1	4	
3	1.3.2a	1	2	0	1	4	
4	1.3.3b	2	2	0	0	4	
5	1.3.4	1	1	0	2	4	
6	1.3.7	1	1	1	1	4	
7	1.3.6c	1	1	1	1	4	
8	1.3.4	2	2	0	0	4	
9	1.3.2b	2	2	2	0	6	E
10	1.3.1a	1	1	2	0	4	
11	1.3.5a	2	2	2	2	8	E
12	1.3.4	2	2	2	2	8	E
13	1.3.3c/1.3.6b	2	2	4	4	12	E
Total		21	21	14	14	70	



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