

Mark Scheme (Final)

January 2012

GCSE

GCSE Applied Business

5AB02/01

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

Question Number	Answer	Mark	AOs
1a	C: Purchase order	(1)	AO1 x 1
1b	B: Delivery Note	(1)	AO1 x 1
1c	C: Remittance Advice Slip	(1)	AO1 x 1
1d	B: Credit note	(1)	AO1 x 1
2a	<p>One mark for an appropriate advantage and one mark for development of the advantage. Possible advantages include:</p> <ul style="list-style-type: none"> • The invoice is produced automatically/quicker than with a manual system • Layout is saved in the system • Printed automatically/does not have to be written out • Layout can be saved • Can be emailed • Manipulates data easily • Accurate calculations/less possibility of errors when compared to a manual system • Can be backed up for security 	(2)	AO1 x 2
2b	<ul style="list-style-type: none"> • Wrong Refrigerated Milk Dispensers invoiced/ RMD40 not RDM20/wrong product code on invoice (1) • Invoiced at £80 each not £60 each/£20 more expensive per item/wrong price on invoice (1) • 3 Eco Water Boilers delivered but 4 invoiced (1) • Eco Water Boilers invoiced at £65.50 instead of £56.50/wrong price on invoice (1) • Juicer wrongly priced/invoiced at £135 instead of £115 (1) 	(5)	AO2 x 5
2c	<p>There will be one mark for identifying an appropriate effect and up to two marks for two clearly linked statements which may use linking statements such as: because, this leads to, this results in, thus, etc. These links may be implied.</p> <p>Possible effects could include:</p> <ul style="list-style-type: none"> • ETP would lose money/make less profit • the accounts would be incorrect • they would be paying £116 too much • less money to pay for other assets/pay debts due to this error • may receive/request a credit note <p>For example:</p> <p>If she paid the invoice she would be paying too much (1) this would mean its accounts would be incorrect (1) and could lead to problems with monitoring budgets (1)</p>	(3)	AO1 x 1 AO2 x 1 AO3 x 1

Question Number	Answer	Mark	AOs
3a	<p>This should be answered from the viewpoint of ETP not the customer</p> <p>There will be one mark for identifying an appropriate advantage/disadvantage and up to two marks each for two clearly linked statements which may use linking statements such as: because, this leads to, this results in, thus, etc. These links may be implied.</p> <p>Possible advantages include:</p> <ul style="list-style-type: none"> • Reduces the need for cash handling • Convenient way of receiving payments • Transaction only take a few seconds • Reduces administration costs • Improves accounting accuracy • Increased security/less cash on premises • Meeting payment needs of customers <p>Possible disadvantages include:</p> <ul style="list-style-type: none"> • Cost of purchase of system • Training staff • Running costs • Risk of malfunction • Potential for fraud <p>For example:</p> <p>Online payment systems meets the needs of customers (1) This is likely to increase turnover (1) and as a result increases revenue for ETP (1)</p> <p>ETP would need to buy equipment (1) e.g. a pin machine (1) and so would make less profit (1)</p> <p>This would get three marks because it identifies an advantage and offers two linked statements in development. A similar approach to the disadvantage would result in full marks.</p>	(6)	<p>AO1 x 2 AO2 x 2 AO3 x 2</p>

Question Number	Answer	Mark	AOs
3b	<p>This should be answered from the viewpoint of the customer not ETP</p> <p>There will be one mark for identifying an appropriate benefit and up to two marks each for two clearly linked statements which may use linking statements such as: because, this leads to, this results in, thus, etc. Alternatively candidates may give reasons for using cash and explain them</p> <p>Possible benefits/reasons include:</p> <ul style="list-style-type: none"> • No need for a bank account • No charges incurred when using cash • Cannot overspend • Safe method of payment • No risk of card cloning • Flexible/accepted everywhere • Reduces impulse buying • They may not want to get into debt <p>For example:</p> <p>The customer may feel that it is the safest method of payment (1) because it guards them against credit or debit card cloning (1) which could lead to money being taken from their account (1)</p>	(3)	AO1 x 1 AO2 x 1 AO2 x 1
4a	<p>1 mark for identifying a start up cost x 2 and a running cost x 2</p> <p>Start-up costs</p> <ul style="list-style-type: none"> • Market research • Constructing and testing • Designing and engineering • Planning fees <p>Running costs</p> <ul style="list-style-type: none"> • Employee Wages • Advertising • Utility bills – e.g. electricity 	(4)	AO1 x 4

4(b)	See completed Profit and Loss account below	(8)	AO2 x 8
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	£	£	
Total Sales		1 035 000	(1)
Cost of Sales		232 500	(1) both
Gross Profit		802 500	(1) OFR
Expenses:			
Wages and Salaries	357 000		(1) both
Rent, Rates and Insurance	161 900		(1) both
Light, Heat and Power	65 000		(1) both
Telephone and Broadband	30 000		(1) both
Total Expenses:		613 900	
Net profit		188 600	(1) (both) OFR

Question Number	Answer	Mark	AOs
4c	<p>Scenario states that ETP is a family owned park. There is nothing to indicate that there are any shareholders or any loan. Loan providers is not acceptable as a stakeholder</p> <p>Accept any <u>relevant</u> stakeholder.</p> <p>ONE mark for each correct stakeholder x 4 ONE mark for appropriate explanation/development x 4</p> <p>E.g. see below</p>	(8)	<p>AO1 x 4 AO2 x 4</p>

To: All Finance Staff	
From: Tess	
RE: Interest of financial statements to our stakeholders	
Stakeholder	Interest in financial statements
Owners (1)	Owners are interested in profit levels (1)
Managers (1)	Managers need information to let them manage/monitor/plan for the business/ they will be rewarded if business is successful (1)
Suppliers (1)	Suppliers will need to ensure that Elmwood Theme Park will be capable of paying for goods and services/will continue to need their services (1)
Customers (1)	Customers will be concerned whether Elmwood Theme Park will survive/continue to provide goods and services (1)
Lenders (1)	Lenders will need information concerning Elmwood Theme Park's ability to make interest payments/repay loans/the security for their loan (1)
Government (1)	Government will need to take the correct amount of tax from the business (1)
Investors (1)	Investors will want to see success of business/return on investment (1)
Local Community (1)	Will continue to provide jobs (1)
Employees (1)	Employees will want to know their job is secure/they will be paid (1)

Question Number	Answer	Mark	AOs
5a	<p>1 mark for correctly substituting the figures in the formula 1 mark for the correct answer.</p> <div style="border: 1px solid black; padding: 10px; margin: 10px auto; width: fit-content;"> <p style="text-align: center;">2010</p> <p style="text-align: center;">Gross Profit</p> $\frac{1\,000\,000 \times 100}{1\,250\,000} \text{ (1)}$ <p style="text-align: center;">= 80% (1) (accept without % sign)</p> </div>	(2)	AO2 x 2
5b	<p>1 mark for correctly recognising the changes and up to 4 marks for development. These may be reasons and/or consequences but do not accept speculation about what the business should do.</p> <p>e.g.</p> <p>Gross profit margin fell in each of the three years Possible reasons might include:</p> <ul style="list-style-type: none"> • Fall in sales • Park is becoming less popular • Increase in the cost of stock bought for resale • Increase in the costs of raw materials for food outlets • Increase in labour costs • Increase in production costs • Increase in maintenance costs • Economic conditions e.g. recession • Any other appropriate reason <p>The consequences of this might be e.g. less/lower profitability etc</p>	(5)	AO2 x 5

Question Number	Answer	Mark	AO
*6	<p>The aim here is for candidates to make a judgement as to whether installing the new system would benefit ETP. There is no right answer. The focus needs to be on the quality of the evaluation. To reach a high level it is essential that the candidate demonstrates evaluative skills in the context of this theme park.</p> <p>Possible benefits might include:</p> <ul style="list-style-type: none"> • Using ICT will produce accurate sales records • Keeping sales and stock records will make it possible to keep very low levels of stock across the Park • Overall costs could be reduced • Could help improve budgeting • Sales trends can be observed quicker • Could increase productivity • Saves time compared with a manual system • Handheld barcode readers operate using wireless networks/Bluetooth and so could be used across the park <p>But</p> <ul style="list-style-type: none"> • Set-up/equipment costs could be expensive • Training will be needed which will incur costs • All stock will need barcode labels • Staff may be resistant to change • Not all stock can be easily barcoded • Potential for the system to malfunction 	(10)	AO1 x 3 AO2 x 2 AO3 x 5

Level	Mark	Descriptor
No mark	0	Non-rewardable material. No mark is to be awarded if the candidate simply repeats the question.
Level 1	1 - 3	<p>The candidate provides a weak answer that probably focuses on one relevant benefit only with some limited development. There may be an assumption that the system will be the only way forward.</p> <p>A list of bullet points will gain a maximum of three marks, assuming they are relevant. Another approach might be that candidate offer a simple judgement with simple support.</p> <p>The quality of written communication will be poor with frequent spelling, punctuation, style and grammar errors.</p>
Level 2	4-6	<p>Candidate considers some benefits of the system and offers at least one reason/cause/consequence etc.</p> <p>At the lower end of the level the answer will not be in context. At the top of the level the analysis will be linked to a judgement made and be in context and with some attempt at balance (for example, costs considered).</p> <p>There will be a good level of quality of written communication with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter.</p>
Level 3	7-10	<p>Candidates give a balanced answer.</p> <p>The candidate considers the benefit of the system and offers at least two</p>

	<p>reasons/causes/consequences etc. At this level candidates are likely offer at least one other factor to balance out the answer and the answer will be in context.</p> <p>At the lower end of the level some value will be attached to these reasons etc. which will include offering a counterbalancing point, identifying an advantage and disadvantage, cost/benefit, pro/con etc. or using the 'it depends' rule and the answer will clearly be in context. A judgement/conclusion will be made but not drawn from the previous analysis.</p> <p>At the top of the level a judgement/conclusion will be given clearly drawn from the analysis representing a coherent argument in context.</p> <p>The quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence that the candidate has structured their answer clearly and coherently, using appropriate terminology.</p>
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