Mark Scheme (Results)

June 2011

GCSE Business Studies (5BS05)
Paper 01

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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

Section A:

Question Number	Answer	Marks
1a **A01 = 1**	B	**(1)**

Question Number	Answer	Marks
1b(i) **A02 = 2**	1 mark for any appropriate stakeholder up to a maximum of 2. Possible answers include: • Government • Employees • Customers • Local community • Managers of public swimming pools • Suppliers • Citizens • Health services • Over 60s or under 18s (not both) • Owners of private swimming pools (competitors) • Schools Accept any other valid stakeholder identified. Do not accept 'unemployed'.	**(2)**

Question Number	Answer	Marks
1(b)(ii) **AO2 = 1** **AO3 = 2**	For 3 marks, there will be one benefit identified and **two** clearly identifiable linked strands of explanation between the statements. These may contain connective words such as, 'this leads to…' 'because…' etc. Development will clearly show how the identified stakeholder might benefit from the Change4life project. Possible benefits include: • Saving money • Swimming for free • Healthier lifestyle • Improved social life – meeting new people • Able to spend money on something else • Less pressure on health services • More jobs as more people swimming E.g. This means that under 18s and over 60 can swim for free (1) and so have more disposable income (1) and so can buy other goods and services (1). This answer would gain three marks since there are at least three linked strands that build the explanation following the identification of the benefit.	**(3)**

Question Number	Answer	Marks
1(c) **A01 = 2** **A02 = 2**	One mark for each trade-off and one mark each for development of the trade-off. 1 mark may be awarded for a definition of a trade-off. Possible trade-offs include • Health spending • Education spending • Spending on welfare benefits • Improvements to transport E.g. *The government may sacrifice spending this money on health spending (1). People who are ill might not get treatment (1) Also they might have to cut education spending (1). And not as many people could go to university (1).* This answer would gain four marks since there are at least two relevant trade-offs given plus some development of each. If candidates offer the same development point for both trade-offs identified – only reward the first.	**(4)**

(10 marks)

Question Number	Answer	Marks
2(a) **A01 = 1**	D	**(1)**

Question Number	Answer	Marks
2(b) **A01 = 3**	Award **1** mark for each relevant effect identified. Possible effects include: • Pollution • Congestion • The use of non-renewable resources • Waste • Stress and health problems • Inflation Accept any other valid effect identified. If 3 variations of the same effect: max. 2 marks	**(3)**

Question Number	Answer	Marks
2(c)(i) **A01 = 1**	1 mark for an appropriate way identified. Possible answers may include: • more government spending on health • more government spending on housing • more state benefits • lower taxes for the poor • better education • better public infrastructure, e.g. water, schools, hospitals, etc. Accept any other appropriate way identified	**(1)**

Question Number	Answer	Marks
2(c)(ii) **A01 = 1** **A02 = 2**	For 3 marks, there will be **three** clearly identifiable linked strands of explanation between the statements. These may contain connective words such as, 'this leads to…' 'because…' etc. Development will clearly show how the method identified in 2(c) (i) might help to increase the standard of living in a country or of people in a country. Possible Answers include: • Education increases productivity • Potential for the firm to increase profits • Higher wages might represent an increase in a worker's standard of living. E.g. Better education enables people to be more likely to get jobs (1) this lowers unemployment (1) and increases national income (1). This answer would gain three marks since there are at three relevant points made which are linked.	**(3)**

(8 marks)

Question Number	Answer	Marks
3(a) **A01 = 1**	A	**(1)**

Question Number	Answer	Marks
3(b) **A02 = 3**	Award **1** mark for each relevant way identified. Possible answers include: • Innovation • Research and Development • Changing the marketing mix • Using retained profits • Increasing market share Accept any other appropriate way. If 3 variations of the same way identified: max. 2 marks	**(3)**

Question Number	Answer	Marks
3 (c) **A02 = 1** **A03 = 2**	For 3 marks, there will be one benefit identified and **two** clearly identifiable strands of explanation between the statements. These may contain connective words such as, 'this leads to…' 'because…' etc. Development will clearly show the benefit to Ticketmaster. Possible benefits include • Potential for the new, bigger business to negotiate lower prices for raw materials when organising/staging concerts. • Reduced unit costs (via economies of scale) • Assuming prices to the consumer remain unchanged, there is likely to be an increase in profits. E.g. Ticketmaster might be able to benefit from economies of scale. (1). This leads to a reduction in its unit costs (1) and enables it to reduce ticket prices to concert goers (1). This answer would gain three marks since there are at least two linked strands that build the explanation following the identification of a benefit with reference to the context.	**(3)**

Question Number	Answer	Marks
3(d) **AO1 = 1** **AO3 = 2**	For 3 marks, there will be one disadvantage identified and **two** clearly identifiable strands of explanation between the statements. These may contain connective words such as, 'this leads to…' 'because…' etc. Development will clearly explain why the point identified is a disadvantage of a monopoly to consumers. Possible Answers include: • Monopolies can restrict new entrants to the market • The monopoly firm is able to increase the price that consumers pay • Consumers may be faced with a reduction in choice. E.g. a monopoly has a very high market share (1) and so there is no use to raise prices (1) which will mean consumers being worse off (1). This answer would gain three marks since there are at least two linked strands that build the explanation, following the identification of a disadvantage.	**(3)**

(10 marks)

Question Number	Answer	Marks
4 (a) **A01 = 1**	C	**(1)**

Question Number	Answer	Marks
4(b) **A01 = 2**	International trade is when countries import (1) and export (1) goods and services with each other. 2 marks for an accurate definition. If an accurate definition is not given award 1 mark for an answer that suggests that the candidate has some understanding but only deals with buying (imports) OR selling (exports) but not both. An imperfect definition can be raised to 2 marks through the use of an example or some kind of accurate elaboration.	**(2)**

Question Number	Answer	Marks
4(c) **AO1 = 1** **AO3 = 2**	For 3 marks, there will be one cost identified and **two** clearly identifiable strands of explanation between the statements. These may contain connective words such as, 'this leads to…' 'because…' etc. Development will clearly show the cost to an LEDC. Possible answers include: • Flood of imports from developed countries • Increased foreign competition • Higher unemployment if imports take away jobs • Lower tax receipts for domestic government from home sales • Lower prices from subsidised imports squeezing home producers E.g. LEDCs might face increased competition from abroad (1) as a result consumers might buy these goods rather than home produced goods (1) which means there is likely to be an increase in unemployment in LEDCs (1). This answer would gain three marks since there are at least two linked statements and a cost identified (this time at the end).	**(3)**

Question Number	Answer	Marks
4 (d) **AO1 = 1** **AO2 = 1** **AO3 = 4**	The aim here is for candidates to make a judgement as to whether tariffs or quotas are more likely to reduce imports into a LEDC. There is no right answer and the candidate can argue that either method is best, depending on the circumstances. Candidates might consider the following possible ideas as part of their answer: Tariffs • Acts as a tax on imports which makes them more expensive for businesses/customers in LEDCs to buy • LEDCs tend to have lower GDPs and thus spending power and so can be affected more heavily by a tariff • Discourages domestic consumers from purchasing imports and instead switching to domestically produced products. Quotas • A quota sets a fixed limit on supplies of a particular import and allows retailers to charge a higher price. • This means that spending on the product takes a larger share of a consumer's income and leaves them with less to spend on other things. Whilst both options offered are methods of reducing imports to a country, the aim is to try and get candidates to make an evaluative judgement as to which of the options is likely to be most successful in reducing imports into an LEDC. This might be dependent on the size of the tariff, where the quota is set, the GDP of the LEDC in the first place etc. However, if a candidate approaches the question from a single perspective, then they can still access full marks. Candidates may take an 'it depends' attitude in order to evaluate both possibilities before making a judgement.	
		(6)

Level	Mark	Descriptor
No Mark	0	Non-rewardable material
Level 1	**1-2**	A judgement is made as to which method is most likely to be successful in reducing imports to a LEDC. If there is just a simple judgement, 1 mark should be awarded. If the judgement has some simple support, the response should be placed at the top of this level.
Level 2	**3-4**	A judgement/point is given on one or both methods of reducing imports to a LEDC with some support which includes at least <u>**one**</u> reason/cause/consequence etc. At the top of this level this analysis will be relevant and linked to the judgement/point made.
Level 3	**5 - 6**	A judgement /point is given on one or both methods of reducing imports to a LEDC with some development which includes at least **two** relevant, linked, reasons/causes/consequences etc. and shows some balance. At the top of the level there will be a conclusion drawn from the analysis.

(12 marks)
TOTAL FOR SECTION A = 40 marks

Section B:

Question Number	Answer	Marks
5 **A01 = 2** **A02 = 4** **A03 = 2**	This question has a 2 x 4 mark split. There is one mark each for identifying an element of the marketing mix up to a maximum of 2. The remaining two sets of 3 marks are for the explanation which will show how the element identified could lead to the collapse of a business such as Woolworths. Within the answer there will be at least **three** clearly identifiable strands of explanation **and reference to the context** for each. These may contain connective words such as, 'this leads to...' 'because...' etc. Possible answers include: • Price/Product/Promotion/Place • High prices will deter consumers from shopping in Woolworths - or • May be perceived as too cheap • Poor quality goods may have led to a lack of sales • Lack of a specialised product • Limited or ineffective promotion may have not encouraged customers to shop • Woolworths may have not understood changes to the way customer's shop – e.g. online. • E.g. Price (1 mark). Woolworths had a reputation for being cheap (1). Customers may have associated this with poor value for money (1) and, so shopped elsewhere leading to falling revenues (1). This answer would gain 4 marks since an element has clearly been identified and there are at least three linked strands that build the explanation with reference to the context. Two answers of this quality would gain the full 8 marks. **Responses to be accepted where learners use their knowledge of any similar business or high street retailer.**	(8)

(8 marks)

Question Number	Answer	Marks
6(a)(i) **AO2 = 1**	1 mark for identifying an effect. Possible effects include: • Reduction in income • Loss of self esteem • Unemployment • Loss of home • Relative poverty • Deskilling • Incentive to retrain • Benefit of increased leisure time Award any other valid effect identified	**(1)**

Question Number	Answer	Marks
6(a)(ii) **AO2 = 1** **AO2 = 2**	For 3 marks, the explanation will show the effect on Kate Meredith. Within the answer there will be at least **three** clearly identifiable linked strands of explanation. These may contain connective words such as, 'this leads to…' 'because…' etc. The explanation **must be** in context if it is to secure all three marks. The points will clearly show the effect upon this worker. Possible Answers include: • Reduced income levels for employees such as Kate Meredith who have lost their job and an increased reliance on welfare benefits. • This reduces the individual's ability to purchase goods and services and possibly reduces their standard of living. • The longer these individuals are out of work the more difficult it is for them to secure a new job due to them having less up to date skills. • Kate has only ever worked for Woolworths so may not have other options E.g. With limited skills Kate Meredith may find it hard to find a new job elsewhere as she only knows retailing. (1) Other business might be reluctant to take her on (1) and so Kate could be out of work for a long time (1) This answer would gain three marks since there are at least three linked statements and a clear reference to the context.	**(3)**

(4 marks)

Question Number		Answer	Marks
7 **QWC Strands (i), (ii), (iii)** **AO2 = 4** **AO3 = 4**		The aim here is for candidates to make a judgement as to which of two methods is most likely to boost the economy. There is no right answer and the candidate can argue that either increasing government spending or reducing taxation are the most likely. Candidates might consider the following possible ideas as part of their answer: Increasing Government Spending • Gives money to people to spend • Could increase investment in roads, education, health etc. • Depends how the money is spent and how much is spent Reductions in Taxation • Increasing the disposable incomes of employees • Cuts in VAT reduces prices in the shops • Lower prices and higher incomes lead to increased demand for goods and services. • Depends what taxes are cut and how far they are cut • If taxes are cut what happens to services? To be evaluative and support the judgement made, the candidate might suggest (for example) that reducing taxes is not an option at the moment because of the deficit. An alternate route to evaluation might come through the candidate using the 'it depends' rule or placing a value on the size of government spending or tax cuts.	**(8)**
Level	**Mark**	**Descriptor**	
No Mark	**0**	Non-rewardable material. No mark is to be awarded if the candidate just re-states the question, i.e. increasing government spending or reducing taxation will boost demand in the economy.	
Level 1	**1-2**	A judgement or point is given as to the most likely method. If there is just a simple judgement or where the support shows misunderstanding 1 mark should be awarded. If this judgement/point has some simple	

		support, the response should be placed at the top of this level. The quality of written communication will be poor with frequent spelling, punctuation, style and grammar errors.
Level 2	**3-5**	Reference to **one or both** methods is given with some development/support, which includes at least **one** reason/cause/consequence etc. At the middle of the level this analysis will be relevant and linked to the judgement/point made. Answers at the middle of this level will tend to assume that the method chosen will inevitably work and so not recognise any downsides. At the top of the level, candidates may use an example to illustrate and support points being made. A conclusion may be given which is essentially a restatement of points already made. 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.
Level 3	**6 - 8**	Reference to **one or both** methods is given with development of each which includes at least **two** reasons/causes/consequences etc. and possibly the use of the 'it depends' rule. Some balance will be given in the form of advantage/disadvantage, pros/cons, costs /benefits. The candidate will be able to show some appreciation that the factors are not 'inevitable' or 'automatic'. At this level, candidates are likely to attach some value/importance to the method being considered and the answer will show some awareness of context. 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.

(8 marks)

Question Number	Answer	Marks
8 (a) **AO1 = 2**	The market price at which one currency is sold in order to buy/exchange another currency. 2 marks for an accurate definition. If an accurate definition is not given award 1 mark for an answer that shows some understanding of exchange rates. An imperfect definition can be raised to 2 marks through the use of an example or some kind of accurate elaboration.	**(2)**

Question Number	Answer	Marks
8 (b) **QWC Strands (i), (ii), (iii)** **AO2 = 4** **AO3 = 4**	The aim here is for candidates to consider how a weakening pound affects high street retailers. The command word invites the candidate to 'assess', so we should expect some balance within the answer. This could take the form of a recognition that retailers have to buy in stock from abroad which may rise in price. How do they respond? If prices rise, how might consumers react and how will this affect profits? Possible effects include: • Increased cost of stock bought from abroad • Increased prices reducing sales • If the retailer also has online stores then they might see a rise in sales abroad to balance loss of sales at home Possible sources of balance: • Depends how far the exchange rate weakens • Depends if the retailer buys goods from abroad to sell • Depends on the price sensitivity of the goods they sell • High quality products might not be affected that much in terms of sales so profits might not change that much.	**(8)**

Level	Mark	Descriptor
No Mark	**0**	Non-rewardable material. No mark is to be awarded if the candidate just re-states the question. i.e. a weakening exchange rate will affect the profits of a high street retailer.
Level 1	**1-2**	**One** effect is given with some simple development or **two** effects given with no development of either. An alternative route to marks in this level is if just a simple judgement or value is given to one effect. 1 mark can be awarded for no support and 2 if some simple support is offered. The quality of written communication will be poor with frequent spelling, punctuation, style and grammar errors.
Level 2	**3-5**	Reference to one or more effects is given with development which includes at least **one** reason/cause/consequence etc. At this level, candidates will attach some value/importance to the extent of the weakening of the pound and the answer will be in context. At the top of this level this analysis will be relevant and linked to the judgement/point made with reference to the context. If a candidate gives an answer which would be a clear level 3 answer apart from the fact that they have got the direction of the effect of the exchange rate the wrong way round, up to a maximum of 5 marks can be awarded. 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.
Level 3	**6 - 8**	Reference to one or more effects is given with development which includes at least **two** reasons/causes/consequences etc. and possibly the use of the 'it depends' rule as part of providing some balance. Some balance may also be given in the form of advantage/disadvantage, pros/cons, costs /benefits. The answer will clearly be in the context of high street retailers. 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. |

(10 marks)

TOTAL FOR SECTION B = 30 marks

Section C:

Question Number	Answer	Marks
9 **AO1 = 2**	Competitive advantage - the advantages that a business has over its rivals (1). These must be defensible (difficult to copy) and distinctive (unique) (1). 2 marks for an accurate definition. If an accurate definition is not given award 1 mark for an answer that suggests that the candidate has some understanding of the term for example 'the advantages over its competitors.' An imperfect definition can be raised to 2 marks through the use of an example or some kind of accurate elaboration.	**(2)**

Question Number	Answer	Marks
10 **AO2 = 5** **AO3 = 3**	This question has a 2x4 mark split. There is one mark each for identifying a relevant method. The remaining 3 marks each are for the explanation which will show how this method might benefit a LEDC. Within the answer there will be at least **three** clearly identifiable strands of explanation. These may contain connective words such as, 'this leads to …' 'because…' etc. Accept government as any government. Possible Answers include: • Cancelling debt • Encourage diversified industry • Encourage investment • Limit population growth • Encourage free trade • Lower taxes E.g. Cancelling Debt (1 mark) This will allow the LEDC to be able to keep more of its tax receipts (1). This extra money will enable the government to spend more on things like education (1). This will help the LEDC reduce poverty in the country (1). This answer would gain 4 marks since a method has clearly been identified and there are at least three linked strands that build the explanation with reference to the context. Two answers of this quality would gain the full 8 marks.	**(8)**

(10 marks)

Question Number	Indicative content	Marks
11 **QWC Strands (i), (ii), (iii)** **AO2 = 5** **AO3 = 5**	The aim here is for candidates to make a judgement as to whether CSR is the most important measure of a business' success. To demonstrate the evaluative skill, candidates could consider the role and importance of CSR as a measure of success. For instance they may look at how Green & Blacks based a reputation on its ethical and CSR approach. Other candidates might question whether CSR is really all that businesses make out and whether it is more of a marketing ploy. Some candidates might argue that there are other factors that are better measures of success or note that CSR might not really make that much difference to many people who just focus on consumption and getting value for money. There is no right or wrong answer to this question, but candidates should aim to make a judgement which is supported. Candidates may consider the following ideas as part of their answer: • Social responsibility allows a firm like Green & Blacks to build up a positive image in the eyes of consumers. • This is likely to lead to increased sales via repeat and new customers. • Consideration of a business that fails to provide the goods and services that consumers require then they are likely to fail and cease to exist. • Therefore, other measures of business success such as market share might be viewed as a more accurate measure of success. • A business might trumpet its CSR but really focuses more on the trade-off between profit and the cost of CSR • A CSR policy might be a means to generate a higher profit or to increase market share The discursive/evaluative element could come from explaining the problem of trying to identify the financial consequences of being socially responsible is to a business. Other routes to evaluation could come from the consideration of the relative importance of other measures of business success and	

		what the measure of success depends upon – whether consumers really care when they buy chocolate (for example) or how far it influences their purchasing decisions.	**(10)**
Level	**Mark**	**Descriptor**	
No Mark	**0**	Non-rewardable material. No mark is to be awarded if the candidate just re-states the question, i.e. social responsibility is the most important measure of business success in developed countries.	
Level 1	**1-4**	One relevant point is identified with some development – there can be a maximum of 4 marks if the links to the point are relevant – one mark per link (up to a maximum of 3).

An alternative route to the marks could involve a judgement being given; at the lower end of the level no support will be provided. At the top of the level some support will be given.

A list of bullet points will gain up to a maximum of three marks, assuming they are all relevant.

The quality of written communication will be poor with frequent spelling, punctuation, style and grammar errors. | |
| **Level 2** | **5-7** | Candidates consider the importance of social responsibility as a measure of business success and offer **two or more** reasons/causes/consequences etc. in support.
Counterbalance may be given but is confused or simplistic or is in the form of 'if…then…so…' type analysis.

At the middle of the level the answer will be in context.

At the top of the level a judgement/conclusion will be made with some support given although not drawn from the analysis and there may be reference to the context.

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 overall. | |
| **Level 3** | **8 - 10** | Candidates consider the importance of CSR as a measure of business success and offer **two or more** reasons/causes/consequences etc. in support.

At the lower end of the level some value will be attached to these reasons whilst at the top of the level there will be clear recognition of the value of the points made to | |

		the business, identifying an advantage and disadvantage, cost/benefit, pro/con etc. or using the 'it depends' rule. At this level candidates are likely offer some balance to the answer which may be in the form of addressing another measure of business success or recognising the limitations of CSR as a measure of business success. At the middle of the level a judgement/conclusion will be made with some support drawn from the analysis. At the top of the level a judgement/conclusion will be given clearly drawn from the analysis representing a coherent argument and will refer to the context. 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.

Total for Section C   **20 Marks**

TOTAL FOR PAPER: 90 MARKS

Ofqual

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Rewarding Learning