

GCSE Business

Mock Marking Live

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Welcome to this Professional Development Course

This event is for teachers delivering the Pearson Edexcel GCSE Business specification.

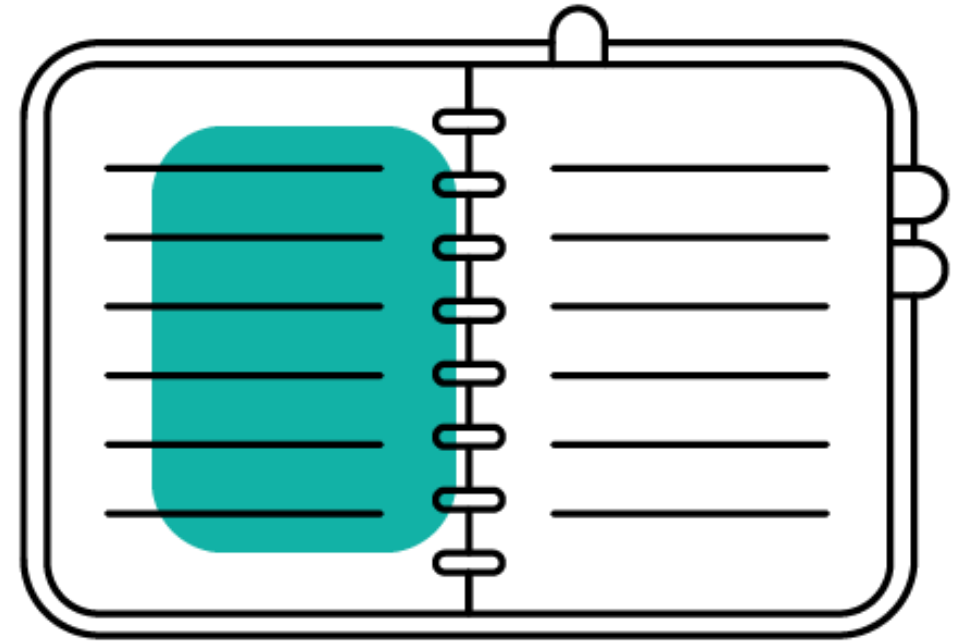
In this session the facilitator will mark a past paper live during the event, demonstrating how to accurately apply the mark scheme, giving hints and tips on each question type as they do so.



Agenda

In this session we are going to cover:

- Live marking of past paper
- Q&A



Live marking of past paper



Q1a and Q1b

Q1a

1/1 Mark

- The candidate correctly crossed out wrong answer

Q1b

0/1 Mark

- Candidates cannot put more than one mark/cross

SECTION A

Answer ALL questions. Write your answers in the spaces provided.

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

- 1 (a) Which **one** of the following is a way of segmenting a market?

(1)

Select **one** answer.

- ☒ A Cost
☒ B Income
☐ C Media
☐ D Profit

- (b) Which **one** of the following is a definition of insolvency?

(1)

Select **one** answer.

- ☒ A Business failure due to unpaid debts
☐ B Credit offered by suppliers
☐ C The cost of borrowing money
☒ D When two businesses join together

Q1c and Q1d

Q1c

1/3Marks

- Vague comments are included in the answer
- Multiple points are made

Q1d

3/3Marks

- A point is made
- Two development points are made

(c) Explain one disadvantage of starting a business as a partnership.

(3)

One disadvantage is that there could be disagreements between partners. This would lead to a less successful business. Another disadvantage is that the partners will have unlimited liability.

(d) Explain one advantage to customers from increased competition.

(3)

One advantage to customers from increased competition is that businesses in the market may lower their price. This means that customers will have to pay less to purchase the product they want. Therefore they will feel that they are getting more of a bargain.

(Total for Question 1 = 8 marks)

Q2a, Q2b and Q2c

Q2a

2/2 Marks

- Correct answers are given

Q2b

2/2 Marks

- Correct answers are given

Q2c

0/2 Marks

- No marks are given for the formula
- The calculation is incorrect, as it the answer

2 (a) Which **two** of the following could be used to collect secondary market research? (2)

Select **two** answers.

- ☐ A Focus group
- ☒ B Internet
- ☒ C Market reports
- ☐ D Observation
- ☐ E Survey

(b) Which **two** of the following are covered by employment law? (2)

Select **two** answers.

- ☐ A Consumer rights
- ☒ B Discrimination
- ☒ C Health and safety
- ☐ D Product quality
- ☐ E Taxation

Table 1 contains information for a small business.

Fixed costs	£7 500
Variable cost	£2 per unit
Selling price	£6 per unit
Output	5,000 units

Table 1

(c) Using the information in Table 1, calculate the total costs for the small business. You are advised to show your workings. (2)

$$\begin{aligned} TC &= FC + VC \\ &= 7500 + 2 \end{aligned}$$

£7502

Q2d and 2e

Q2d

2/3 Marks

- Two points are made; only one includes any development (one linked strand)

Q2e – 1st response

0/3 Marks

- The candidate offers nothing specific about a franchise

Q2e – 2nd response

3/3 Marks

- Candidate offers a point with three linked strands (This is one more than is needed)

(d) Explain one disadvantage to a small business from using retained profit for expansion.

(3)

One disadvantage is that they may not have enough retained profit for expansion. As a result the business may have to seek other sources of finance. Another disadvantage is that they would no longer have the retained profit for future emergencies.

(e) Explain one advantage of opening up a business as a franchise.

(3)

One advantage is that the business will have increased sales, this leads to increased revenue and may therefore increase profits.

One advantage is that the business may receive increased sales, this is because they are selling products of a recognised brand, as a result revenue might increase which may potentially lead to increased profits.

(Total for Question 2 = 12 marks)

Q3a and Q3b

Q3a

1/1 Mark

- Correct answer

Q3b

2/2 Marks

- Correct answer is shown 'on the line'
- Working out is not needed

3 (a) Which **one** of the following is a financial aim for a new business?

(1)

Select **one** answer.

- ☐ A Challenge
- ☐ B Independence
- ☐ C Personal satisfaction
- ☒ D Survival

Figure 1 shows the number of units sold by a business each month from June to August. The break even level of output for each month was 5,000.

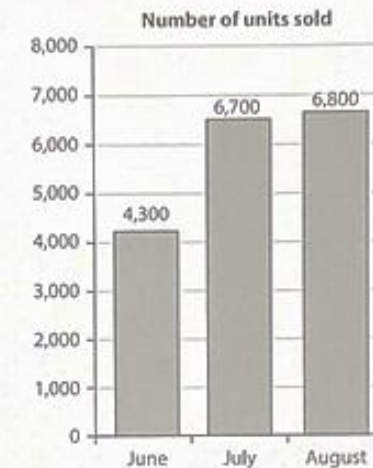


Figure 1

(b) Using the information in Figure 1, calculate the margin of safety for August. You are advised to show your workings.

(2)

1800 units

Q3c and Q3d

Q3c

3/3 Marks

- This is a 'textbook' answer
- A point is made with two linked strands

Q3d – 1st answer (Candidate provides two advantages)

0/3 Marks

- No advantage is given to 'business'
- One could see how a marker could easily be seduced into giving marks incorrectly!

Q3d – 2nd answer

3/3 Marks

- This answer is related back to business

(c) Explain **one** disadvantage to a small business from an increase in unemployment. (3)

One disadvantage is that more potential customers will be out of work. This means that they will have less disposable income. This could lead to a fall in demand for a business' product.

(d) Explain **one** advantage to a small business from using e-commerce. (3)

One advantage is convenience for customers, this is because they can shop when they want to, which makes life easier for them.

One advantage is that people can shop online and order at any time. This leads to more sales for the business which could potentially increase profits.

Q3e

5/5 Marks

- The candidate demonstrates good knowledge of branding and added value
- They provide four linked strands of development across two points

Level	A01b	A03a
L0		
L1		
L2		x
L3	x	

(e) Discuss the way a small business could use branding to add value.

(6)

Using branding allows a product to seem more of a luxury product in the eyes of the customer. This makes the product seem more exclusive as a result they can increase the price and add value without significantly increasing costs.

Another way is that branding enables a business to create a unique selling point for its business. This makes the product more instantly recognisable amongst customers. As a result, they would be able to increase the price without a significant fall in demand.

(Total for Question 3 = 15 marks)

TOTAL FOR SECTION A = 35 MARKS

Q4a

2/2 Marks

- A risk is identified
- The candidate off a linked strand of development
- They provide context through 'trainers'

SECTION B

Answer ALL questions. Write your answers in the spaces provided.

In the Source Booklet, look at Figure 2 and read Extract A, then answer Questions 4, 5 and 6.

4 (a) Outline one possible risk to Keilan from setting up Adikoggz.

(2)

One risk is that the business might fail. This is because they may not sell enough pairs of trainers.

Q4b

2/6 Marks

- No application is present in this answer
- The candidate offers two linked strands of development, in each paragraph.

Level	A02	A03a
L0	x	
L1		
L2		x
L3		

(b) Analyse the importance to Adikoggz of identifying customer needs.

(6)

It's important that Adikoggz identify customer needs so that they can adapt the product to what the customers want. As a result the product will be more appealing, therefore Adikoggz will make more sales.

Another reason it is important to identify customer needs is because then Adikoggz will know how much customers would be willing to pay. Therefore the owners of Adikoggz will be able to set a realistic price for their product.

(Total for Question 4 = 8 marks)

Q5a and Q5b

Q5a

1/2 Marks

- The correct 'workings out' are shown
- The answer is incorrect – the candidate made a transposition error or error on their calculator

Q5b

1/2 Marks

- The answer is not given to two decimal places

5 Table 2 shows how many pairs of trainers were customised by Adikoggz from July to December 2022.

	Pairs of trainers
July	52
August	61
September	47
October	34
November	52
December	72

Table 2

- (a) Using the information in Table 2, calculate the average number of trainers customised per month from July to December 2022. You are advised to show your workings.

(2)

$$\frac{(52 + 61 + 47 + 34 + 52 + 72)}{6} = 52 \text{ pairs}$$

- (b) Using the information in Table 2, calculate, to 2 decimal places, the percentage change in sales from November to December 2022.

(2)

$$(20 \div 52) \times 100 = 38.4615\%$$

Q5c

6/6 Marks

- Application is present throughout, in both paragraphs
- Three linked strands of development are present in each paragraph

Level	A02	A03a
L0		
L1		
L2		
L3	x	x

(c) Analyse the advantage to Adikoggz from using social media to promote its products.

(6)

One advantage is that by using platforms such as Facebook and Instagram, Keilan can show images of the trainers that have been customised. As a result these trainers will be shared online by fans of the football teams or music bands which are represented on the trainers. This helps to build awareness of the personalised trainer brand. Therefore Keilan is likely to receive more sales.

Another advantage is that Keilan can engage with customers when they make comments on the Facebook or Instagram post. This will allow him to answer queries about the deep cleaning service. This allows other customers to see the impressive level of customer service Keilan offers and therefore makes them more likely to buy trainers or use their services.

(Total for Question 5 = 10 marks)

Q6a and Q6b

Q6a – 1st response

0/1 Mark

- No application is present in this answer

Q6a – 2nd response

1/1 Mark

- Application is present through 'trainers'

Q6b

1/2 Marks

- A valid benefit is given
- The answer contains a linked strand of development, but no application

6 (a) State **one** example of a cash inflow for Adikoggz.

Product sales / Sales from customised trainers ⁽¹⁾

(b) Outline **one** benefit to Keilan from producing a business plan for Adikoggz.

One benefit is it may help to get a loan from a bank. This is because the bank manager can look at the business' predicted cash flow. ⁽²⁾

Q6c

4/9 Marks

- Good application is present in the first two paragraphs, but none is present in the conclusion.
- Two linked strands of development are present in each of the first two paragraphs.
- No evaluation is provided – the candidate has merely looked at the benefits of option 1 and their conclusion adds nothing to the answer.

Level	A02	A03a	A03b
L0			x
L1			
L2	x	x	
L3			

To help prevent cash-flow problems Adikoggz is considering two options as a short-term source of finance:

Option 1: an overdraft from the bank

Option 2: trade credit from suppliers.

(c) Justify which **one** of these two options Adikoggz should choose.

(9)

A benefit of using an overdraft is that Keilan can still meet the costs he has to pay even if he does not have a lot of cash flowing in from selling his trainers. This means that he will still be able to pay the wages of his four employees. As a result they will still work for him and continue to customise his trainers.

A benefit of obtaining trade credit from suppliers is that Adikoggz can obtain trainers from suppliers and pay for them later. This allows Keilan to get cash in from customers before having to pay suppliers. Therefore there is less of a financial risk.

In conclusion, Adikoggz should get an overdraft as they can then cover any unexpected costs that arise.

Q7a and Q7b

Q7a – 1st response

0/1 Mark

- No application is present in the answer

Q7a – 2nd response

1/1 Mark

- Application is shown through 'gym'

Q7b

1/1 Marks

- Correct answers are provided – the candidate is only required to offer the correct answer; there is no need for long sentences.

SECTION C

Answer ALL questions. Write your answers in the spaces provided.

In the Source Booklet, look at Figure 3 and read Extract B, then answer Question 7.

- 7 (a) State **one** example of a fixed cost for PFC.

(1)

Rent

Rent for the gym premises

Table 3 shows the % of the local population that has a gym membership in different regions of the UK.

Region	% membership
Scotland	15%
North east	15%
North west	16%
Yorkshire	16%
East Midlands	12%
West Midlands	13%
Wales	13%
South west	10%
South east	13%
London	18%

(Source: adapted from Yougov survey 2022)

Table 3

- (b) Using the information in Table 3, identify which region had the lowest level of gym membership in the UK.

(1)

South west

Q7c

2/2 Marks

- This answer is far longer than is necessary to attain full marks!
- The candidate acquires the full 2-marks in the first half of the answer!

(c) Outline **one** factor that could have influenced the location of PFC.

(2)

One factor could be the proximity of rival gyms. PFC may have wanted to locate in an area where there are no other gyms around. This means that they are more likely to attract customers. Therefore they are more likely to ~~receive~~ receive higher revenue. As a result profits may increase.

Q7d

9/9 Marks

- Good application is present throughout
- At least three linked strands of development are present, in each paragraph
- Balance is given in the second paragraph, by looking at a drawback of a given option

In order to increase the number of new members at PFC, the owner is considering two options:

Option 1: reducing the price of membership

Option 2: providing an individual fitness plan for all new members.

(d) Justify which **one** of these two options would have the bigger impact on new membership at PFC.

(9)

I think that PFC should provide individual fitness plans. This is because in doing so the gym is adding more value to their service. As a result more incentive is given to attract new members to the club. Therefore if more members join the fitness centre will receive more revenue from monthly subscriptions. This may provide more funds to invest in more specialised fitness equipment, further differentiating their offering.

However, providing individual plans may be more costly for the gym. This is because they may need to put on a more varied programme of fitness classes to suit every member's individual needs. This would be expensive as they would need to pay for more instructors which may actually end up meaning profits actually decrease.

Q7d

9/9 Marks

- The conclusion provided places value on argument, by saying 'it is vital that the gym differentiates itself from rivals'
- Also, the candidate explains what their decision may depend on

Level	A02	A03a	A03b
L0			
L1			
L2			
L3	x	x	x

In conclusion it is vital that the gym differentiates itself from rivals. This is why reducing the price would not be best because competitors are already £20 cheaper. By offering bespoke training programmes they make themselves unique. However, the success of this will depend on the gym receiving a vastly increased number of new members to offset additional costs.

Q7e

6/12 Marks

- Some knowledge is demonstrated in this answer
- L1/L2 borderline application is shown: 'luxuries like going to the gym' and 'gym member'
- The candidate offers five or more linked strands of development across two points
- No evaluation is shown, both paragraphs explain why it's important and no counter argument is provided

(e) Evaluate the importance of the level of consumer income to the success of PFC.
You should use the information provided as well as your knowledge of business.

(12)

One reason it is important is because if incomes increase then potential customers have more disposable income to spend. As a result people may decide to go to PFC. As more people spend their money there, the business will receive increased revenue. This results in potentially more profit for PFC who could use this as a source of finance to grow the business and expand in other areas.

Another reason it is important is because when people have lower incomes they have less money to spend on luxuries like going to the gym. Therefore sales will decrease, meaning that the business has a lower cash flow and therefore cannot pay for everything it needs to. This could result in business failure.

Q7e (continued)

5/12 Marks

- The conclusion adds very little to the answer

Level	A01b	A02	A03a	A03b
L0				x
L1	x			
L2		x		
L3			x	

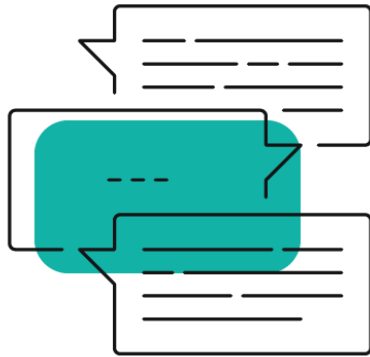
In conclusion, levels of consumer income are very important for AFC. This is because it determines just how many people will be a gym member. Therefore it determines their success.

(Total for Question 7 = 25 marks)

TOTAL FOR SECTION C = 25 MARKS
TOTAL FOR PAPER = 90 MARKS

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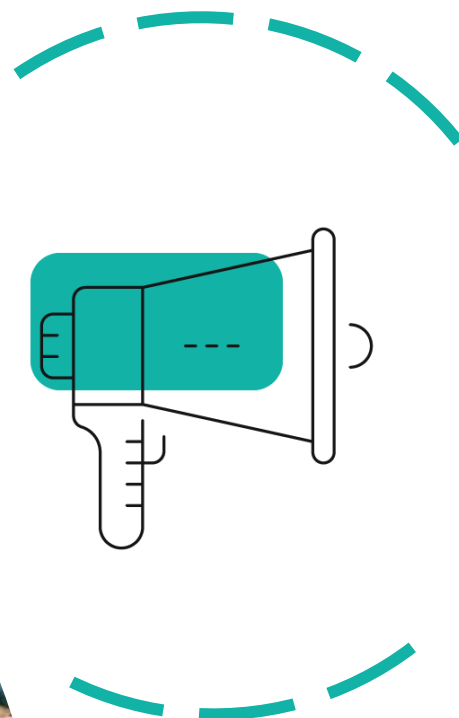
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Q&A





Q&A



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