

Mark Scheme (Results)

November 2010

IGCSE

IGCSE Business (4330/03)

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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.

Question Number	Answer	Mark																		
1(a) A01	<table border="1"> <thead> <tr> <th>Economy of scale</th> <th>Internal</th> <th>External</th> </tr> </thead> <tbody> <tr> <td>Trading</td> <td>✓</td> <td></td> </tr> <tr> <td>Location</td> <td></td> <td>✓</td> </tr> <tr> <td>Skilled labour availability</td> <td></td> <td>✓</td> </tr> <tr> <td>Financial</td> <td>✓</td> <td></td> </tr> <tr> <td>Managerial</td> <td>✓</td> <td></td> </tr> </tbody> </table>	Economy of scale	Internal	External	Trading	✓		Location		✓	Skilled labour availability		✓	Financial	✓		Managerial	✓		5
Economy of scale	Internal	External																		
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Question Number	Answer	Mark
1(b) A02	<p>eg TR will be smaller - lower selling price - the line will be less steep than at present</p> <p>TC will remain the same - as no change in fixed and variable costs</p> <p>BE point will be higher (or further to the right) - as revenue is decreasing but costs remain unchanged</p> <p>Maximum of 3 marks if only two lines are considered</p>	5

Question Number	Answer	Mark
1(c) A03	<p>eg there would have been high R&D costs - that would have to be re-couped</p> <p>demand was likely to be high - likely customers would be very keen to have the latest gadget - whatever the price - partly because it was new - and partly for the status and 'must have' value to it - such people were more than willing to pay this high price - and Apple knew that this was to be the case</p> <p>only being available from one supplier would have helped make this pricing policy a success</p>	5

Question Number	Answer	Mark
<p>1(d)</p> <p>A04</p>	<p>eg this can be used firstly to compare the performance in one year against another - and this can be an indication of trading success in terms of, gross and net profit</p> <p>the business can also see how much its sales have cost - and then consider future decisions it could make to reduce costs</p> <p>in the same way an on-going check can be made on expenses and how they vary from year to year - an increase in expenses could lead to a reduction in net profit</p>	<p>5</p>

Question Number	Answer	Mark
2(a)(i) A01	a tax on imported goods	1

Question Number	Answer	Mark
2(a)(ii) A01	<p>eg will increase the selling price of the imported products</p> <p>makes imported goods dearer than home produced goods</p> <p>aims to protect home industries, especially new industries</p> <p>raises revenue</p> <p>stops 'dumping'</p>	4

Question Number	Answer	Mark
2(b) A02	<p>eg it is a hierarchy because there are many levels - and at each level there is generally more than one person</p> <p>it is a hierarchy because it shows that the power and control - is top down - with employees lower down have decreasing influence - in this example all the important decisions - will be made at or near the top</p> <p>such a structure clearly shows the chain of command - span of control - levels of authority and accountability</p>	5

Question Number	Answer	Mark
2(c) A03	<p>eg commission may not be paid to all staff whereas bonuses generally are (1)</p> <p>commission is usually calculated as a percentage of the value of sales - is usually paid to staff who work in sales - it is sometimes paid in addition to a salary or wage - but not always and some employees could be employed on a commission only basis</p> <p>bonuses are usually dependent on the successful performance of the whole business - a bonus is generally paid to all staff - and is an extra payment on top of their normal wages or salary - it is an incentive often used when staff meet targets - such as attendance, punctuality or for long service. (4)</p> <p>Maximum 3 marks if response is only commission or bonus</p>	5

Question Number	Answer	Mark
2(d) A04	<p>eg Poor communication will cause problems for a business (1)</p> <p>if managers do not talk and listen to staff then their feelings, morale - views will not be known or addressed - employee motivation could become negative - this could lead to a decline in performance - ultimately could lead to some form of industrial action</p> <p>poor communication could lead to bad business decisions - because of incomplete, incorrect or misinterpreted information - such decisions could lead to lost opportunities for the business - a decline in profits - and the possible demise of the business (4)</p>	5

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