

Mark Scheme (Results)

Summer 2008

IGCSE

IGCSE Business Studies (4330/03)

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)	<table border="1"> <tr> <td>Co-operative</td> <td>F</td> </tr> <tr> <td>Sole Trader</td> <td>B</td> </tr> <tr> <td>Partnership</td> <td>E</td> </tr> <tr> <td>Private Limited Company (Ltd)</td> <td>D</td> </tr> <tr> <td>Public Limited Company (plc)</td> <td>A</td> </tr> <tr> <td>Franchise</td> <td>C</td> </tr> </table>	Co-operative	F	Sole Trader	B	Partnership	E	Private Limited Company (Ltd)	D	Public Limited Company (plc)	A	Franchise	C	5 marks
Co-operative	F													
Sole Trader	B													
Partnership	E													
Private Limited Company (Ltd)	D													
Public Limited Company (plc)	A													
Franchise	C													

Question Number	Answer	Mark				
1(b)(i)	<table> <tr> <td>Current ratio</td> <td>1.25</td> </tr> <tr> <td>Acid test ratio</td> <td>0.75</td> </tr> </table>	Current ratio	1.25	Acid test ratio	0.75	2 marks
Current ratio	1.25					
Acid test ratio	0.75					

Question Number	Answer	Mark
1(b)(ii)	<p>Eg (CR) - at 1.25 could just pay off short term debts - could pay off liabilities one-and-a quarter times over - 1.5/2.0 would be safer - less than 1 would create a cash flow problem - assumes that all current assets can be sold quickly - not always true, ie sale of stock - could pay off current liabilities one-and-a-quarter times</p> <p>(ATR) - a ratio of 1 means could just pay off short term debts - 0.75 means this cannot be done - only has 75p of liquid assets to cover every £1 of current liability - managers would have to increase working capital.</p> <p>NB maximum of two marks if only one ratio considered.</p>	3 marks

Question Number	Answer	Mark				
1(c)	<table> <tr> <td>Negative cash flow identified</td> <td>1</td> </tr> <tr> <td>Approach bank - before June - discuss figures - negotiate a suitable source of finance - overdraft</td> <td>4</td> </tr> </table>	Negative cash flow identified	1	Approach bank - before June - discuss figures - negotiate a suitable source of finance - overdraft	4	5 marks
Negative cash flow identified	1					
Approach bank - before June - discuss figures - negotiate a suitable source of finance - overdraft	4					

Question Number	Answer	Mark
1(d)	<p>eg</p> <p>(production) - must produce screens that can be sold - marketing can advise from sales data - marketing will have feedback from customers (guarantee forms, customer satisfaction data) - Q/A issues raised from complaints and feedback to production</p> <p>(marketing) - research TV markets and customer requirements to inform R&D - R&D develop new products - liaise with production when new product ready for mass production to plan marketing campaign in time for product launch</p>	5 marks
		Total 20 marks

Question Number	Answer	Mark
2(a)(i)	Eg <ul style="list-style-type: none"> • company reports • newspaper articles • internet • databases • Government statistics 	3 marks

Question Number	Answer	Mark
2(a)(ii)	(market orientation) - customer needs drive product development as do competitor pressures (market share) - percentage of market (by volume or value) held by one company or brand	2 marks

Question Number	Answer	Mark
2(b)	eg (managerial) - specialists and experts can be employed - less may be needed - saving in costs - fall in management cost per unit (trading) - bulk buying - lower unit costs - importance and buying power of large company - also impacts on advertising, packaging and delivery costs NB maximum of 3 marks if one economy attempted	5 marks

Question Number	Answer	Mark
2l	eg Both stop me wasting my time/time of the employer (job description) - sets out type/nature of the work so I can see if I have what is required - I can see details of the work and whether it suits me - any special features I must have will be indicated - it will let me know if I have to work with specialist equipment/software (job specification) - I can check my experience against what is required - I can check if I have the qualifications needed -do I have the physical and/or mental abilities stated NB max of 3 marks for single response4	4 marks

Question Number	Answer	Mark
2(d)	Eg how near to other Morrison supermarkets, is there sufficient demand - distance from one to another - closeness might work - how many competitors (other supermarkets) and are they busy - is market saturated - how many potential customers in the area, what is their purchasing power - can another supermarket survive - is there a labour force available	5 marks
		Total 20 marks
		Total for paper 40 marks