

# Mark Scheme (Results)

## Summer 2010

IGCSE

### IGCSE BUSINESS (4330) Paper 2H

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Question Number	Answer	Mark
1(a)(i)  A01	<ul style="list-style-type: none"> <li>• fixed costs do not change as output/production changes</li> <li>• variable costs change in proportion to output/production changes</li> </ul>	2

Question Number	Answer	Mark
1(a)(ii)  A02	variable cost for <i>HH Ltd</i> = <ul style="list-style-type: none"> <li>• production materials eg wood, plastic for the keyboard</li> <li>• piecework wages</li> </ul>	2

Question Number	Answer	Mark
1(b)(i)  A02	250 output £25 000 revenue (accept £24 500)	2

Question Number	Answer	Mark
1(b)(ii) A03	(200 output) a loss - of £4 000 (accept £3 500) (400 output) a profit - of £12 000(accept £13 000)	4

Question Number	Answer	Mark
1(c)	<ul style="list-style-type: none"> <li>• number sold/total sales/turnover</li> <li>• profits</li> <li>• consumer reaction/satisfaction</li> <li>• profitability ratios</li> <li>• market share</li> </ul>	3

Question Number	Answer	Mark
1(d) A01	<ul style="list-style-type: none"> <li>• (cost-plus) total costs calculated - profit element/markup added</li> <li>• (competition) review competitor prices - price near/at this level</li> </ul>	4

Question Number	Answer	Mark
1(e) A04	<ul style="list-style-type: none"> <li>• Yes because - the mark up covers all costs - and will guarantee a profit on each one sold</li> <li>• No because - competitor prices are ignored - which might make the price unrealistic or uncompetitive</li> </ul> <p>One sided argument 2 marks maximum</p>	3

Question Number	Answer	Mark
2(a)  A01	(Trading) <ul style="list-style-type: none"> <li>• calculate gross profit</li> </ul> (P&L) <ul style="list-style-type: none"> <li>• calculate net profit</li> </ul> (B/S) <ul style="list-style-type: none"> <li>• show assets - and liabilities</li> <li>• show the financial position - what is owned and owed</li> </ul>	4

Question Number	Answer	Mark
2(b)  A03	<ul style="list-style-type: none"> <li>• divide market by age - target advertising media</li> <li>• divide market by income - review product range</li> <li>• divide market by sex - target advertising themes</li> <li>• divide the market by income - target pricing strategies</li> </ul>	4

Question Number	Answer	Mark
2(c)  A03 = 3  A04 = 3	<ul style="list-style-type: none"> <li>• (A03) pianos, sales steady at 25 per month</li> <li>• organs, fallen from 20 in Jan to 15 in April/stable the last 2 months at 15</li> <li>• keyboards, up from 15 in Jan to 30 in April/increase of 5 each month</li> <li>• (A04) keyboards were worst seller and now best seller</li> <li>• pianos were best seller, now only second best</li> <li>• organs second best, now worst seller</li> <li>• there is an overall increase from 60 in Jan to 65</li> </ul>	

	in both Feb and March, and 70 in April	6
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Question Number	Answer	Mark
2(d)  A04	<ul style="list-style-type: none"> <li>• (for) encourages them to sell more - because their pay increases</li> <li>• pay is recognised as a factor in motivation - by Maslow/Herzberg</li> <li>• (against) but pay is not the only motivator - they may not want the increased pressure - basic pay has been cut</li> <li>• they may not sell more - will demotivate</li> </ul> <p>(Maximum 4 marks for a one-sided answer)</p>	6

Question Number	Answer Higher Q3	Mark
3(a)  A01 = 1 A02 = 2	<ul style="list-style-type: none"> <li>• (A01) managerial - (A02) it has directors - who will specialise in management tasks</li> <li>• (A01) financial - (A02) it is a company - and can negotiate good borrowing rates</li> <li>• (A01) technical - (A02) - it uses specialist equipment - which will improve efficiency</li> </ul>	3

Question Number	Answer	Mark
3(b)  A03	<ul style="list-style-type: none"> <li>• good communications will be necessary - need to contact/liase with the new factory - consider issues such as cost/reliability/speed</li> <li>• employment/workforce must be suitable - sufficient numbers needed - with sufficient skills - and willing to work for set pay levels - cost of training/may be support available</li> <li>• infrastructure/access must be suitable - to transport products from the new factory - for access - adequate council/waste disposal</li> <li>• premises must be suitable - cost of buying or renting - availability of grants to reduce costs - availability of cheap finance</li> </ul>	

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Question Number	Answer	Mark
<p>3(c)</p> <p>A04</p>	<ul style="list-style-type: none"> <li>• (For) QC maintains a consistent level of quality - because it prevents defects/detects quality problems/may improve quality - it can controls costs - helps to generates customer satisfaction - QC can be used to ensure minimum legal quality/standards are met by <i>HH Ltd</i></li> <li>• (Against) Employees must apply QC correctly - if they do not, quality can suffer - and QC may be limited only to inspection/statistical control - other initiatives may be being ignored - time and cost of quality control</li> <li>• (Conclusion) it is important/it is not important because . . .</li> </ul> <p>(Maximum 6 marks for a one-sided answer)</p>	<p>8</p>

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