

Delegate Booklet

Getting Ready to Teach (GRTT)

International GCSE Business (9-1) 4BS1 Face to Face

16IAB10

About this event

Course Title: International GCSE (9-1) Business: Getting Ready to Teach (GRTT) 4BS1

Course Code: 16IAB10

Aims and Objectives of the event:

Delegates will:

- Learn about the introduction of the new 9-1 grading scale.
- Explore the question papers and mark schemes for Paper 1 and Paper 2.
- Explore possible teaching and delivery strategies for the new qualification.
- Have the opportunity to network, discuss best practice and share ideas with other teachers.
- Find out more about the support available to guide you through these changes.
- Have dedicated time to ask questions to our trainer.

Agenda:

Time	Item
10:00	Welcome
10.05	Introduction to the new Pearson GCSE (9-1) Business qualification
11:00	'State', Calculate', 'Explain' and 'Outline' and questions
12.30	Lunch
1.30	'Analyse', 'Justify' and 'Evaluate' questions
3.00	Support and resources
3.30	Questions and final points
3.45	Finish



Pearson

Activity 1 - Marking activity

Purpose:

- To practice marking student responses using the assessment information from the first session.

Sample 1 – 'State' (from SAM Paper 2 Question 2a)

(a) State **one** barrier to communication for Apple.

(1)

jargon.

Sample 2 – 'State' (from SAM Paper 1 Question 2e)

(a) State **one** piece of information a potential member of staff may include in their curriculum vitae (CV) when applying for a job with Haji Biriyani.

(1)

Qualification regarding being a qualified chef.

Sample 3 – 'Calculate' (from SAM Paper 2 Question 3c)

The selling price of an iPhone 6 is US\$800 and the cost of sales is US\$200.

(e) Calculate the gross profit margin on an iPhone 6. You are advised to show your working.

(2)

$$\frac{\text{Gross profit}}{\text{Selling price}} \times 100 = \underline{\underline{75}}$$



Pearson

Sample 4 – ‘Calculate’ (from SAM Paper 1 Question 3c)

Figure 2 shows the fixed and variable costs of making one biriyani meal at Haji Biriyani’s main restaurant in Dhaka.

	Tks
Total fixed costs	20 000
Variable costs of mutton per meal	250
Variable costs of rice per meal	110
Variable costs of vegetables and spices per meal	40

Figure 2

(c) Calculate the total costs of making 10 biriyani meals.

(2)

$$20,000 + (400 \times 10) = 24,000.$$

Sample 5 – ‘Explain’ (from SAM Paper 2 Question 1f)

(f) Explain **one** benefit to a business of using primary market research.

(3)

A benefit is that it gives the business a good idea of what the customers would want. Therefore differentiating the brand.



Pearson

Sample 6 – 'Explain' (from SAM Paper 2 Question 2c)

(c) Explain **one** benefit to a business of on-the-job training.

(3)

one benefit of on-the-job training is that it is more heavily tailored to a specific business. This means the training is more effective, and each worker has increased productivity. As a result, labour costs per unit go down, and average total costs per unit go down. Therefore, profit margins per unit go up, and a business is able to make an increased profit.

Sample 7- 'Outline' (from SAM Paper 1 Question 3b)

(b) Outline **one** reason why a restaurant group is best described as being in the tertiary sector.

(2)

They serve food. This means that they are providing a service to consumers.

Sample 8 'Outline' (from SAM Paper 2 Question 3b)

(b) Outline **one** reason why Apple makes use of trade payables.

(2)

This means when suppliers deliver raw materials for an iPhone, Apple doesn't have to pay the creditors straight away. As a result, Apple's cash flow position is improved, and they have a reduced risk of insolvency.



Pearson

Activity 2 - Marking activity

Purpose:

- To practice marking student responses using the assessment information from the second session.

Sample 1 – 'Analyse' (from SAM Paper 1 Question 3d)

In 2015, Haji Biryani's acid test ratio was 0.9.

(d) Analyse the impact of this acid test ratio on Haji Biryani.

(6)

This means that the restaurant group's current liabilities are not covered by the current assets of the business such as stock including spices and rice. The ratio 0.9 is quite good as they will sell the curry and rice and make money quickly. Therefore Haji may have problems with liquidity problems and the restaurant may be at risk of expanding the business more than. Also the ratio is below 1 this is not a problem as they could be efficient with the capital.



Pearson

Sample 2 – 'Justify' (from SAM Paper 2 Question 2f)

Apple is considering two options to improve communication within the company.

Option 1: Keep the centralised organisational structure.

Option 2: Move to a flat organisational structure.

(f) Justify which one of these two options Apple should choose.

(9)

Apple should choose to keep option 1 as a centralised organisational structure means that only one person (CEO) will be making the decision, therefore the chance of a potential bad decision will decrease and a mistake would prove costly to a company like Apple as the technology market ^{moves} very fast so a competitor like Samsung would capitalise on it.

Also a disadvantage of option 2 is that employees too often will lack a specific boss to report to, which creates confusion and possible power struggles in among management.



Pearson

Sample 3 – 'Evaluate' (from SAM Paper 1 Question 4c)

In 2015, Haji Biryani considered introducing a home delivery service where food ordered on the internet is delivered to customers at their homes.

- (c) Evaluate whether the introduction of a home delivery service would increase Haji Biryani's profits. You should use the information provided as well as your own knowledge of business.

(12)

Offering a home delivery service could increase Haji's profits as more people may not have time to access his restaurant and to sit down and enjoy the food in Bangladesh. As a result customers could decide to stay at home and get the food delivered.

Another reason to offer a delivery service is that sales would increase as more people would purchase from one of his three stores in Dhaka. As a result more revenue would be coming into the business through the sales of Biryani. This could lead to more profit as if the revenue is more than the cost of setting the business up.

However, the introduction of a delivery service could make a loss or profit as you may not make enough sales to make up for the delivery costs and decide if to carry through on with the service.



Pearson

Copy of exemplar 'Justify' questions: **Exemplar 1**

The owners of Haji Biryani want to judge the success of the restaurant group.

In order to do this, the owners are considering using the following two options.

Option 1: Customer satisfaction.

Option 2: Profit.

(e) Justify which one of these methods the owners should use.

(9)

The best way to judge success for Haji Biryani is option 2 - profit. The main reason for this is that to survive any business needs to make profit. By making a high level of profit this suggests that Haji Biryani is providing food and service that meets the needs demands of its customers.

This is better than option 1 because customer satisfaction does not necessarily mean that the business is a success. If a customer was charged really low prices for their meals this would mean they would be very satisfied, but the business would not be successful because the revenue earned would not cover cost of ingredients. As a result the business may make a loss and go out of business.

In conclusion option 2 is the best way of measuring the success of any business. However, this depends on the actual amount of profit made. Very small profit may mean Haji Biryani only just survives.



Pearson

'Justify' question: Exemplar 2

Apple is considering increasing the amount of money it spends on product development.

In order to fund product development, Apple has two options.

Option 1: Issue new shares.

Option 2: Use retained profits.

(e) Justify which **one** of these two options Apple should choose.

(9)

one benefit of option 1, issuing new shares, is that Apple is a well known, established technology brand. This means they can charge a premium price for each share, and therefore will receive lots of capital from each share sold. Furthermore, many people would want to buy Apple shares, as they are a leading company in the technology market, have lots of market power, and are seen as a reliable brand, with popularity increasing each time a new iPhone or iPad is brought out. Therefore, Apple would have no problems raising sufficient capital using this option. However, one drawback of option 2, to use retained profit, is that Apple might not be able to generate sufficient capital this way. Product development is very expensive, so they would have to raise lots of capital to fund it. This means it would take longer to raise sufficient capital, and since the technology market is very quickly developing and changing, it is vital that Apple works quickly to stay ahead of competitors such as Samsung, and keep their competitive advantage and market power.

To conclude, Apple should choose option 1, to issue new shares as they can raise more capital much faster this way, which is critical to stay ahead in their market.



Pearson

'Justify' question: Exemplar 3

Fender is considering two options to increase its profitability:

Option 1: Increase advertising

Option 2: Increase prices

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

(9)

Fender should increase its advertising ~~because~~ to increase its profitability because with advertising comes more awareness from consumers which is important for a guitar company because many people are buying guitars for the first time throughout their life, so if Fender is the most known brand more people are likely to buy one as the first guitar. This will encourage consumer loyalty and therefore repeat purchase.

Also, Fenders prices are already high against Gibson, so their competitors have a competitive advantage over price, so Fender need to make consumers aware of their competitive advantage through quality. This would happen through advertising. This will increase desirability for Fenders guitars, so more people will purchase their products, with increase sales comes increased profitability which will make up for advertising costs.

(Total for Question 6 = 12 marks)



Pearson

Copy of 'Evaluate' question: **Exemplar 1**

The global technology market is highly competitive.

- (c) Evaluate the importance of product quality in allowing Apple to remain competitive. You should use the information provided as well as your own knowledge of business.

(12)

Product quality is critically important, especially in the technology market, which is extremely competitive. If Apple has high quality products, such as the iPhone and the iPad, then they have a unique selling point. This creates differentiation which adds value to Apple's brand, therefore decreasing the number of effective substitutes in the market. As a result, demand for iPhones becomes price inelastic, so Apple can charge a premium price for its iPhones and iPads. This means their revenue increases, therefore widening their profit margins. Consequently, Apple's profit increases.

Having a high quality product is also vital to Apple as it means their customers' needs are met, and there are high levels of customer satisfaction. This leads to an increase in repeat purchases, which enhances Apple's reputation as a strong and reliable brand. As a result, more people buy iPhones and iPads instead of Samsung phones and tablets, increasing Apple's market share. This leads to an increase in revenue, widening the profit margin, and increasing Apple's profit.

However, quality isn't everything in allowing Apple to remain competitive and be a successful technology company. They also need to price their iPhones and iPads competitively, as if their prices are extremely higher than competitors' such as Samsung and HTC, customers will buy from competitors and Apple's sales and consequently revenue will decrease. They will also lose their reputation as a strong, leading technology brand, losing their ability to charge a premium price.



Pearson

To conclude, the importance of product quality to Apple is dependent on the market segment that they are targeting. For example, in countries with low average wages, such as China, they are looking for iPhones with a low price, so quality is not quite so important to customers. However, in the western market, where there are high incomes and high expectations, having a high quality product is absolutely critical to Apple's success and ability to remain competitive.



Pearson

PERSONAL LEARNING

Things to do:

-
-
-
-
-

Things to avoid:

-
-
-
-

Your ideas:

