

# **Delegate Booklet**

International GCSE/International A Level  
Business

Bridging the Gap

4BS1-20IO1



# Pearson

## About this event:

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**Course Title:** International GCSE/International A Level Business: Bridging the Gap

**Course Code:** 4BS1-20IO1

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## Aims and Objectives of the event:

- ☐ Discuss the differences between International GCSE and Advanced level study, including level of difficulty, accessibility, learning styles and methods of assessment.
- ☐ Introduction to a range of activities to both enthuse and enable students who have just completed International GCSE assessments to make and sustain the necessary step up to the level of understanding and methods of working, including independent learning, required to succeed at International A level.
- ☐ Discuss and look at ways to address some of the common pitfalls experienced by students in taking this challenging step.



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## ‘Explain...’: Case-study extract October 2019 Paper 1 (WBS11\_01)

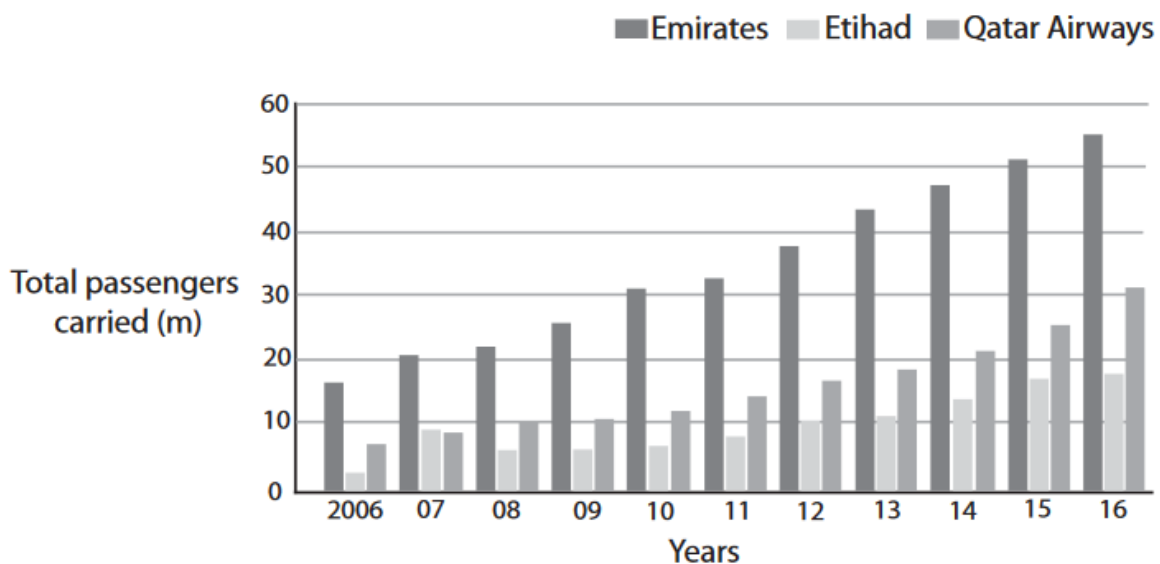
Sources for use with Section B

### Extract C

#### Airline Companies in the Middle East

Over the past 10 years airline companies based in the Middle East have significantly increased the number of passengers they carry each year. Competitors, *Emirates*, *Etihad Airways* and *Qatar Airways* have attracted travellers with competitive pricing, superior service and luxurious premium cabins. Whilst passenger numbers are increasing, these airlines are facing competition from low-cost airlines, such as *Norwegian Air Shuttle* and Singapore-based *Scoot*. These airlines are attracting customers with low-priced fares on some of the same routes.

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## ‘Explain...’: Mark scheme

### Question 2(b) October 2019 Paper 1 (WBS11\_01)

Question	Answer	Mark
2(b)	<p style="text-align: center;"><b>Knowledge 1, Application 2, Analysis 1</b></p> <p>Quantitative skills assessed: <b>QS8</b> Use and interpret quantitative and non-quantitative information in order to make decisions</p> <p><b>Knowledge</b> Up to 1 mark for giving one reason why product is important e.g. • The product/service needs to meet customer needs <b>(1)</b>.</p> <p><b>Application</b> Up to 2 marks for answer contextualised: • Passengers are looking for luxurious cabins. <b>(1)</b>. • Customers expect quality inflight entertainment and food from <i>Emirates</i>. <b>(1)</b>.</p> <p><b>Analysis</b> Up to 1 mark for reasons/causes/consequences for <i>Emirates</i>, e.g. • If the product features are inadequate then customers may turn to competitors, resulting in lower sales and loss of market share for <i>Emirates</i>.</p>	<b>(4)</b>



# Pearson

## ‘Explain...’: Exemplar 1

### Question 2(b) October 2019 Paper 1 (WBS11\_01)

(b) Explain **one** reason why product may be considered the most important element of the marketing mix for *Emirates*.

(4)

Product design is when the business focuses on the production process which has function, aesthetics and cost. A reason why ~~product~~ the product may be considered the most important ~~the~~ element is because it represents the brand image of ~~the~~ the company and what brings profit.

Total Mark =



# Pearson

## ‘Explain...’: Exemplar 2

### Question 2(b) October 2019 Paper 1 (WBS11\_01)

(b) Explain **one** reason why product may be considered the most important element of the marketing mix for *Emirates*.

(4)

Product is a part of the marketing mix and is about the function of the product. For emirates, this might be the most important part as they are known for their superior service ~~and~~ luxury premium cabins and their commitment to quality. This is how Emirates differentiates itself from its competitors and ~~then~~ gives them a competitive advantage, ~~this~~ This will ~~have~~ potentially result in higher market share, revenues and profit margins.

Total Mark =



Pearson

## **‘Analyse...’: Case-study extract**

### **October 2019 Paper 2 (WBS12\_01)**

#### **Sources for use with Section A**

##### **Extract A**

##### **Problems for India’s labour-intensive industries**

Labour-intensive industries, such as jewellery, textiles and leather goods are declining in India.

In July 2017 the goods and services taxation (GST) was introduced in India. Businesses are able to claim a refund from the government on the GST they pay to suppliers but many labour-intensive industries are small-sized businesses that find the new procedure difficult. The refund claim must be made online but IT is not accessible to some small businesses. In addition, there are reports of a long period between businesses paying GST to suppliers and then receiving the refund. Capital-intensive industries, such as chemicals, transport equipment and electronic goods, have not experienced the same problems.

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India’s labour-intensive industries have seen a fall in exports. In the textiles industry for example, there has been an increase in competition from neighbouring countries such as Bangladesh and Vietnam. Not only have exports of Indian textiles fallen but imports have increased.

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Jewellery exports are expected to fall by 5–6% (in value terms) in 2019 and sales volume to fall by around 16%. This is in spite of the reputation of small Indian jewellers for producing individually designed jewellery to customer requirements and offering a highly personal service.

Closure of jewellery businesses *Gitanjali Gems Ltd* and *Firestar Diamonds* has led to around 3,000 permanent employees losing their jobs. While these numbers may be small, the overall decline in labour-intensive industries is likely to bring a further increase in unemployment.

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## ‘Analyse...’: Mark scheme

### Question 1(c) October 2019 Paper 2 (WBS12\_01)

Question Number	Answer	Mark
1(c)	<p style="text-align: center;"><b>Knowledge 2, Application 2, Analysis 2</b></p> <p><b>Knowledge</b> Up to 2 marks for defining a competitive market e.g.</p> <ul style="list-style-type: none"><li>• A large number of producers compete with one another <b>(1)</b> to meet the needs and wants of consumers <b>(1)</b></li></ul> <p><b>OR</b></p> <p>For giving 2 ways, e.g.</p> <ul style="list-style-type: none"><li>• Focus on a niche <b>(1)</b></li><li>• Provide excellent customer service <b>(1)</b></li></ul> <p><b>Application</b> Up to 2 marks for answers contextualised to small businesses in India, e.g.</p> <ul style="list-style-type: none"><li>• Individually designed jewellery made by small jewellers in India <b>(1)</b></li><li>• Part of the customer service is meeting with clients when designing unique jewellery <b>(1)</b></li></ul> <p><b>Analysis</b> Up to 2 marks for a reason/cause/consequence for small Indian businesses, e.g.</p> <ul style="list-style-type: none"><li>• Consumers may be more attracted to jewellery they know is not going to be sold in the mass market <b>(1)</b></li><li>• Consumers are more likely to buy expensive products like gems and diamonds if they are given a high level of personal service because they know the piece will be unique <b>(1)</b></li></ul>	<b>(6)</b>





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## ‘Analyse...’: Exemplar 1

### Question 1(c) October 2019 Paper 2 (WBS12\_01)

(c) Analyse **two** possible ways a small business in India could compete in a competitive export market.

(6)

One way a small <sup>Indian</sup> business could compete in a competitive export market is by having a personalised product. This being possible as many small Indian business are labour intensive and allow for a "highly personal service". This giving Indian products a unique selling point over the mass-market products coming from the export market, and therefore a competitive advantage.

Another way a small business could compete in a competitive export market is by cutting prices, compared to those in the exporting country markets. This likely increasing sales to the export market. However, this is a very short-term solution as in a competitive market, competitors will likely react quickly to the change in price, that won't be sustainable for a small business.

	Marks
Knowledge (AO1)	
Application (AO2)	
Analysis (AO3)	



# Pearson

## ‘Analyse...’: Exemplar 2

### Question 1(c) October 2019 Paper 2 (WBS12\_01)

(c) Analyse **two** possible ways a small business in India could compete in a competitive export market.

(6)

Competitive export market means that when there are many rivals in the export market competing against each other. One way of competing is to ~~set~~ export custom-made products or the products that tailored in such a way that it fulfills their customers needs and wants. This way, most of the consumers will be attracted and impressed with the business resulting in higher profits, sales, customer loyalty and higher exports. Furthermore, they could also use environmentally friendly methods which will impress the consumers and make them purchase the product as this might be a different and an attractive approach to get the consumers attention. This will increase their brand image and popularity and due to higher demand, their exports may increase. It is mentioned in the extract "there has been an increase in competition from neighbouring countries such as Bangladesh and Vietnam."

	Marks
Knowledge (AO1)	
Application (AO2)	
Analysis (AO3)	



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## ‘Evaluate...’: Case-study extract October 2019 Paper 2 (WBS12\_01)

Sources for use with Section C

### Extract E

#### ***Tate & Lyle* expands its food laboratory in Mexico**

Demand for healthier food options is growing among consumers in Latin America. *Tate & Lyle*, a multinational supplier of food ingredients, plans to expand and relocate its food laboratory facilities in Mexico. *Tate & Lyle* approved this expansion so that it can provide greater assistance to the manufacturers it supplies, who are looking to produce healthier food and beverage products.

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The upgraded facility will feature ultra-high temperature (UHT) processing equipment for sterilisation, food analysis technology and access to *Tate & Lyle* food advisers. *Tate & Lyle* claims that this combination of equipment and advice will allow Latin American manufacturers in the dairy, beverage, bakery, soup and sauce sectors to develop and trial new ingredients and formulas that satisfy consumer demands.

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The company has also announced that it will expand its Latin American product portfolio. It has introduced a new low-calorie sweetener called Dolcia Prima Allulose. The company claims this has 70% of the sweetness of sugar. The product will be available to food and beverage manufacturers in Mexico.

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Senior vice-president, Oswaldo Nardinelli, said, ‘Increasing consumer demand for healthier food and drink is driving more manufacturers in Latin America to turn to *Tate & Lyle* for help in lowering calories, sugar and fat. In 2017, there has been a 32% increase in the launch of products that have a health and wellbeing claim.’



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## ‘Evaluate...’: Mark scheme

### Question 3 October 2019 Paper 2 (WBS12\_01)

Question Number	Indicative Content
3	<p><b>Indicative content guidance</b></p> <p>Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited.</p> <p><b>Knowledge, Application, Analysis, Evaluation – indicative content</b></p> <p><b>Loans</b></p> <ul style="list-style-type: none"><li>• <i>Tate &amp; Lyle</i> could expand by borrowing money from a bank or other financial institution in order to expand its food laboratory facilities and launch the new sweetener</li><li>• Loans are usually more easily available to large business such as <i>Tate &amp; Lyle</i> and at a lower interest rate maybe charged because they may be seen as less risky than a small business, just starting out</li><li>• The 32% increase in foods with health and wellbeing claims in 2017 may encourage financial providers to offer more favourable terms to <i>Tate &amp; Lyle</i> because the figures indicate the expansion proposal is in line with consumer demand</li><li>• However, the process to obtain finance via a loan may take a long time. This delay may be problematic to <i>Tate &amp; Lyle</i> if they intend to put their expansion plans into operation quickly</li><li>• Not all businesses are able to obtain bank loans at favourable rates. Although <i>Tate &amp; Lyle</i> are a multinational business, no data is given to show how credible they may be for a bank to provide loan funding and if it does, the interest rate it will charge</li><li>• It will depend on the success of the expansion proposal and therefore the revenue generated as to how long it will take <i>Tate &amp; Lyle</i> to pay back the loan</li></ul> <p><b>Leasing</b></p> <ul style="list-style-type: none"><li>• Leasing is where <i>Tate &amp; Lyle</i> (the lessee) would pay to use assets owned by a lessor. These assets could include premises for the food laboratory, UHT equipment and other food technology</li><li>• This could allow <i>Tate &amp; Lyle</i> quicker access to premises and equipment needed to expand and develop its healthy food options without having to raise additional finance</li><li>• Access to a higher standard of equipment maybe possible through the use of leasing than the business may</li></ul>





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## ‘Evaluate...’: Mark scheme continued

### Question 3 October 2019 Paper 2 (WBS12\_01)

		<p>otherwise have been able to pay for. This is especially useful whilst <i>Tate &amp; Lyle</i> establish themselves in this sector and may need to change equipment to be more suitable for developing needs</p> <ul style="list-style-type: none"><li>• However, leasing can prove more expensive as payments are being made without actually owning the premises or equipment</li><li>• As the UHT equipment is likely to be particularly specialised it may not be suitable for leasing. Instead, specific requirements of <i>Tate &amp; Lyle</i> maybe better served by them making a purchase outright</li><li>• As the food industry cannot be sure how long the health and wellbeing demands of consumers will last, it may be in the financial interests of <i>Tate &amp; Lyle</i> to lease equipment until it is confident the demands are long term</li><li>• It may be more appropriate to use both methods for different purposes i.e. loans for the building and leasing for the equipment</li></ul>
Level	Mark	Descriptor
	0	No rewardable material.
1	1–4	Isolated elements of knowledge and understanding. Weak or no relevant application of business examples. An argument may be attempted, but will be generic and fail to connect causes and/or consequences.
2	5–8	Elements of knowledge and understanding, which are applied to the business example. Arguments and chains of reasoning are presented but connections between causes and/or consequences are incomplete. Attempts to address the question. A comparison or judgement may be attempted but it will not successfully show an awareness of the key features of business behaviour or business situation.
3	9–14	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Uses developed chains of reasoning, so that causes and/or consequences are complete, showing an understanding of the question. Arguments are well developed. Quantitative and/or qualitative information is introduced in an attempt to support judgements, a partial awareness of the validity and/or significance of competing arguments and may lead to a conclusion.
4	15–20	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context.



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## **‘Evaluate...’: Mark scheme continued**

### **Question 3 October 2019 Paper 2 (WBS12\_01)**

		Uses well-developed and logical, coherent chains of reasoning, showing a range of cause and/or effect(s). Arguments are fully developed. Quantitative and/or qualitative information is/are used well to support judgements. A full awareness of the validity and significance of competing arguments/factors, leading to balanced comparisons, judgements and an effective conclusion that proposes a solution and/or recommendations.
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## ‘Evaluate...’: Exemplar 1

### Question 3 October 2019 Paper 2 (WBS12\_01)

- 3 Tate & Lyle needs extra finance to expand in Mexico. The methods available are loans and leasing.

Evaluate which method of finance would be the most suitable for Tate & Lyle's expansion.

(20)

Firstly, a method available to Tate and Lyle to raise finance are loans. Tate and Lyle could use this method of finance as it likely raises the amount they need for expanding its 'Latin America product portfolio' and 'expanding and relocating its food-laboratory facilities'. A loan is also a good external source of finance as it will likely have a fixed repayment scheme that Tate and Lyle can plan <sup>for repaying</sup> ~~and~~ ~~repaying~~. This being beneficial to a large business like Tate and Lyle with large costs and outgoings. However, a loan will have interest added to repayments, which when borrowing a large amount can be considerable. As well as being affected by external factors that could lower interest rates but also increase them, meaning Tate and Lyle have to repay more.

Secondly, Tate and Lyle could use leasing to raise the extra finance needed to expand. This would be a good use of possibly under-capacity utilised machinery and it would be finance





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## ‘Evaluate...’: Exemplar 1 continued

Question 3 October 2019 Paper 2 (WBS12\_01)

raised without having a burden of repayment. However, leasing is only a viable option if the extra finance needed for Tate and Lyle is low. This is because leasing of machinery and other assets may not be very expensive to lease and could take a long time to raise the finance needed. Furthermore, the business could see an increase in demand and may require the assets they have leased. Resulting in having to reject orders from customers, impacting Tate and Lyle's reputation.

Finally, Tate and Lyle may want to consider using an internal source of raising finance. This possibly being from retained profit. This is because compared to loans, this requires no repayment and ~~also~~ therefore holds no interest, being beneficial when expanding, with likely increased costs correctly. Furthermore, this may be an option as there has been a "32% increase in" health products, which Tate and Lyle is expanding to produce. This meaning a higher demand for their products and so likely increased sales revenue to cover costs resulting in increase profit. This if retained could be used to grow the business. However, Tate and Lyle likely have many shareholders who may not appreciate the



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## ‘Evaluate...’: Exemplar 1 continued

Question 3 October 2019 Paper 2 (WBS12\_01)

reduced dividends from retaining profit.

To conclude, the most suitable method of finance for Tate and Lyle is the use of a loan. This is because, they are only requiring extra-finance for their expansion, which shouldn't be too high. This meaning interest rates might be lower as Tate and Lyle is a big business, that also has many assets to secure a loan on to. This being the favourable option over leasing because, it could limit Tate and Lyles ability to respond to an increase in demand as assets are being used by someone else.

	Level 0	Level 1	Level 2	Level 3	Level 4
Level (please tick)					
Overall Mark					



# Pearson

## ‘Evaluate...’: Exemplar 2

### Question 3 October 2019 Paper 2 (WBS12\_01)

- 3 Tate & Lyle needs extra finance to expand in Mexico. The methods available are loans and leasing.

Evaluate which method of finance would be the most suitable for Tate & Lyle's expansion.

(20)

Leasing means to buy <sup>or rent</sup> something for a short period of time <sup>or temporarily</sup> and returning it back when it is not in need anymore.

Tate and Lyle can consider leasing to expand in Mexico because the cost of leasing is less.

Repairing or renovating cost will not have to be paid by Tate & Lyle. So they can make use of the resource by paying little amount. On the other hand, leasing is basically like renting so the property or asset cannot be owned by Tate & Lyle.

Tate & Lyle can consider bank loans as they already are an established business and trustworthy. It will be beneficial for Tate & Lyle to ~~go~~ take bank loan as they ~~to~~ can get large amount <sup>of finance</sup> since the bank will be aware of their business condition and accounts. But it can also be a disadvantage as bank loans have to be repaid.

So in conclusion, I think Tate & Lyle should go for leasing as their costs would decrease, increasing their profits due to



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## ‘Evaluate...’: Exemplar 2 continued

Question 3 October 2019 Paper 2 (WBS12\_01)

high demand." Increasing consumer demand for healthier food and drink is driving more manufacturers in Latin America." Even if they have to pay for leasing, ~~they~~ Tate & Lyle can cover it up with their increasing sales, growth and high profit.

	Level 0	Level 1	Level 2	Level 3	Level 4
Level (please tick)					
Overall Mark					



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## Marking Activity: Find the mark/level

October 2019 Paper 2 (WBS12\_01) 'Define...' Mark scheme:

Question Number	Answer	Mark
1(a)	<p style="text-align: center;"><b>Knowledge 2</b></p> <p>Up to 2 marks for defining the term 'taxation', e.g. How the government raise money (1) to finance its expenditure (1)</p>	(2)

## October 2019 Paper 2 (WBS12\_01) 'Define...' Exemplar:

1 (a) Define the term 'taxation'. (Extract A, line 4)

(2)

A tax is usually a percentage of a spending or earning, that is received by the government fund is used to invest in public services.

Total Mark =



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## Marking Activity: Find the mark/level

October 2019 Paper 2 (WBS12\_01) 'Calculate...'

Mark scheme:

Question Number	Answer	Mark
2(b)	<p><b>Knowledge 1, Application 2, Analysis 1</b></p> <p>Quantitative skills assessed:</p> <p><b>QS5:</b> Calculate cost, revenue, profit and break-even.</p> <p><b>Knowledge</b></p> <p>1 mark for identifying the sales revenue formula:</p> <ul style="list-style-type: none"><li>• Selling price x Quantity sold <b>(1)</b></li></ul> <p><b>Application</b></p> <p>Up to 2 marks for selecting the correct data from Extract C:</p> <ul style="list-style-type: none"><li>• Sales revenue = \$154 <b>(1)</b> x 2,750 <b>(1)</b></li></ul> <p><b>Analysis</b></p> <p>1 mark for calculating the sales revenue:</p> <ul style="list-style-type: none"><li>• Sales revenue = \$423 500 <b>(1)</b></li></ul> <p><b>NB: If no working is shown, award marks as follows:</b></p> <p><b>If the answer given is \$423 500 award 4 marks</b></p> <p><b>If the answer given is 423 500 award 3 marks</b></p>	<b>(4)</b>



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## Marking Activity: Find the mark/level

### October 2019 Paper 2 (WBS12\_01) 'Calculate...' Exemplar:

(b) Using the data in Extract C, calculate the monthly sales revenue of the *Lava Z91* smartphone. You are advised to show your working.

(4)

$$\begin{aligned}\text{Sales revenue} &= \text{price} \times \text{quantity sold} \\ &= 154 \times 1000 \\ &= 154000\end{aligned}$$

Total Mark =





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## Marking Activity: Find the mark/level

### October 2019 Paper 2 (WBS12\_01) 'Explain...' Case-study:

#### Extract A

#### Problems for India's labour-intensive industries

Labour-intensive industries, such as jewellery, textiles and leather goods are declining in India.

In July 2017 the goods and services taxation (GST) was introduced in India. Businesses are able to claim a refund from the government on the GST they pay to suppliers but many labour-intensive industries are small-sized businesses that find the new procedure difficult. The refund claim must be made online but IT is not accessible to some small businesses. In addition, there are reports of a long period between businesses paying GST to suppliers and then receiving the refund. Capital-intensive industries, such as chemicals, transport equipment and electronic goods, have not experienced the same problems. 5 10

India's labour-intensive industries have seen a fall in exports. In the textiles industry for example, there has been an increase in competition from neighbouring countries such as Bangladesh and Vietnam. Not only have exports of Indian textiles fallen but imports have increased. 15

Jewellery exports are expected to fall by 5–6% (in value terms) in 2019 and sales volume to fall by around 16%. This is in spite of the reputation of small Indian jewellers for producing individually designed jewellery to customer requirements and offering a highly personal service.

Closure of jewellery businesses *Gitanjali Gems Ltd* and *Firestar Diamonds* has led to around 3,000 permanent employees losing their jobs. While these numbers may be small, the overall decline in labour-intensive industries is likely to bring a further increase in unemployment. 20



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## Marking Activity: Find the mark/level

October 2019 Paper 2 (WBS12\_01) 'Explain...' Mark scheme:

Question Number	Answer	Mark
1(b)	<p><b>Knowledge 1, Application 2, Analysis 1</b></p> <p><b>Knowledge</b> 1 mark for identifying a reason, e.g.</p> <ul style="list-style-type: none"><li>• The price of goods produced in Indian labour-intensive industries may have increased <b>(1)</b></li></ul> <p><b>Application</b> Up to 2 marks for contextualised answers, e.g.</p> <ul style="list-style-type: none"><li>• An indirect tax (GST) was introduced in July 2017 <b>(1)</b></li><li>• Competition in the textile industry from Bangladesh and Vietnam is intensive <b>(1)</b></li></ul> <p><b>Analysis</b> 1 mark for developing the reason, e.g.</p> <ul style="list-style-type: none"><li>• Consumers are more likely to choose lower priced products which may mean buying from producers in other countries rather than in India <b>(1)</b></li></ul>	<b>(4)</b>



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## Marking Activity: Find the mark/level

October 2019 Paper 2 (WBS12\_01) 'Explain...' Exemplar:

(b) Explain **one** reason why there may have been a decline in India's labour-intensive industries.

(4)

When businesses are labour-intensive, it means that they are employing more labour (workers) relative to capital.

In ~~to~~ India, there was a goods and services taxation introduced. Many labour-intensive ~~indus~~ industries are small-sized businesses, and these find the procedure of claiming refunds from the government difficult, for example because of a lack of the necessary IT.

As ~~an~~ capital-intensive industries haven't experienced the same difficulties, there has been a decline in India's labour-intensive industries.

Total Mark =



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## Marking Activity: Find the mark/level

### October 2019 Paper 1 (WBS11\_01) 'Analyse...'

#### Case-study:

##### Extract A

##### **The soft drink industry is dominated by *Coca-Cola* and *PepsiCo***

Two brands of soft drinks, *Coca-Cola* and *PepsiCo*, have dominated the non-alcoholic drinks market for many years. The brands are well known and recognised around the world. *Coca-Cola* is the larger of the two companies with more than 500 brands. The companies do not have major threats from competition because they both have high levels of brand loyalty, extensive distribution networks and huge economies of scale. They spend enormous amounts of money on innovation, advertising, marketing, and strengthening their distribution channels.

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##### Extract B

##### ***Coca-Cola*: Who we are**

We are the world's largest soft drinks company. Our brands include Diet Coke, Coca-Cola Zero, Fanta, Sprite, Dasani, Powerade, Minute Maid and Gold Peak. Over 1.9 billion of our drinks are enjoyed by consumers in more than 200 countries each day.

##### **Our market research on Diet Coke**

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We focus on the needs of our consumers by going into the market to listen to their views and collect feedback on new drinks.

One of our recent research projects focused on Diet Coke, known as Coca-Cola light in most international markets. The drink is sold in more than 110 countries. Our aim is to offer new flavours and a modern look to the product to attract new consumers as well as maintaining the brand loyalty of our current fans. As part of the research, we used face-to-face surveys to gather data from more than 10,000 people. We wanted their ideas and views on new packaging and new flavours, including Ginger Lime and Twisted Mango. These new products will be available in 2019.

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##### **Our rewarding work environment: benefits and rewards**

15

We value our workers and understand working is not just about pay and benefits. We provide a positive working environment to enable staff to build a career and also maintain a good work-life balance. We regularly assess our benefits programs to ensure employees receive the benefits they value. The financial benefits include competitive pay, annual bonuses and performance-related pay.

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# Pearson

## Marking Activity: Find the mark/level

October 2019 Paper 1 (WBS11\_01) 'Analyse...'

Mark scheme:

Question	Answer	Mark
1(c)	<p style="text-align: center;"><b>Knowledge 2, Application 2, Analysis 2</b></p> <p><b>Knowledge</b> Up to 2 marks for defining branding, e.g.</p> <ul style="list-style-type: none"><li>• Features of a product <b>(1)</b> that distinguish it from competition <b>(1)</b>.</li></ul> <p>OR</p> <p>For giving two benefits of strong branding, e.g.</p> <ul style="list-style-type: none"><li>• Increased customer loyalty <b>(1)</b> Ability to charge higher prices <b>(1)</b>.</li></ul> <p><b>Application</b> Up to 2 marks for answers contextualised to <i>Coca-Cola</i>, e.g.</p> <ul style="list-style-type: none"><li>• Over 1.9 billion servings of drinks are consumed in more than 200 countries each day <b>(1)</b></li><li>• <i>Coca-Cola</i> along with <i>PepsiCo</i> have few rivals or threats and dominate the soft-drinks industry <b>(1)</b>.</li></ul> <p><b>Analysis</b> Up to 2 marks for reasons/causes/consequences for <i>Coca-Cola</i>, e.g.</p> <ul style="list-style-type: none"><li>• This may lead to word of mouth recommendations and repeat purchase/increases sales of its new products <b>(1)</b>.</li><li>• Enabling them to be the price maker and influencing the market price/increase profitability <b>(1)</b>.</li></ul>	<b>(6)</b>





# Pearson

## Marking Activity: Find the mark/level

October 2019 Paper 1 (WBS11\_01) 'Analyse...' Exemplar:

(c) Analyse **two** benefits of strong branding for Coca-Cola.

(6)

Strong branding is when a business has a good brand image such as the logo, title, aesthetic that define the business, whilst holding a good reputation and good customer loyalty. Since Coca-Cola has rivals, especially a rival known as PepsiCo, who has high market share and growth as well as Coca-Cola, keeping a strong brand is needed to be in a competitive advantage and winning over customers from its competitors. In this case, Coca-Cola is doing better than its rivals as it owns more than 500 brands, high levels of brand loyalty, extensive distribution networks and huge economies of scale and over 1.9 billion of these drinks are enjoyed by customers in more than 200 countries. Since they are a worldwide known company, bad press would cause many problems such as demand falling which ends in a decrease in profit. Holding a strong brand for Coca-Cola is a must as they are doing now, which is why their company is the most successful in the non-alcoholic soft drink industry.

	Marks
Knowledge (AO1)	
Application (AO2)	
Analysis (AO3)	



# Pearson

## Marking Activity: Find the mark/level

### October 2019 Paper 1 (WBS11\_01) 'Evaluate...'

#### Case-study:

#### Extract E

##### **The *Tata Group***

Founded in India by Jamsetji Tata in 1868, the *Tata Group* comprises of over 100 different businesses including *Tata Steel*, *Tata Motors*, *Tata Power* and *Tata Chemicals*. In 2017 the revenue of the *Tata Group* was over \$100bn. It employed over 695,000 people.

In all of its businesses the *Tata Group* seeks to differentiate itself through customer service, innovation, entrepreneurship, and trustworthiness. At the same time it balances the interests of all its stakeholders. 5

#### Extract F

##### **New organisational structure announced at *Tata Motors***

In 2017 *Tata Motors* announced a new organisational structure for its vehicle business following quality problems and a fall in its Indian market share from 16% to 5%. *Tata Motors* announced a new flat organisational structure, which removed layers of middle management. 5

New managing director Guenter Butschek set a three-year target to increase market share and become one of the leading car manufacturers in India. The structure aimed to empower managers in the business to speed up the decision-making process, encourage innovation from its workers and improve customer satisfaction.

Guenter Butschek told staff he was aware that the flat organisational structure could create some uncertainty, but it was needed in order to be successful in the competitive motor industry. He said 'the new structure will drive fundamental changes in the way the company operates and help accelerate the urgently needed changes if we are going to be successful and meet our targets.' 10





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## Marking Activity: Find the mark/level

October 2019 Paper 1 (WBS11\_01) 'Evaluate...'

Mark scheme:

Question	Indicative content
3	<p><b>Indicative content guidance</b></p> <p>Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited</p> <p><b>Knowledge, Application, Analysis, Evaluation – indicative content</b></p> <ul style="list-style-type: none"><li>• An organisation structure shows the roles, responsibilities and hierarchy of staff in an organisation.</li><li>• Flat organisations have fewer levels of hierarchy, and lines of communication are shorter when compared to a tall organisation structure.</li><li>• An advantage of a flat structure is reduced labour costs. Removing layers of middle management may enable <i>Tata</i> to be more competitive in the car market.</li><li>• Butschek's aim is to make decision making faster and improve customer satisfaction. Reducing the number of layers in the organisation will shorten the chain of command and allow ideas and instructions to be communicated quickly, to enable <i>Tata</i> to be more responsive to customer needs.</li><li>• The flatter structure, and a wider span of control, may benefit those workers who seek more responsibility and empowerment. This may lead to higher levels of motivation and productivity at <i>Tata</i>.</li><li>• However, removing a layer from the hierarchy may create skills shortages within the business and <i>Tata</i> may lose managers with valuable experience in the motor industry and reduce competitive advantage.</li><li>• Butschek told staff the new organisation structure is likely to create some uncertainty. Delaying can have a negative impact on motivation due to job losses. Remaining workers may seek other employment and <i>Tata</i> may lose more of its skilled workers.</li><li>• Managers remaining will have a wider span of control which, if it is too wide, can damage communication within the business, and makes it difficult for some employees to focus and specialise at their jobs.</li><li>• A period of disruption may occur as people take on new responsibilities and fulfil new roles which may have a negative effect on <i>Tata</i> and their goal to increase market share within 3 years.</li><li>• In a flat organisational structure, there is less chance for workers to be promoted. This will affect the motivation of current ambitious staff and also potentially reduce job applications of external recruits which may restrict innovation within <i>Tata Motors</i>.</li><li>• Other factors may be more important than increasing efficiency such as the leadership style used, good after sales service and skills of the workers.</li></ul>



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## Marking Activity: Find the mark/level

October 2019 Paper 1 (WBS11\_01) 'Evaluate...'

Mark scheme (continued):

		<ul style="list-style-type: none"><li>Overall, it depends on why they have lost market share. If the costs of producing the cars are excessive than <i>Tata</i> should delay to be competitive in the market. The new structure should be introduced carefully to ensure a smooth transition and prevent key skills/personnel being lost to competitors.</li></ul>
Level	Mark	Descriptor
	0	No rewardable material.
<b>Level 1</b>	1–4	Isolated elements of knowledge and understanding. Weak or no relevant application of business examples. An argument may be attempted, but will be generic and fail to connect causes and/or consequences.
<b>Level 2</b>	5–8	Elements of knowledge and understanding, which are applied to the business example. Arguments and chains of reasoning are presented but connections between causes and/or consequences are incomplete. Attempts to address the question. A comparison or judgement may be attempted but it will not successfully show an awareness of the key features of business behaviour or business situation.
<b>Level 3</b>	9–14	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Uses developed chains of reasoning, so that causes and/or consequences are complete, showing an understanding of the question. Arguments are well developed. Quantitative and/or qualitative information is introduced in an attempt to support judgements, a partial awareness of the validity and/or significance of competing arguments and may lead to a conclusion.
<b>Level 4</b>	15–20	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Uses well-developed and logical, coherent chains of reasoning, showing a range of cause and/or effect(s). Arguments are fully developed. Quantitative and/or qualitative information is/are used well to support judgements. A full awareness of the validity and significance of competing arguments/factors, leading to balanced comparisons, judgements and an effective conclusion that proposes a solution and/or recommendations.



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## Marking Activity: Find the mark/level

October 2019 Paper 1 (WBS11/01) 'Evaluate...'

### Exemplar:

- 3 Evaluate whether the change in the organisational structure at *Tata Motors* is likely to lead to an increase in its efficiency.

(20)

An organisational structure of a business is the way the business is structured in terms of hierarchy.

Tata Motors' new organisational structure is ~~unlikely~~ to lead to an increase in its efficiency as there are less layers to the structure. Since the new organisational structure is flat, the chain of command is shorter. There are now less layers of hierarchy since the middle management layers were removed. This would positively impact the efficiency of Tata Motors as ~~there would be less layer~~ information would be passed ~~down the~~ through the organisation much faster. There would be less interruptions, and messages passed are less likely to be distorted. The company's efficiency is thus improved as ~~information is more~~ communication is improved.

Furthermore,

~~however~~ Tata Motors' new organisational structure is ~~unlikely~~ to lead to an increase in its efficiency as work can be delegated more effectively. Since the company ~~is~~ has a tall organisational structure ~~now~~, managers now have a wider span of control. They now have more employees working under them. Their work can now be delegated more effectively, thus increasing Tata Motors' efficiency.

However, Tata Motors' new organisational structure is unlikely to lead to an increase in its efficiency as employees may be less motivated. Since the new organisational structure is flat, managers have a wider span of control. With more employees



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## Marking Activity: Find the mark/level

October 2019 Paper 1 (WBS11\_01) 'Evaluate...'

Exemplar (continued):

Working under one manager, the manager may not be able to provide the same amount of attention as before to all the employees working underneath him or her. Employees might thus feel ~~that~~ a loss of sense of belonging as they are less likely to have a closer connection to the manager, thus being less efficient as they are less motivated.

Furthermore, Tata ~~Motor's~~ <sup>new</sup> organisational structure is unlikely to lead to an increase in efficiency as there may be more competition between employees. Since Tata Motors' ~~new~~ managers have a wider span of control, more employees are now working under a manager. Employees would have more competition now to be ~~promoted~~ <sup>not</sup> promoted since more employees are in competition now too. This would ~~be~~ therefore create an unhealthy, competitive work environment, which may <sup>not</sup> lead to more efficiency.

In conclusion, the change in organisational structure will lead to an increase in efficiency as it has an overall advantage, that there is a new dynamic to the business that may help generate better more efficient ideas for the business.



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## Marking Activity: Find the mark/level

October 2019 Paper 1 (WBS11\_01) 'Evaluate...'

Exemplar (continued):

	Level 0	Level 1	Level 2	Level 3	Level 4
Level (please tick)					
Overall Mark					



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## **Personal Learning:**

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### **Things to do:**

- Make sure that you recognise that common command words across both International GCSE and IAL Business will be marked differently.
- Recognise that less emphasis is placed on 'Knowledge' or 'AO1' and simple recall.
- Use past paper questions and exemplars, such as the ones used in this training pack to help prepare candidates for the demands of the IAL in Business.

### **Things to avoid:**

- Focusing on pure 'knowledge' or 'AO1'. Many questions do not even target knowledge and candidates need to think about other skills such as 'Application' or 'AO2' when constructing their answers.
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### **Your ideas:**