

INTERNATIONAL GCSE

Business (9-1)

EXEMPLARS WITH EXAMINER COMMENTARIES PAPER 1/1R

Pearson Edexcel International GCSE in Business (4BS1)



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Introduction

1.1 About this booklet

This booklet has been produced to support teachers delivering the Pearson Edexcel International GCSE in Business specification. The Paper 01/1R exemplar materials will enable teachers to guide their students in the application of knowledge and skills required to successfully complete this course. The booklet looks at questions 1, 2, 3 and 4 from the June 2019 examination series, showing real candidate responses to questions and how examiners have applied the mark schemes to demonstrate how student responses should be marked.

1.2 How to use this booklet

Each example covered in this booklet contains:

- Question
- Mark scheme
- Exemplar responses for the selected question
- Example of the marker grading decision based on the mark scheme, accompanied by examiner commentary including the rationale for the decision and where relevant, guidance on how the answer can be improved to earn more marks.

The examples highlight the achievement of the assessment objectives at lower to higher levels of candidate responses.

Centres should use this content to support their internal assessment of students and incorporate examination skills into the delivery of the specification.

1.3 Further support

A range of materials is available from the Pearson qualifications website to support you in planning and delivering this specification.

Centres may find it beneficial to review this document in conjunction with the Examiner's Report and other assessment and support materials available on the <u>Pearson Qualifications</u> <u>website.</u>

1.4 Assessment objectives

This document references the assessment objectives, which are as follows:

		% in International GCSE
A01	Recall, select and communicate knowledge and understanding of business terms, concepts and issues	27-28*
AO2	Apply knowledge and understanding using appropriate business terms, concepts, theories and calculations effectively in specific contexts	38-39
AO3	Select, organise and interpret business information from sources to investigate and analyse issues	22-23
A04	Evaluate business information to make reasoned judgements and draw conclusions	11-12

^{*} A maximum of 15% of total qualification marks will assess knowledge recall.

Question 1(f)

(f) Explain one way a business could increase its gross profit margin.

(3)

Question Number	Answer	Mark
1 (f)	AO1 - 3 marks Award 1 mark for identification of a way, plus 2 further marks for explaining how this way will affect a business for a maximum of 3 marks. • A business could negotiate deals with suppliers at a cheaper rate (1) this will keep costs as low as possible (1) meaning that the business can look to reduce the prices of their products/services to encourage more sales (1). Answers that list three ways with no explanation will get a maximum of 1 mark.	
	Accept any other appropriate response.	(3)

and k - 1. It is a second of the second of t	
of increase its avoss profit marsin.	I+
could reduce it's cost by focusing on lean	
production which is reducing waste to save mo	
by using less vau materials	7

Examiner's comments:

This response was given 3 marks.

This response shows an understanding of how a business could increase gross profit margin by reducing the cost of sales. It continues to explain how this way can help a business to increase its gross profit margin by focusing on lean production leading to the use of fewer raw materials, thus gaining the full available marks.

Exemplar response B

A business can increase it gross prodit margin by reducing cost of sales Also, another exy is to raduce unnecessary expenses of the business And nising the price of products of the business. That way gross prodit margin would because.

Examiner's comments:

This response was given 1 mark.

This particular response gave three ways in which a business could increase its gross profit margin therefore limiting the marks awarded to 1. Had the candidate explained any one of these three ways, then they would have gained further marks.

Question 1(g)

(g) Analyse the importance to Backyard Shoez of satisfying customer needs.

(6)

Question Number	Indicative content	Mark
1 (g)	AO2 = 3 marks AO3 = 3 marks AO2 • Backyard Shoez is located in three shopping malls where there are other shoe shops. • Backyard Shoez need to maintain a high standard at all times to encourage customers	
	AO3 If customer needs are not met then present customers are likely to go to other shoe shops. Backyard Shoez will maintain customer loyalty with positive effects on sales and revenue.	(6)

Level	Mark	Descriptor
	0	No Rewardable material.
Level 1	1-2	 Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3).
Level 2	3-4	 Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3).
Level 3	5-6	Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3).

Backyard Shoes meets the demands of satisfying customer needs, they would make the customer to believe that products are the very high quality Backyord Shoezs and it builds trusts links with their customers so that they're more loyal. As more customers are satisfied, they Backyard Shoez would gain popularity through spreading or the mouth or customers. They would help this business to build a good, well-know brand name. As more and more intruenced customers coming in, Backyard Shoer, as a result would make more revenue and promit. Their costs are also decreased because Backyard Shoez got free advertising through their loyal customers. This again would help their total revenue to increase, although thereo there busy shopping centre. are luts of competitors neous the

Examiner's comments:

This response was given Level 3 - 6 marks.

This response has referred to the scenario given throughout the response, not just the business name, but added context in terms of the business activity.

The response shows detailed application of knowledge and understanding of the importance of satisfying customer needs. This candidate has outlined valid points and linked them well with logical chains of reasoning, as well as explaining the effects these can have on the business.

Sutisfying customer needs is to search about whent customers need and apply it into the business, the importance to backyard shoez of satisfying customer need is customer will like the business therefore they will buy a lot of product from Backyard shoez as a result was leasness will Backyard shoez as a result was because if the customers by their needs because if the customer find the same business everytime and this is a benefit they backyard shoez because the will gain more profit as a result the revenue will gain more and the business may expend It they have enough cash.

Examiner's comments:

This response was given Level 1 - 2 marks.

This response is relevant to satisfying customer needs but the only reference made to the scenario is the name of the business. Comments are brief and could have been expanded to gain further marks. There has been some attempt, albeit limited, to connect the points made.

If this candidate expanded on the points made and linked them directly to impacting on the given business, they would have gained further marks. The candidate has been too vague with regards to 'the business' and 'products' – had this response been in context to the given scenario and maybe gone into detail on what the customer needs were, then it would have gained further marks.

This response is limited to the top of level 1.

Question 2(d)

(d) Explain **one** method of above the line promotion a business could use.

(3)

Question Number	Answer	Mark
2 (d)	AO1 - 3 marks Award 1 mark for identification of method, plus 2 further marks for explaining this method, for a maximum of 3 marks. • A business could use television advertising (1). This can be seen by large numbers of people raising awareness (1) resulting in an increase in sales for a business (1).	
	Answers that list more than one method with no explanation will get a maximum of 1 mark. Accept any other appropriate response.	(3)

Above the line promotion is using the media. A television advert may be used in or der to im advertise produces and influence people to buy them.

As a result the business can depertene of rise in sales and revenue.

Examiner's comments:

This response was given 3 marks.

This response clearly states television as the method of above the line promotion. The first sentence is not needed in this response. The candidate has simply repeated the question, therefore wasting time and space. The candidate has then explained this method and how it can influence people to buy products and further developed this by explaining that this would results in the business experiencing a rise in sales and revenue, thus gaining the full marks available.

Exemplar response B

Social media can be used to promote its products. The For example: using platforms such as facebook and instagram to advertise your products.

Social media can be used to promote its products. The For example: using platforms such as facebook and instagram to advertise your products.

Examiner's comments:

This response was given 1 mark.

This response clearly states one method of above the line promotion a business could use. The candidate has then gone on to give examples of social media rather than develop on the given method, thus gaining only one mark for the method stated.

Question 2(f)

Backyard Shoez wants to motivate its employees. It is considering two options:

Option 1: bonus payments

Option 2: job enrichment.

(f) Justify which **one** of these two options *Backyard Shoez* should use.

(9)

Question Number	Indicative content	
2 (f)	AO2 = 3 marks AO3 = 3 marks AO4 = 3 marks	
	 Option 1 - Backyard Shoez could give bonuses for the person who has achieved the highest shoes sales within a month. Option 2 - Backyard Shoez could use job enrichment to give their employees greater responsibilities within the shoe shop. AO3 Options 1 - The employees may be encouraged to work harder and compete against each other to gain the highest shoe sales for the bonus. Option 2 - This will motivate employees as they can see they are being given the opportunity to use their abilities within the shoe shop as they are trusted by Backyard Shoez. AO4 Option 1 - However, if an employee cannot continually achieve the highest shoes sales then they may become demotivated and this could have the opposite effect. Option 2 - However, some employees may resent not being chosen for job enrichment as therefore may become demotivated. 	
	-	(9)

Level	Mark	Descriptor
	0	No Rewardable material.
Level 1	1-3	 Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3). Makes a judgement, providing a simple justification based on limited evaluation of business information and issues relevant to the choice made (AO4).
Level 2	4-6	 Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3). Makes a judgement, providing a justification based on sound evaluation of business information and issues relevant to the choice made (AO4).
Level 3	7-9	 Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3). Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made (AO4).

Buchyard Store should use Job enrichment to mutivate workers. Firstly, bb enrichment is a cheaper way to motivate employees than bonn payments, because they don't have to pay anything to the workers. Therefore it help to save the money for the business Buckyard Shoes. In addition, Job enrichment Can motivate workers in lang-term because syrriors can give different gobs Everytime to the engloyees. For exemple Instead of just selling the Landboos and show, as business can let them is involve in marketing, promotions maybe to make their & is nore interesting. Whereas for bon bonus, Be Backyard Store Shore can only give one of two bonus per year, and Not evapone can get it, So some workers that didn't get it night be de-notivated because they night think they did a good job stiling hand logs and shoes, but still can't got one . Also for the people who got the bonus, they won't be notivated for very long because they know within a year there is not going to be another bonus. Therefore, workers wight not be motivated again. Bulgard Shoez will always have different work to do Such as importing goods like head bogs or shore, also doing promotions. So they always have sichs that they can five to subordinates to earith their dob. So the workers will be motivated for lower. So dob enrichment is the one they

Examiner's comments:

This response was given Level 3 - 7 marks.

This response clearly shows an understanding of the two motivational methods. The candidate has shown detailed application of knowledge and understanding of business concepts throughout the response. This response shows detailed interconnected points with logical chains of reasoning. There is good justification of why each method should or should not be used by the business.

The candidate has started to make a judgement based on both options, which moves the response into level 3. Had this candidate provided a thorough evaluation of the information presented, then they would have gained further marks.

This response is limited to the bottom of level 3.

Bonus payments may be better, as staff will feel rewarded for any additional half work, and will have more disposable income. If staff have more disposable income, they can breat themselves, causing them to be generally happier and more motivated. They will also want to vork harder, as they know they will be rewarded for doing so. Job enrichment may not be for everyone, Not everyone is in it for promotion, and they will be unable to reward every member of staff, as they can not promote everyone. Some people are generally financially motivated, and will definitely be willing to work harder and better incorder to recieve their bonus.

Examiner's comments:

This response was given Level 2 - 4 marks.

This response shows an understanding of both methods of motivation. The candidate has gone on to explain the impact each of these methods can have on the business as well as the employee being rewarded.

Some justification of each method of motivation been given albeit with some inconsistencies.

There is no attempt to make any judgement or evaluation of either method.

To move towards level 3, this response would require application to given business in the scenario with regards to their business activity and how either method would impact this activity. Each point made needs to be fully developed. This candidate would also need to make a clear decision on which method they would advise Backyard Shoez to use.

Question 3(d)

(d) Analyse the benefits to *Backyard Shoez* of using break-even analysis to plan the launch of its new shoes for men and children.

(6)

Question Number	Indicative content	Mark
3 (d)	AO2 = 3 marks AO3 = 3 marks	
	AO2	
	 Backyard Shoez will be able to see that it needs to sell 125 pairs before it can break-even. 	
	 Backyard Shoez can ask 'what if' questions and see what impact various price changes have on the break-even point. 	
	A03	
	 This will enable Backyard Shoez to know if they are breaking even and moving into profit. They can raise or lower the price to become more competitive with other shoe shops. 	
		(6)

Level	Mark	Descriptor
	0	No Rewardable material.
Level 1	1-2	 Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3).
Level 2	3-4	Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3).
Level 3	5-6	Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3).

By using break-even (BE) analysis. Backyard shoez can easily
identity the amount of sales it needs to make in order to break even
This can Indicate Mat launching hew shoes for men and children alongside
with effective promotional techniques will bring increased revenue by the
hew products. This will help Backyard shoez to establish their new in
the market sooner.
Further, this analysis can help Backyard shoez to identify how
low their total costs of producing men's and children's shoes should be.
This could make Backyard shoez to find a cheaper supplier with good
quality materials and can therefore reduce Backyard Shoez's costi-
This can help Buckyard Shoes to enjoy profits sooner and more
persistently although the new product will be launched.

Examiner's comments:

This response was given Level 2 - 4 marks.

Many candidates on this question gave a definition of break-even, this is not necessary for this question as no knowledge marks are available.

This response demonstrates some sound application to the given scenario. The candidate has shown some analysis with connecting points that show chains of reasoning.

To move to level 3, this candidate could have expanded on the areas of break-even specifically and how the business would benefit from using it as an analytical tool.

This response is limited to the top of level 2.

By usin	9 hc	break	cuen	analysis	to plan
launch	of it	new The	s fo	bot	men and
	. Backya				
make	Knao	haco mo	ueb #	ker bo	Ge icome
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for the	burner	.3-			

Examiner's comments:

This response was given Level 1 - 2 marks.

This response shows basic knowledge of break-even with very limited connections between the points made.

To improve this response further, this candidate needed to grasp at least two main benefits to Backyard Shoez of using break-even analysis to plan the launch of its new range of products. This candidate could have then explained these benefits to gain further marks. This response is limited to the top of level 1.

Question 3(e)

In order to start selling shoes to men and children *Backyard Shoez* will need additional finance.

The owners are considering the following two options:

Option 1: crowdfunding

Option 2: overdraft.

(e) Justify which **one** of these options *Backyard Shoez* should use.

(9)

Question Number	Indicative content	Mark
3 (e)	AO2 = 3 marks AO3 = 3 marks AO4 = 3 marks	
	 Option 1 – Crowdfunding is a quick way to raise finance to buy new shoes/latest fashion. Option 2 – An overdraft allows Backyard Shoez a temporary facility to withdraw funds from its bank to buy the required amount of stock. 	
	 Option 1 – They could also pay the investors with products rather than a financial reward which could help cash flow. Option 2 – If Backyard Shoez chooses an overdraft it gives them flexibility and they only pay interest when overdrawn. 	
	 Option 1 – Crowdfunding is a high risk way of trying to obtain finance, this could result in Backyard Shoez not being able to raise sufficient funds to buy the additional stock required therefore impacting on its expansion plans. Option 2 – The bank can demand repayment at any time and interest rates on overdraft are usually high. 	
	asadily riight.	(9)

Level	Mark	Descriptor	
	0	No Rewardable material.	
Level 1	1-3	 Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3). Makes a judgement, providing a simple justification based on limited evaluation of business information and issues relevant to the choice made (AO4). 	
Level 2	4-6	 Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3). Makes a judgement, providing a justification based on sound evaluation of business information and issues relevant to the choice made (AO4). 	
Level 3	7-9	 Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3). Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made (AO4). 	

Backyard Shorz should choose Option 1 since crowdfunding would provide a platform for the retailer to rake a large som of profit more money could be comed in large quantities enabling the business to develop the packaging of men's shoes or to a use other methods of sellin like R-failing which can allow the business to target a much wider market. is sufficient manay compared to an averdraft where a set limit is decided by the bonk. Moreover, an overdraft can be very inkrest rates may be high. I This would mean that more mother cash leakages from the business would limit the amount of money to be used to pay for warehosing or insurance of the new and unique footwear. Thus the business may have to ux other external sources of finance lik debentures which world - affect the stability at the bosiness and increase its debt. However, if the retailor uses crossfording then every investor would own a chark of the business. This could result in a loss of control as the mensors may have different objectives and may want to continue only selling shore and hardbags for ladies. In addition the business world have to inform the members fording the venture of every skp and action of exling the new's shows. Thus if customers do not like the new shoes then it would earn bod publicity for the retailers and the members would refus to confine investing. In conclusion Option I is more suitable since a very large amount of more y meed is needed to ensure one add value to the men's share to reduce the risk of failure of the men proprotation of Question 3 = 20 marks) that the retailer can avoid using the bank so no repayments or interest retre are paid

Examiner's comments:

This response was given Level 3 – 9 marks.

This response shows detailed application of the candidate's knowledge throughout the response. There is a great understanding of business concepts and the issues the business might face for when deciding between each option with clear context of the business throughout.

The candidate has shown a well-balanced argument between the two finance options and how this will impact on the business.

This response demonstrates detailed points with logical chains of reasoning. This candidate has shown they are able to make a judgment with clear justification.

Backyard Shorz' should use option 1 all people can donate a small amount In crowd funding of money to invest in the business. can organise this fund in the internet and use the above-like promotion to observe and stimulate people to in their business. Sometimes the amout be very with the good possibles rcople your crowleunding Will and masin/internet really quickly. constructing night be really time consuming invest only a small amount lless get the needed amount of money shoes whereas, think you bute but get the sun of money that you need unmidiately Lebb and the owner however no your abusiness will have a back, every manth or so . this will directly affect its profit on the negative side.

"Backyard Shoez" should use option 1 - crowdfunding In crowdfunding all people can donate a small amount invest in the business can organise this fund in the internet and use the above-like promotion to observe and "stimulate" in their business. Sometimes the amout of money donated can the good spread vacross your crowleunding and sotial mesia/internet really quickly. However, coolinging night be really time consuming only a small amount of money. get the needed amount of money shoes whereas, there you bute Washinimin barn now those men for news however no your workiness will have a test and the owners pay to back every manth or so this will directly affect its profit on the negative side.

Examiner's comments:

This response was given Level 1 - 3 marks.

This candidate has spent time outlining how the business might crowdfund. This is not what the question is asking. A number of responses seen have demonstrated knowledge of both options; there are no knowledge marks available for this question.

This response shows limited application of their knowledge of both finance options. Some limited connections are made between the points this candidate has made with little judgement.

To move further, the candidate could have applied each option directly back to Backyard Shoez and how the need for finance to launch their new products will affect them. The candidate could have then provided a judgement for which option they would suggest to Backyard Shoez with a justification based on the business information.

This response is limited to the top of level 1.

Question 4(b)

(b) Analyse the usefulness of profitability ratios to Backyard Shoez.

(6)

Question Number	Indicative content	Mark
4 (b)	 AO2 = 3 marks AO3 = 3 marks Backyard Shoez can use the information to work out how much profit they have made from buying and selling shoes and compare it to previous years. Profitability ratios can help Backyard Shoez see if there is a need to take out any short term sources of finance. By using profitability ratios Backyard Shoez can see their financial position before they are set to expand to work out whether it is the right business decision to make or not. Profitability ratios give investors the crucial 	
	information they need to weigh up the amount that they will receive from their investment compared to the risk they are going to take.	(6)

Level	Mark	Descriptor	
	0	No Rewardable material.	
Level 1	1-2	 Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3). 	
Level 2	3-4	 Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3). 	
Level 3	5-6	 Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3). 	

Profilability rentos help access the performance of Backyand Shoes, respective of the profits. It helps to see how Profitable is a business. Backyard Shoez can make use of gop profit for the year operating profit to check its cost analysis and bring down its expenses under control if it has exceeded the gross profit margin. Profitability ratios go help Book directors formers at Bockyard Shoez know how Jamuch they receive in return for the capital employed if the ROCE is high, owners may be better motivated to launch new shoes of better quality at Backyard. This aids in investment decisions for Backyard. Moreover, it provides a useful method to increase prices or reduce purchase of stock (Shoes to be sold) for Backyard, based on fine Gross prift and Operating profit. They can be used to make Gross prift and Operating profit. They can be used to make companisons with the true previous year, and make improvements companisons with the true previous year, and make improvements and set new tempets to achieve for in sales for Backyard shoez

Examiner's comments:

This response was given Level 3 – 6 marks.

This response outlines the main profitability ratios and what impact they can have on the business. Throughout this response, there is detailed application of the knowledge demonstrated as well as a clear understanding of business concepts. This candidate is able to analyse how useful these profitability ratios will be to the business and what the business can do with the information gathered on these ratios.

This response gained all available marks for this question.

Profitability ratios helps Backyard Shoez to analyse which areas are costly for them.

The Backyard Shoez can then work on reducing these costs where necessary, for example, switching to cheaper suppliers. This can help Backyard Shoez to maximise their profits to and to invest it in a new potential products.

Banks may also require these profitability ratios. If Backyard Shoez behas a good profitability ratio then it can will encourage banks to provide less collateral due to their likelihood of paying the loon back.

Examiner's comments:

This response was given Level 1 - 2 marks.

This response shows some very valid comments but a pity that these have not been developed. This candidate has not been able to apply their knowledge to the business clearly, whilst there are loose references to suppliers. If these references were in the context of Backyard Shoez, such as shoe/accessory suppliers, it would have helped the candidate move out of level 1.

To move further, this candidate needs to add context and expand on the points made with logical chains of reasoning.

This response is limited to the top of level 1.

Question 4(c)

(c) Evaluate the importance of primary market research to *Backyard Shoez*. You should use the information provided as well as your own knowledge of business.

(12)

Question	Indicative Content	Mark
Number		
4 (c)	AO1 = 3 marks AO2 = 3 marks AO3 = 3 marks AO4 = 3 marks	
	 Market research can be conducted by the business itself in the form of a questionnaire. The business could chose to use other methods that suit their business like focus groups. Backyard Shoez could question customers in the mall on their needs and wants for shoes. Backyard Shoez will be able to speak directly to customers who buy their shoes who will then feel valued. 	
	 Therefore, using primary market research Backyard Shoez can find out exactly what they need and work out ways of meeting those needs. Focus groups will give Backyard Shoez qualitative data which can help with the design of new shoes. 	
	 However, it can be time consuming to find out what customers' needs are and if these are already being met by the competitors in the local area then no amount of market research will help them to target their new audience. However, without doing secondary market research as well then Backyard Shoez cannot find out wider research such as information on competitors and suppliers. 	
		(12)

Level	Mark	Descriptor		
	0	No Rewardable material.		
Level 1	1-4	 Demonstrates elements of knowledge and understanding of business concepts and issues, with limited business terminology used (AO1). Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3). Makes a judgement, providing a simple justification based on limited evaluation of business information 		
		and issues relevant to the choice made (AO4).		
Level 2	5 - 8	 Demonstrates mostly accurate knowledge and understanding of business concepts and issues including appropriate use of business terminology in places (AO1). Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3). Makes a judgement, providing a justification based on sound evaluation of business information and issues relevant to the choice made (AO4). 		
Level 3	9 – 12	 Demonstrates accurate knowledge and understanding of business concepts and issues throughout, including appropriate use of business terminology (AO1). Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3). Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made (AO4). 		

Drimory to motiked Tesearch means that gathering souts that do not excist in the market. So that Backyord Shoez culd abileto get collect up to dute information with latest changes in GORSUM CONSUMER the taste and Pashions of it's customs So that Backy of Shore Could make decision on availabling those latest desings of shoes on a Clothe so that it route attract customs and Improve sales fevere. Also doing primary marked recitches it would provide information only to the Back you shoez on it it town to sexult in Buckyou do perform well being more competitive with it's rivals in Shopping centr leads to gain man marked share. onthe other hone, primary market response would be an expense methods to Ba shoez leading cost to rix and sother porices of it's Text ling products prices evould go increak beading lower seven as customers would lind it's mull sworedaling shops close in the Shopping center Su mytest Shrewould lund. Also conducting primary research itwould take time to collect information about market so Het iterouse be time worked and other decision marking woulde in efficient and lead Shoez perform ineffects to morket Itourever formon marked research da da coomit deponds on the accuracy of dute collected by Shorz and from home many customers the date was collected in the market, more customer, more accurate date (Total for Question 4 = 20 marks)

Examiner's comments:

This response was given Level 3 – 10 marks.

This response demonstrates clear and accurate knowledge of primary market research throughout. The candidate understands different business concepts and issues using primary market research. This response shows good application to the business scenario presented to the candidate. Context is shown through terms such as 'designs of shoes and clothes' and 'rivals in shopping centre.'

This response shows the counterargument of the initial arguments presented in the first part of the answer. The points made by this candidate show logical chains of reasoning to each point presented.

This candidate has started to make a judgement with some justification based on the evaluation of the business information given.

To move further into level 3, this response needs to have a thorough evaluation placing importance, or not, on primary market research to Backyard Shoez.

This response is limited to the middle of level 3.

Primary market research is research done face to face knowledge gained seeing in person. Primary research is important as it to would making Backyard Shoez in them knows what to improve, new development ideas. Primary be done by questionnaires. interview their loyal and Backyard helps their services production. Backyard and... lauching launching primery new whether provide answers about profitable idea ar regult help the business for their sucely product launch. primary research would be quite Backyard

Examiner's comments:

This response was given Level 1 - 4 marks.

This response provides plenty of knowledge of primary market research through the use of questionnaires and interviews. There is very limited analysis throughout this response with little reference to the business, therefore showing limited application of the knowledge shown. There is a very basic judgement made at the end of the response.

To gain further marks, this response would need to have more context other than the reference to the launch of the new products. Each point made about the importance of primary market research needs to be expanded upon with chains of reasoning, referring back to the point made. It would also be helpful if a sound evaluation was provided to summarise how important primary market research would be to a business, like Backyard Shoez.

This response is limited to the top of level 1.

Question 1(g) (Paper 1R)

(g) Analyse why customer satisfaction might be important to Lavender.

(6)

Question Number	Indicative content	Mark
1 (g)	AO2 = 3 marks AO3 = 3 marks	
	Satisfied customers are more likely to repeat purchase of cakes from Lavender bakery. Lavender is expanding into different types of food outlets such as Lbistro, L.cafe and L.table.	
	This leads to an increase in sales and customer loyalty so Lavender could end up spending less on promoting their products as satisfied customers will recommend other Lavender businesses to their friends and family through word of mouth. Customer satisfaction in one outlet may lead to customers trying other outlets leading to improved revenues.	(6)

Level	Mark	Descriptor	
	0	No Rewardable material.	
Level 1	1-2	Limited application of knowledge and understanding of business concepts and issues to the business context. (AO2) Attempts to deconstruct business information and/or issues, finding limited connections between points. (AO3)	
Level 2	3-4	Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies. (AO2) Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3)	
Level 3	5-6	Detailed application of knowledge and understanding of business concepts and issues to the business context throughout. (AO2) Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3)	

Lawroom is a small business, it has expanded to marker from scaled to rive aid dining, were mer sonisfaction snould be taken into consideration because if customers are not happy with what they're consoming and spending marry on whether it's the quality of the foods or benoviour of stalls it can be navy for 2 business customer sousfaction is important because the happer the customer is The more likely they are to come back potentially with their close family or friends. if there is customed satisfaction there is customer logality and lawender is operating invarious markets hight now justificult customers a business isn't morning revenue, a business is spending a lot on costs such as nent, materials etc and therefore a business will not mone a profit thus can also lead to business failure as businesses don't have ellough revenue to concriner costs. CLEARMEN SOMESCOCCION IS ALSO IMPORTANT FOR A BUSINESS TO INAVE A LARGE austomer base, the larger the customer (Total for Question 1 = 20 marks) base is the more revenue hence the more profit and the nighter the anamaes are for the business to expand & polanticilly indease their GDP and market anothe growth.

Examiner's comments:

This response was given Level 3 - 6 marks.

A well-answered and constructed response with context from the start of the response with references to the business as 'small cakes' and 'fine dining.' This response shows very detailed application of the knowledge of customer satisfaction and the ability to apply it directly to Lavender and how this will affect the business.

The final points made in this response are not necessary as the points made prior to the link are well explained and demonstrate logical chains of reasoning.

Customer scubisfaction is when a customer thout uses the service provided by Loverber is hoppy and contents.

With product It is important as the customer will beep an buying the product, as they like the output produced; Increasing the revenue made by Loverber and making gross profit hungin, making improvements and making gross profit hungin, making improvements and making to their business cosier. Another benitit would be that Loverbers reputation will be better. As more customers will be happy, the word will get around through which means, and create a positive image. This will encourage customers to buy and use Loverbers services and multiple businesses, generating more revenue and frost.

(Total for Question 1 = 20 marks)

Examiner's comments:

This response was given Level 2 - 3 marks.

The above response represents many of the responses seen. The candidate has demonstrated the effects of customer satisfaction on a business but unfortunately there is no context throughout this response. Had the candidate replaced terms such as 'product' with 'food', it would have helped them move further into level 2 with the potential of a level 3 response.

This candidate has outlined two valid points of why customer satisfaction would be important and has been able to show logical chains of reasoning.

To gain further marks, candidates must write in the context of the business scenario set.

This response is limited to the bottom of level 2.

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