

INTERNATIONAL GCSE

Business (9-1)

EXEMPLARS WITH EXAMINER COMMENTARIES
PAPER 2

Pearson Edexcel International GCSE in Business (4BS1)



Contents

Introduction	1
1.1 About this booklet	1
1.2 How to use this booklet	1
1.3 Further support	1
1.4 Assessment objectives	2
Question 1(f)	3
Exemplar response A	4
Exemplar response B	4
Question 1(g)	5
Exemplar response A	6
Exemplar response B	7
Question 2(d)	8
Exemplar response A	8
Exemplar response B	9
Question 2(f)	10
Exemplar response A	11
Question 3(d)	13
Exemplar response A	14
Exemplar response B	15
Question 3(e)	16
Exemplar response A	17
Exemplar response B	18
Question 4(b)	19
Exemplar response A	20
Exemplar response B	21
Question 4(c)	22
Exemplar response A	23
Exemplar response B	25
Question 1(g) (Paper 2R)	27
Exemplar response A	28
Exemplar response B	29

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 02/02R 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 [Pearson qualifications website](#).

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*
A02	Apply knowledge and understanding using appropriate business terms, concepts, theories and calculations effectively in specific contexts	38–39
A03	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)

Explain **one** impact of technology on the manufacture of vehicles.

Mark scheme

Question Number	Answer	Mark
1(f)	<p>A01 - 3 marks</p> <p>Award 1 mark for identification of an impact of technology on production, plus 2 further marks for explaining the impact, for a maximum of 3 marks.</p> <ul style="list-style-type: none">• Fewer people required to work in the factories doing repetitive jobs (1) people get bored doing these jobs and make mistakes (1). Less employees bring the cost of goods down (1).• More robots are manufacturing the vehicles than previously (1) this means that the vehicles can be manufactured in any country (1) therefore the business could move to a cheaper country (1). <p>Answers that list three impacts with no explanation will get a maximum of 1 mark.</p> <p>Accept any other appropriate response.</p>	(3)

Exemplar response A

technology could have a positive impact ^{on} the manufacturing of vehicles as it could speed up the process. This is because machinery created by technology ~~is~~ could build cars quicker than a human, with no mistakes or errors. This would have a positive impact as it means the business would create more cars in a shorter amount of time, and it would have more product to sell.

Examiner's comments:

This response was given 3 marks.

The response shows an understanding that using technology means cars could be produced faster, and this point is then developed by the comment 'with no mistakes or errors'. The final mark is given for the comment that technology would have a positive impact on the business and would create more cars in a shorter time. A number of responses tended to give two impacts of technology as opposed to one, and the consequence of this was that they could not gain the full marks available.

Exemplar response B

~~the fact that~~ The technological impact could be that ~~the~~ the company has less expenses as it has to spend less on wages for employees meaning they would be able to afford better quality land and/or machinery & potentially giving them an increased profit.

Examiner's comments:

This response was given 1 mark.

This particular response mentioned that technology would reduce the spending on wages for employees, which is a valid comment. If the final comment on profit had been developed, further marks could have been awarded.

Question 1(g)

Analyse the importance of good public relations for *Tata Motor Company*.

Mark scheme

Question Number	Indicative content	Mark
1(g)	<p style="text-align: center;">A02 = 3 marks A03 = 3 marks</p> <p><u>A02</u></p> <ul style="list-style-type: none">• <i>Tata Motor Company</i> highlights that it helps the local community with building schools/working on the environment.• <i>Tata Motor Company</i> also invests heavily in the health and welfare of people and the community. <p><u>A03</u></p> <ul style="list-style-type: none">• The public are more likely to think highly of <i>Tata Motor Company</i> if it is using the profits from its business to help local communities.• If there is any bad publicity about the vehicles sold then it could have a negative effect on the business.	(6)

Exemplar response A

Customer loyalty will be improved because having good public relation like building schools Tata Motor Company will attract the society because they will think the business cares about the society thus improved customer loyalty will lead repeat buying. Tata Motor Company will have strong brand name ~~this will help~~ because they will be well known for their welfare for local people therefore they will have market for their vehicle hence they will get high market share.

Examiner's comments:

This response was given Level 3 – 5 marks.

This response is relevant to good public relations, and does refer back to the scenario in the paper with regard to building schools. The comment is further developed to say that the business cares about society and this does help to improve customer loyalty. The second paragraph refers to the welfare of local people but the comment could have been developed further to move the response into the top of Level 3.

Exemplar response B

Good public relations is extremely important for Tata Motor Company as it could increase their amount of customer. This is because customers will feel more comfortable and attracted towards Tata Motor Company, which will increase their chance of shopping there. This will create more revenue for Tata as more customers will create more sales.

Another reason why good public relations will be important for the business is because it will create exposure for the business. This is because ~~customers~~ existing customers will spread the business to potential customers, this could allow Tata Motor Company to expand as there will be more demand for the business in other areas.

Examiner's comments:

This response was given Level 2 – 3 marks.

A number of the responses seen confused public relations with customer loyalty, also commenting on how Tata could maintain customer loyalty.

If candidates had referred back to the scenario at the front of the paper, it may have helped them to answer this question. The details about working in the community, and building schools and houses, are all to do with the public, so this type of work should result in good public relations for the company.

The response mentions the increase in customers, which is a valid point, and this is then developed by reference to the fact that customers are more likely to shop there.

The comment in the second paragraph with regard to exposure of the business is also a valid application.

This was placed at the bottom of Level 2 as the response did not develop or analyse the comments made sufficiently to move into the next level.

Question 2(d)

Explain **one** reason why a business would use job production.

Mark scheme

Question Number	Answer	Mark
2(d)	<p>A01 - 3 marks</p> <p>Award 1 mark for a reason to use job production, plus 2 further marks for explaining this reason, for a maximum of 3 marks.</p> <ul style="list-style-type: none">• Job production is used to produce a unique piece of work. (1) It is made to meet the exact needs of the customer (1) that requires time and skills of the employees (1). <p>Answers that list three reasons with no explanation will get a maximum of 1 mark.</p> <p>NB No marks are awarded for a definition.</p> <p>Accept any other appropriate response.</p>	(3)

Exemplar response A

Job production is flexible. It is highly responsive to consumers needs and wants. Customers will be able to request specific designs and styles of a product according to their tastes. For obtaining a product unique to the consumer, the consumer will be willing to pay high prices.

Examiner's comments:

This response was given 2 marks.

The comment about being flexible is not developed or related to anything in particular, so therefore is not worthy of a mark. The second sentence about being highly responsive to consumer needs and wants is relevant and applicable, and worthy of a mark. The second mark is gained for the development of the comment that the consumer will have to pay a high price for this specific design. To have gained the final mark available the candidate could have mentioned the time taken to make the items and/or the skill and labour required of one person.

Exemplar response B

A business would use job production in order to produce high quality products. By producing such products they can meet customer satisfaction which may be an objective for that business in the long run.

Examiner's comments:

This response was given 2 marks.

The comment with regard to producing high-quality products is relevant and this is then developed by the comment regarding customer satisfaction, gaining 2 marks. If the response had then given a further development or comment on cost, it could have gained the final mark.

Question 2(f)

Tata Motor Company uses difference pricing strategies. It is considering **two** options for the launch of a new vehicle.

Option 1: cost plus

Option 2: promotional.

Justify which **one** of these two options *Tata Motor Company* should use.

Mark scheme

Question Number	Indicative content	Mark
2(f)	<p style="text-align: center;">A02 = 3 marks A03 = 3 marks A04 = 3 marks</p> <p>A02</p> <ul style="list-style-type: none"> Option 1 – With cost plus pricing <i>Tata Motor Company</i> know that the cost of making the vehicle has been covered. Option 2 – If <i>Tata Motor Company</i> uses promotional pricing it is a good strategy for selling new vehicles. <p>A03</p> <ul style="list-style-type: none"> Option 1 – <i>Tata Motor Company</i> knows that if the cars are selling well it is making money, which means more profit for the business. Option 2 – The lower price from the promotional price will result in higher sales. <p>A04</p> <ul style="list-style-type: none"> Option 1 – Although this type of pricing method guarantees a profit on the cost of manufacturer it does not guarantee that sales are going to be made, especially if a competitor is cheaper, therefore selling more vehicles. <p>Option 2 - Even though the sales may be higher, the profit per vehicle will be lower.</p>	(9)

Exemplar response A

Cost plus pricing is a good pricing strategy, as it is a percentage on cost which is added to the cost to give the price. One advantage to this is that it ensures all costs are covered, and this is beneficial as Tata ~~would have~~ may have spent a lot on R&D research and development for this new vehicle. Cost plus pricing ensures they will get it back. ~~To add to that it could ensure~~

Promotional pricing may not be the best option as Tata is already a well established brand in India and don't need loss leaders to attract customers, to add to that they ~~see~~ when a consumer buys a car, they expect to ~~incur~~ incur a large expense, therefore psychological pricing wouldn't be ~~so~~ and ~~just~~ discounts wouldn't be suitable.

However, ~~with~~ when using cost plus pricing there are some problems. One, is the this pricing strategy ignores market conditions, so if all other cars ~~in the industry~~ ^{eg: Suzuki or Bajaj} are more generously priced then consumers will switch to competitors. Also ~~if~~ ^{the} ignores the elasticity of demand for cars, ~~if~~ cars are elastic and ^{if} they charge a high price, as there many ~~substitutes~~ substitutes consumers will switch. ~~For~~ This will reduce revenue.

(Total for Question 2 = 20 marks)

Examiner's comments:

This response was given Level 3 – 7 marks.

Comments relating to a description of what each of the two options are should be avoided, as there are no knowledge marks available for this question. The response clearly shows an understanding of the two methods of pricing and the impact upon the business and its customers. Justification as to why each of the pricing strategies should or should not be used is also given, showing analysis. In the final paragraph there are some evaluative comments but these are not fully developed, and so the response cannot reach the top of the level.

Exemplar response B

Pricing ~~Prices~~ strategies are very important for a firm as customers want good quality products at low prices. If prices are too high they may purchase their items elsewhere.

Tata Motor company should consider choosing cost plus pricing strategy. This will be beneficial ~~as~~ to Tata Motor company as it ensures that their cost of producing the cars are covered. This is also ~~a~~ much easier method as only a percentage needs to be added on total costs.

Promotional pricing may not be the best pricing strategy ~~as~~ because when providing discounts and sales to consumers the company may lose out as they need to sell their cars at lower prices now. Therefore it may ~~have~~ ^{have} a financial impact on the business.

However, although cost plus pricing may seem like ~~the~~ the best pricing strategy it ignores market conditions. This means that it does not take into ~~the~~ account the prices of competition. Therefore if ~~the~~ ^{other car company prices} competitors prices are low Tata Motor company may lose out on customers.

Examiner's comments:

This response was given Level 2 – 4 marks.

The response has made sound application of the knowledge of the pricing strategies that could be used. The comment that cost is covered shows application, and a valid point made.

In the third paragraph, the response comments on option 2 and the fact that if the company does not use this method they may lose customers. This demonstrates application.

In the final paragraph, the comment that cost plus pricing seems to be the best pricing strategy because it ignores market conditions is evidence of analysis; this is developed further by the reference to not taking the competition's prices into account. This moves the response to the bottom of Level 2. To gain a higher level, the response would have to include some consequences of using each method in relation to other businesses. The candidate could also comment on the impact on the business itself, if it continues to use one method as opposed to another.

Question 3(d)

Analyse how *Tata Motor Company* could use the financial information in **Figure 2**.

Mark scheme

Question Number	Indicative content	Mark
3(d)	<p style="text-align: center;">A02 = 3 marks A03 = 3 marks</p> <p><u>A02</u></p> <ul style="list-style-type: none">• <i>Tata Motor Company's</i> revenue has increased year on year.• <i>Tata Motor Company</i> can use these figures to compare them with other vehicle manufacturers. <p><u>A03</u></p> <ul style="list-style-type: none">• <i>Tata Motor Company</i> could invest in designing and manufacturing new cars.• <i>Tata Motor Company</i> could adjust its prices to increase its yearly revenue.	(6)

Exemplar response A

Tata Motor company can use the financial information in Figure 2 to look at the successes ~~and~~ or as well as areas they need to work on within the business. For example, the business will be able to see that they ~~was~~ grew the most between 2013 and 2015. Furthermore, the company can use this financial information to compare to its competitors. This will allow the company to decide on whether they are happy with the products they have or if they need to improve their financial position by launching a new vehicle.

Examiner's comments:

This response was given Level 2 – 3 marks.

The comments about looking at the successes and the areas that Tata Motor Company need to work on demonstrate application. The comments about comparison to competitors and improving the company's financial situation both provide analysis. This response actually refers to information in Figure 2, which a number of responses did not do. If the response had used more information from Figure 2, it could have moved into the top level.

Exemplar response B

Tata Motor Company could use the financial information to ~~an~~ compare with ~~other~~ ~~their~~ competition ~~to~~ to see ~~how~~ if they are more successful than them which means can use this to plan when to expand and wipe out their competition. This information can also be used to see if a marketing scheme was successful because they could check if their revenue increased which means they can see whether they should keep selling them. This allows them to make decision about continuing to sell products. Which is good as it could reduce costs or wasting money.

Examiner's comments:

This response was given Level 1 – 2 marks.

Unfortunately, a number of candidates perhaps did not fully read the question and make use of the financial information given in Figure 2. This would have helped them to develop their responses and perhaps gain a higher level.

The comment about comparing the information to that of the competition is valid, and possibly the most popular response given by candidates. This is then developed by commenting about planning and when to expand.

Candidates could have used the information given with regard to the revenue made from 2011 to 2017 and also used the response to 3(c) to help develop the response.

Question 3(e)

Tata Motor Company gathers data to help it promote its vehicles. It is considering **two** options.

Option 1: primary research

Option 2: secondary research.

Justify which **one** of these two options *Tata Motor Company* should use.

Mark scheme

Question Number	Indicative content	Mark
3(e)	<p style="text-align: center;">A02 = 3 marks A03 = 3 marks A04 = 3 marks</p> <p>A02</p> <ul style="list-style-type: none"> • Option 1 – you are able to obtain the information directly from the people about the cars they want and the price they are prepared to pay. • Option 2 – secondary research is much easier to collate from other car manufacturing websites and reports. <p>A03</p> <ul style="list-style-type: none"> • Option 1 – this helps <i>Tata Motor Company</i> gather information that is relevant and can help in designing and pricing the next cars to be manufactured. • Option 2 – and will not take <i>Tata Motor Company</i> as long to gather the information it requires. <p>A04</p> <ul style="list-style-type: none"> • Option 1 – although gaining this information is important for <i>Tata Motor Company</i> it is very costly in time and man power. • Option 2 – the data it collects may not provide the information it requires. 	(9)

Exemplar response A

Tata should use primary research. This is because it provides up-to-date information about customers wants and needs. It will enable Tata to produce market oriented ^{cars} products and hence obtain customers from day one. This will increase its revenue and ~~in~~ increase profits, consequently obtaining a higher market share. They will also fulfill their aim of ^{according to needs} producing. In addition, primary research provides confidential information as no other firm knows about it. This enables Tata to sell unique products into the firm. It can use pricing strategies ^{like price} like ~~price~~ skimming and obtain a lot of profits from its awesome cars before competitors like Mitsubishi begin producing. This monopoly power will give them enough finance as retained profits to carry out further market research. However, primary research ~~is~~ sometimes give misleading results. Tata can incur large losses after it designs a car and it gains no market especially because huge capital costs are involved. This means it will have reduced cash flow and may even close down due to business failure.

Examiner's comments:

This response was given Level 2 – 6 marks.

A number of the responses seen did give a very detailed description of primary and secondary research. As mentioned, there are no knowledge marks available for this type of question. Commenting on each of the options by giving a description of what they are should be avoided. The comment on market-oriented cars is application, and the comment on fulfilling the aim of producing according to needs gives further analysis. Another application point made was that the information gained is confidential; the point is further developed by stating that this enables Tata to sell unique products.

The last paragraph comments on how primary research could give misleading information, which is a relevant point.

To move this response to the next level, the candidate could have further developed the implications of primary research and the effects on Tata, or justified why secondary research was not chosen.

Exemplar response B

Tata Motor Company should use primary research. I believe the Tata Motor Company should use primary market research because it allows them to specifically ask certain questions they may want to know about customers' preferences in a vehicle and allow them to have a better idea on how to promote its vehicles. Primary research also allows for Tata Motor Company to ask locals which are their customers as to what they want. Whereas secondary research is perhaps ~~not as reliable~~ done in a different country than where they sell cars, which could result in issues because ~~the~~ customers may have different wants and needs in different places. Primary market research is up to date whereas secondary research could be outdated or irrelevant. Though primary research costs much more due to having to have a medium for research such as focus groups and surveys than secondary research, I feel as though the ~~cost~~ benefits of primary research heavily outweigh the costs.

Examiner's comments:

This response was given Level 2 – 5 marks.

This response did not always clarify the points made in sufficient detail to gain the higher level. Candidates should be aware that there are no knowledge marks allocated for this type of question and therefore comments about how the research is collected, or that secondary research could be outdated, cannot be awarded marks.

In the first paragraph the response shows a clear understanding that by using primary research Tata can get to know about their customers' preferences in vehicles. The next comment, about asking local people for their comments, is also valid and the comment that secondary research may be carried out in a different country is development. A further development point about different wants and needs in different places is also given.

If the response had developed the points further or made reference to the effect of the research and how the businesses could have used the information, it could have moved to the next level.

The response gained the middle of Level 2.

Question 4(b)

Analyse why *Tata Motor Company* ensures that its staff have a detailed induction programme.

Mark scheme

Question Number	Indicative content	Mark
4(b)	<p style="text-align: center;">A02 – 3 marks A03 – 3 marks</p> <p><u>A02</u></p> <ul style="list-style-type: none"> • Employees at <i>Tata Motor Company</i> are made familiar with their working environment, whether it is on the production line or in an office. • They are introduced to the staff they will be working with, e.g. the staff on the production line. <p><u>A03</u></p> <ul style="list-style-type: none"> • If employees are given this training they begin to feel part of the company. • This would make staff feel more settled and made more welcome/productive. 	(6)

Exemplar response A

A detailed induction programme is necessary in order to inform new staff about Tata's working practices, policies and environment. As a result, employees' ~~use~~ productivity would increase due to their familiarity with the working environment, and the specific equipment used to design Tata Cars.

Moreover, an induction programme also helps connect different departments of Tata as they all join up to attend the programme. New staff will be more comfortable and ~~work~~ with the other employees ~~know~~ once they're known to them. Thus team-work will improve & departments will function efficiently as social needs have been met as well.

Examiner's comments:

This response was given Level 2 – 4 marks.

This response makes some very valid comments but needs to develop them to gain the higher level.

The comment about being familiar with the working environment is correct but the response does not develop on it.

In the last paragraph the response mentions all departments attending, which is not relevant to the question. However, the next sentence, which states that new employees will be more comfortable once the other departments are known to them, is application and worthy of a mark. The final sentence about teamwork is the development and moves the response into Level 2.

Exemplar response B

Tata motor company has a detailed induction program is that because so then their employees can get to know each other. This would make their employee feel less stressed as they know their work area and who they work with. Since they are working for largest vehicle manufacturer in india they might feel stressed. So this will help them release it.

Also by telling them about the company policies and about the company they can get to know that they will be working for ~~the~~ one of ^{the} most valuable companies. This will help them to motivate themselves thinking that they ~~are~~ work for a huge company.

Examiner's comments:

This response was given Level 1 – 2 marks.

A number of responses made reference to the staff working in the saleroom or in the manufacturing section of the business. The question was not specific as to where the staff worked, and mention of either was acceptable.

The response above referred to the staff being less stressed because they would know the work area and who they were working with. However, none of the points made were developed; for example, workers would be less stressed because they would already be familiar with the people they are working with, which means that they would be able to go to the right person to get the answer to a question. The comment about company policies could also be further developed. For example, that employees would be aware of the rules and regulations regarding health and safety in the workplace regardless of what part of the business they work in. Or that they might know the targets that the business is working towards so they can be aware of what they need to achieve.

Question 4(c)

Tata Motor Company is always looking to find the right location for its new factories.

Evaluate the factors *Tata Motor Company* would have to take into account when making decisions about where to locate new factories. You should use the information provided as well as your own knowledge of business.

Mark scheme

Question Number	Indicative content	Mark
4(c)	<p>AO1 = 3 marks AO2 = 3 marks AO3 = 3 marks AO4 = 3 marks</p> <p><u>AO1</u></p> <ul style="list-style-type: none"> Finding a location that has a skilled labour. Making sure that the location is accessible so that deliveries can be made. <p><u>AO2</u></p> <ul style="list-style-type: none"> The <i>Tata Motor Company</i> needs a range of skilled employees, e.g. engineers and designers. It may need to be located either near to a port or where there is easy access to motorways or railway lines so that the vehicles can be transported to their next destination. <p><u>AO3</u></p> <ul style="list-style-type: none"> If they are near to the skilled labour force that is required to run the factory/operation this could reduce the overall costs of the new factory. The factory will need a continuous supply of materials and the finished vehicle will need to be transported for sale. <p><u>AO4</u></p> <ul style="list-style-type: none"> By locating near a skilled labour force, the cost of land/infrastructure may be higher thereby adding to the cost of the location Infrastructure is one of many factors affecting the choice of location and other factors may be more important. 	(12)

Exemplar response A

Toto Motor company should consider a range of factors before it locates. The cost of land should be the first, the owners should look for a land that is cheap and safe to use. It shouldn't have any form of pollution as well as should make sure it's not privately owned and to not take away the land forcefully. The resources the land has should also be seen if they are valuable e.g raw materials stored in them he should consider taking them. Cost and availability of labour should also be considered. He should be able to locate the factories in a place where it is easy to find labour and should be cheap. Having expensive labour means that he is paying too many additional costs and could lead to excessive costs of the business. The labour could also be chosen according to skills, if the area has poor skills it makes it difficult for the business to run effectively as they may spend too much time locating the right labour. Moreover, Proximity to the market is also important and therefore the business should make sure they locate it in a place whereby they are able to easily take the finished goods to the owners to sell. If the business is too far it will make it harder to take these goods or to supply the goods to the market. They should also consider the rate of pollution flowing from these buildings and they should therefore construct in an area whereby it is near to the market but also does not cause any harm to the environment. Transport is a major contribution and should be considered when locating. The business should choose an area whereby he could easily in a fast manner without

causing damage to the products as they are coming straight from the factories. Lighting, heating and other costs such as salaries and rent should be considered. Some governments keep constraints whereby higher taxes and strict legislations are put into certain areas. The business should not locate their building or factory in an area whereby they may have to pay higher taxes. This will reduce the amount of revenue as well as profits that they have. To conclude, the business should be very careful when forming a place to locate their factory as it is important. Costs should be minimised and areas of high, cheap machinery as well as a place where the factory is beneficial to the business. If it is international, the business should consider the trade barriers and language barriers. Financial incentives should also be noticed. The business should choose the best and most suitable place for their factory so they can produce well.

Examiner's comments:

This response was given Level 2 – 8 marks.

The response makes some very valid and relevant points, however some of them have not been developed sufficiently to move the response from Level 2 to Level 3.

There are some comments made that are irrelevant to the question and although candidates are not marked on their English ability, the response refers quite often to Tata Motor Company as 'he', which should be avoided. The comment about land being privately owned is irrelevant, as is the point that any items stored there should be kept.

The response demonstrates numerous knowledge and application points but often these are not developed or evaluated sufficiently to achieve a higher level.

Knowledge points include: land that is cheap and safe to use; no pollution; and the availability of labour. Some of these points are then developed further; for example, that the labour should be cheap. They expand on this by saying that paying too much could lead to excess costs for the business.

Noting that the labour could also be chosen according to skills, and that the area having poor skills can make it difficult for the business to run effectively, is further evidence of application.

However, the response does not evaluate the comments sufficiently to move it into Level 3.

Exemplar response B

One factor is how good the public transport is. The workers should be able to get there as fast as possible. As a result, there might be less late employees.

Another factor is the social type of the region. More old people might be against building the factory. This is bad because the pollution of air would have a negative impact on them. This leads to relocation of the factory.

The cost of rent is also important. Tata Motor would need to find a big, but not expensive area for the car manufacturing. This would lead to lower fixed costs.

The country's laws can affect the location. The laws in some countries can be too strict and wouldn't be suitable for an effective industry growth. This leads to finding a new location or trying to manage with them.

In conclusion, the right choice of car factories location could help Tata Motor Company to reduce its costs, save the time or to find new partners. But the success of them depends on how many available lands for the big factories there are and how the locals would react on it.

Examiner's comments:**This response was given Level 2 – 7 marks.**

This response again gives lots of different reasons for where the factory should be located, but there is very limited analysis and evaluation, hence Level 2.

The comment about workers getting there fast is relevant and worthy of a mark, and further application is that they would not be late for work.

The comment about air pollution having a negative impact on the people is analysis and worthy of a mark.

Another factor worthy of marks is the comment about the rent not being too expensive for the manufacture of cars.

The final paragraph gives basic evaluative comments about how finding the right location could help Tata Motor Company to reduce its costs.

If the response had further developed each of the points made and related them to how the business would be affected, it could have moved into a higher level.

Question 1(g) (Paper 2R)

Analyse why *Yellow* might encourage its clothing manufacturers to use Kaizen.

Mark scheme

Question Number	Indicative content	Mark
1(g)	<p>A02 = 3 marks A03 = 3 marks</p> <p>A02</p> <ul style="list-style-type: none">• The quality of the T-shirts will be better.• Reduction in costs of making the T-shirts. <p>A03</p> <ul style="list-style-type: none">• <i>Yellow's</i> reputation will be enhanced leading to higher sales.• There will be fewer returns of T-shirts, which could lead to increased profitability for the manufacturer.	(6)

Exemplar response A

Yellow might encourage its clothing manufacturers to use Kaizen because Kaizen is eliminating waste with continuous improvements. The company ~~that~~ would like continuous improvements because this ~~will~~ might help by decreasing costs, by decreasing labour or any other expenses. In addition this will improve the quality of the product even more which will attract customers and gain their loyalty to the business. This would help Yellow by having a good brand image on the market, ~~and~~ ~~get~~ ~~the~~ gain popularity and fame as well as this is one of the business objectives to ~~be~~ always improve. This might gain customers satisfaction and make the business successful on the market.

Examiner's comments:

This response was given Level 3 – 5 marks.

Many of the responses that were seen for this question answered from the perspective of the business that manufactures the clothes and then gave the many benefits of Kaizen. The question asked why Yellow might encourage its clothing manufacturers to use Kaizen, so therefore the response should be in the context of Yellow and not the manufacturer.

This particular response is related to the benefits of Yellow. The comments about costs decreasing as there would be less waste, and that it would improve the quality of the product, are both relevant application to the question. This is then further developed by noting that the brand image would be improved.

To have moved into the top of Level 3, the response could have included something with regard to how a benefit of using this method might be improved customer satisfaction, which could increase sales.

Exemplar response B

Kaizen is the continuous improvement of goods. Yellow might want its clothing manufacturers to use it since it decreases the waste made by the company which would decrease the costs the company spends. Also, customers will be happy since Yellow is continuously improving their products making them better which will lead to customer satisfaction. If customer's are satisfied with the product more people would also want to start purchasing from them which would also lead to more customers being loyal to Yellow & more ~~to~~ people would want to buy their new products.

Examiner's comments:

This response was given Level 2 – 4 marks.

A number of candidates when answering this question gave detailed descriptions of Kaizen and how it works, and how the business uses it. Unfortunately there were no knowledge marks available for this question, as it asked how Yellow would encourage its clothing manufacturers to use Kaizen.

The comments made about decreasing waste and a decrease in costs for the company are application, and worthy of marks. The response then develops the comments by mentioning that if customers are satisfied they are more likely to want to purchase, and this is then further developed by the comment about customers being loyal to Yellow. To move this response into Level 3, the candidate could have developed the comments made about customers returning to Yellow to purchase more products and telling their friends and family about the products and how good they are. Alternatively, a comment could have been made about customer satisfaction increasing the status of Yellow as a business that provides quality products.

For information about Pearson Qualifications, including Pearson Edexcel, BTEC and LCCI qualifications visit qualifications.pearson.com

Edexcel and BTEC are registered trademarks of Pearson Education Limited

Pearson Education Limited. Registered in England and Wales No. 872828
Registered Office: 80 Strand, London WC2R 0RL

VAT Reg No GB 278 537121

Getty Images: Alex Belmonlinsky