



General Certificate of Secondary Education
2009

Business Studies B

Written Paper

[G3701]

TUESDAY 9 JUNE 2009

FOUNDATION PAPER

**FINAL
MARK
SCHEME**

Question 1		Mark
1a	C	1
1b	B	1
1c	D	1
1d	A	1
1e	B	1
1f	A	1
1g	<p>A fixed cost is :</p> <p>Stays the same</p> <p>That does not change</p> <p>Stays same every week, month</p> <p>If gives correct statement, but incorrect example then no marks</p> <p>Not rewarding 'a cost that is fixed'</p> <p>Not accepting tax, wages, raw materials, stock as examples</p> <p>Not accepting references to price</p>	1
1h	<p>Accept the following:</p> <ul style="list-style-type: none"> • noise • pollution • destruction of wildlife • congestion • loss of countryside • falls in house prices • loss of good view <p>Plus any other logical social costs caused by building factory in a rural area</p>	1

Question 1 continued		Mark
1i	<p>Use = to pay dividends (1) Reason = shareholders expect a return on their shares / to keep shareholders happy (1)</p> <p>Use = to purchase new machinery (1) , buy land Reason = this will make the business more efficient (1),make it expand</p> <p>Use = to expand the business (1) / open more factories / shops(BOD) Reason = this will increase sales OR increase profits (1)</p> <p>Use = to build up reserves / retain it (1) Reason = in case of bad times ahead / lower profits in years to come (1)</p> <p>Use = to pay off debts (1) Reason = to reduce interest charges (1)</p> <p>NOT accepting:</p> <ul style="list-style-type: none"> • To pay or raise wages, advertise, employ more staff • To pay bills, do promotions, produce more • To survive, make better phones, more franchises, buy better stock 	4 x 1
1j	<p>Span of control = the number of people somebody is in charge of OR (1 mark) who is in charge of whom / who controls who</p> <p>Examples acceptable for 1 mark are :</p> <ul style="list-style-type: none"> • The Chief Executive has a span of control of 3 • The Chief Executive is in charge of 3 directors • The Chief Executive is in charge of the Production Director, Marketing Director and Human Resources Director <p>Acceptable answer on its own = 1 mark</p>	2
1k	<p>A = 2 B = 3 C = 1</p>	<p>1 1 1</p>

Question 1 continued		Mark
1l	<p>Any two of (1 mark each)</p> <ul style="list-style-type: none"> • strike • go slow • work-to-rule • overtime ban • picketing • non-cooperation <p>Not : protests, quit, resign, call meetings, petition</p>	1 + 1
1m	<p>Acceptable answers</p> <p>£300m 300m 300 £300</p>	1

Question 2		Mark
2a	<p>Any 2, 1 mark each, from :</p> <ul style="list-style-type: none"> • date of birth (accept age as BOD) • nationality • marital status • education – schools, university etc • qualifications • work experience • position of responsibility held • interests / hobbies • name of referees NOT references • main achievements • personal statement /description of themselves • others such as : driving licence, skills, personal qualities, criminal record, <p>NOT accepting name or contact details (in question), NOT accepting 'references' (should be referees' names)</p>	2
2b	<p>Any two of the following points :</p> <p>Redundancy means the job no longer exists (1) worker loses his/her job (1) accept 'sacking them' through no fault of their own / business closing down / downsizing (1) can be voluntary or involuntary (1)</p> <p>Also reward for second mark any mention of :</p> <p>redundancy pay / redundancy package a reason for the job cuts eg replaced by a machine, factory closing down</p> <p>Not Rewarding: unemployed, laid off</p>	2
2c	<p>Two reasons, 1 mark each:</p> <ul style="list-style-type: none"> • Repeatedly absent from work • Caught stealing from the workplace 	1 + 1

Question 2 continued	Mark
2d	<p data-bbox="325 224 1225 257">Cleaner – place – local newspaper or job centre for 1 mark</p> <p data-bbox="325 291 946 324">Reason (1 mark) – Credit any of the following :</p> <ul data-bbox="373 358 1197 672" style="list-style-type: none"> <li data-bbox="373 358 1197 425">• Cleaner will work locally so advertisement need to be in a local paper <li data-bbox="373 425 1197 459">• Need a medium read by local people \ need local people <li data-bbox="373 459 1197 492">• Advertisements in local papers are cheap <li data-bbox="373 492 1197 560">• Local people looking for jobs as cleaners will look in local newspaper <li data-bbox="373 604 1197 638">• Job centres cost nothing to advertise in <li data-bbox="373 638 1197 672">• Unemployed cleaners will go to job centres to look for a job <p data-bbox="325 705 1086 772">Computer Programmer – place – Specialist Magazines /Journals for 1 mark</p> <p data-bbox="325 806 938 840">Reason (1 mark)– Credit any of the following :</p> <ul data-bbox="373 873 1118 974" style="list-style-type: none"> <li data-bbox="373 873 1118 907">• Specialists will read magazines that relate to their job <li data-bbox="373 907 1118 940">• Will be cost effective <li data-bbox="373 940 1118 974">• Specialists can be more easily targeted <p data-bbox="325 1041 1187 1075">Production Director – place – National Newspapers for 1 mark</p> <p data-bbox="325 1108 938 1142">Reason (1 mark)– Credit any of the following :</p> <ul data-bbox="373 1176 1139 1388" style="list-style-type: none"> <li data-bbox="373 1176 1139 1243">• Candidates will read national newspapers such as The Times etc <li data-bbox="373 1243 1139 1310">• Need to attract applications from all over the country / provide a wide or large number of candidates <li data-bbox="373 1355 1139 1388">• Informs potential applicants over a large area

Question 2 continued		Mark
2e	<p>Don't accept local newspapers, national newspapers, job centre, specialist magazines & journals as already named in previous question</p> <p>Places :</p> <ul style="list-style-type: none"> • The internet /internet vacancies site / JLTK's web-site • On JLTK's staff noticeboard /internally / within the business • At a recruitment agency. <p>Not accepting : in shop windows, on posters, on TV, in games magazines, radio, billboards</p> <p>Reasons:</p> <ul style="list-style-type: none"> • The internet / web-site / JLTK's web-site etc is a cheap way of advertising / more likely to be accessed by computer programmers • JLTK noticeboard / internally is cheap / attract internal candidates • The recruitment agency may have suitable candidates already on their books. 	1 + 1

Question 2 continued	Mark
<p>2f Benefits to the business from training staff</p> <p>As this is a manufacturer DO NOT REWARD statements linked to customers, customer service</p> <p>Benefits MUST be to the business, not the worker unless can show this then benefits the business.</p> <p>1 mark for each benefit and 1 for its reason</p> <p>Benefit : improve the efficiency/ skills/ productivity of workers OR can do their jobs well /will know more... know what to do Reason : this increases output OR reduces costs OR increases profits</p> <p>Benefit : improves the quality of the product produced Reason : this will increase sales OR improve company's reputation with purchasers</p> <p>Benefit : improves worker motivation / confidence / self-esteem / Reason : this will mean a happier workforce OR less absenteeism OR lower staff turnover, improved productivity , better quality products</p> <p>Benefit : reduces chances of accidents Reason : Less likely to have to pay compensation to injured staff</p> <p>Benefit : makes workers more valuable to the company Reason : workers are an important asset in any business</p> <p>Benefit : reduces staff turnover / less staff leave the company Reason : this reduces costs of advertising for new staff</p> <p>Benefit : improved recruitment Reason : if business has a good reputation for training staff then more people will want to work there</p> <p>Benefit : may give JLTK plc an edge over its competitors if it is well-known for training its staff Reason : as it may attract a better quality of candidates</p> <p>Benefit : improves staff skills / know how to use equipment / they know how to the job Reason : They can do a better job / do a range of jobs / become multi-skilled</p> <p>Less wastage (1)</p> <p>Not rewarding : –will get to know workers better, less supervisors needed, it cuts costs, need less staff</p>	<p>6 x 1</p>

Question 3		Mark
3a	<p>If ticks more than 2 boxes then no marks</p> <p>Only two correct answers, 1 mark each</p> <p>Overdraft Trade credit</p>	2
3b	<p>Any two reasons:</p> <p>Award marks which explain benefits to BOTH JLTK plc and CUSTOMERS</p> <p>It's the most convenient way for customers to pay (1) as they can do it at home / anytime / don't have to visit shops (1)</p> <p>No unpaid debts (1)</p> <p>Guaranteed the money (1)</p> <p>Customers don't need to visit shops to buy top-up cards (1)</p> <p>This is the only way you can pay on-line (1) as you have to pay straight away (1)</p> <p>JLTK gets the money straight away/quickly (1) / as it is paid straight into their account / this improves their cash flow/ working capital / less need to borrow (1)</p> <p>JLTK do not have shops (1) so you can't top up there (1)</p> <p>It means JLTK get all the of the top-up payment (1) as no commission is paid to a 3rd party (1)</p> <p>If they allowed customers to pay by cheque (1) it would take days before they received the money (1)</p> <p>It cuts down on JLTK's paperwork/admin (1) as cheques do not have to be processed / paid in to their account (1)</p> <p>Can advertise other services on their website when customers log in to top up. (1)</p> <p>NOT : its cheaper, no cash lying round, cash won't get stolen</p>	2 + 2

Question 3 continued		Mark
3c	<p>First mark is for identifying problem, 2nd mark for its consequence</p> <p>Eg Customers fear their card details may be stolen (1) and as a result they lose money from their bank account (1)</p> <p>Customers may fear fraud / hackers (1) OR that their card details may be stolen / tracked (1)</p> <p>Also credit "older customers may be uncomfortable with new systems of payment (1)</p> <p>Fear of identity theft/(1)</p> <p>Fear of fake web-sites / phishing (1)</p> <p>Their card could be cloned / copied (1)</p>	2
3d(i)	An appropriate method — 1 mark for stating choice—Shares or bank loan (1)	1
3d(ii)	<p>2 marks for why appropriate:</p> <p>eg Bank loan is a long-term form of finance (1) and can be paid back over a long period of time (1) from the profits made from expansion (1) can be arranged quickly (1), can raise large sums of money this way (1)</p> <p>NOT: can pay it back bit-by-bit, pay it back slowly, easy</p> <p>eg Share issue as no interest is payable (1) doesn't have to be paid back (1) it's a long-term form of finance (1), can raise large sums of money this way (1) business is not in debt (1) therefore less risk of bankruptcy (1)</p> <p>NOT: quick, easy, shareholders bring in new ideas</p>	1 + 1
3e(i)	Not appropriate—1 mark for stating choice—trade credit or hire purchase or overdraft (1)	1
3e(ii)	<p>2 marks for why NOT appropriate</p> <p>eg trade credit is used to buy goods on credit (1) from suppliers and is only provided for a short time (1), usually 30 days</p> <p>eg an overdraft is a short-term form of finance (1) and a bank won't lend that amount (1) without security (1) overdrafts can be called in at very short notice which JLTK couldn't cope with (1), interest rates are very high on overdrafts (1)</p> <p>eg hire purchase is used to buy goods on credit (1) and cannot be used to buy a company(1)</p> <p>No marks at all if chooses shares or bank loan</p>	1 + 1

Question 3 continued	Mark
<p>3f General answers that do not refer to market share, net profits, sales, – max of 1 mark</p> <p>Candidates that refer to data prior to 2006 max of 2 marks for spotting any two ‘correct’ changes.</p> <p>Don’t penalise any candidate that correctly refers to 2006-7 only but then refers to 2008 data as well.</p> <p>YES If candidate spots that 2006 - 2007 saw :</p> <p>Sales increase by 10% (1) Net profits increase (1) but Market share went down (1) from 14.3% in 2006 to 14.1 in 2007 4th mark available for logical reason why should still risk the takeover even though it doesn’t meet all the criteria.</p> <p>Max of 4 marks for a YES</p> <p>NO If candidate spots that 2006 - 2007 saw :</p> <p>Sales increase by 10% (1) Net profits increase (1) but Market share went down (1) (from 14.3% in 2006 to 14.1 in 2007) so this doesn’t match what JLTK want (1) so I do not believe that JLTK should consider this takeover (1) as CC only meet 2 of the 2 criteria (1)</p> <p>NB You can tell if candidates refer to 2003-5 data if they mention net profits fell in 2005 or sales didn’t rise by 10% or more in 2005</p>	<p>6</p>

Question 4		Mark
4a	1 mark each for Introduction (Introductory / intro / launch) : Growth: Decline No Mark for Saturation	3
4b(i)	Short = 1 mark	1
4b(ii)	2 marks – any two of: <ul style="list-style-type: none"> • because technology keeps on changing • new phones will come out / old ones become outdated • this phone will go out of fashion • consumers want something new every few years • fashions change 	1 + 1
4c	Market orientated	1
4d	Any two of: <ul style="list-style-type: none"> • it needs to know what customers want • needs to know changes in customers wants / tastes • want to know what prices consumers will pay • to keep ahead of its competitors / know what their competitors are doing /making • to be aware of trends in the market • needs to get feedback on its products / what people think of the company • to know who target market is, make sure targeting correct market • get opinions from different market segments <p>NOT : to get more profit, to get more customers, more sales</p>	1 + 1

Question 4 continued		Mark
4e	<p>Accept any of three of the following, one mark each:</p> <ul style="list-style-type: none"> • Place • Price • Promotion • Packaging <p>NOT Product (in stem)</p>	3 x 1
4f	<p>One reason – 2 marks: eg</p> <p>Might interview the wrong people (1) as many of the first 100 may be old (1)</p> <p>There's no guarantee (1) that the people interviewed will be potential customers / part of your target market (1)</p> <p>Most (many) of the 100 interviewed may be too old / too young (1) to be likely buyers of family phones</p> <p>The results from the survey may be less reliable (1) as they may interview the wrong people (1)</p> <p>May end up interviewing people who wouldn't buy this phone (1) and this is a waste of time / produces wrong results (1)</p> <p>You might not be interviewing the right people (1)</p> <p>Might get biased results (1)</p> <p>Quote sampling is more reliable/precise (1)</p>	2

Question 4 continued	Mark
<p>4g</p> <p>Web-site - provides wide coverage (1), is a cheap/free form of advertising (1), can be up-dates easily/regularly (1) and is used by a large part of the target market (1) / used by children and adults / used by existing customers (1) adverts can be there for a long time (1)</p> <p>TV – most effective medium (1), uses sound/vision/celebrities (1), will reach large number of customers (1), can be shown when target market is watching (1) / families may watch TV together (1)</p> <p>Newspapers / magazines – can choose ones read by the target market (1), such as teen magazines (1) or newspapers/mages read by parents (1) and is cheaper than TV and can be repeated for weeks (1), more information can be given about the product / can be read more than once (1)</p> <p>Radio – listened to be children (1) who may pester parents (1), is relatively cheap (cheaper than TV) (1), can be played over and over again (1), catchy slogans (1), some radio stations listened to by both parents and children / all generations (1),</p> <p>BOD marks : almost everyone reads a news paper / watches TV / uses the internet listens to the radio – only award this ONCE</p> <p>Not rewarding – advertising in newspapers is cheap But can award a mark for its cheaper than advertising on TV or other forms of advertising (BOD)</p>	<p>3 + 3</p>

Question 5		Mark
5a	= 800	1
5b	Maximum = 1000 Minimum = 200	1 + 1
5c	Just in Time	1
5d	<p>They will need less storage/warehouse space (1) and this will save them money (1)</p> <p>Less money will be tied up (1) in stock and this money can be used elsewhere in the business (1)</p> <p>Stock will not go out of fashion (1) as it gets delivered every day / few days (1)</p> <p>Stock less likely to be damaged / stolen (1) or perish (1)</p> <p>Stock isn't wasted / thrown away (1)</p> <p>Space isn't wasted (1)</p> <p>NOT rewarding : won't have too much or too little stock; no human involvement; won't run out of stock</p>	2 + 2
5e	<p>1 mark for each correct answer. Correct order of labels in boxes are</p> <p style="padding-left: 40px;">Box 1 Total Revenue – accept Revenue</p> <p style="padding-left: 40px;">Box 2 Total Costs</p> <p style="padding-left: 40px;">Box 3 Total Fixed Costs – accept Fixed Costs</p> <p style="padding-left: 40px;">Box 4 Sales</p>	4
5f	40,000 1 mark	1
5g	£20,000 1 mark – accept without the £sign)	1

Question 5 continued		Mark
5h	<p>Any 4 of the following – 1 mark each</p> <ul style="list-style-type: none"> • will need less workers • will reduce the wage bill • will cut the firm's costs • will speed up production / make goods faster • will improve productivity / efficiency • will be cheaper to operate / use less power • will be more reliable / break down less often • will produce better quality products • will increase output • reduces human error • cheaper in the long run <p>Not rewarding : easier to use / machines don't need holidays, breaks, turn up late etc / sales will increase / less strikes / less arguments / machines don't need motivating, training, fringe benefits</p>	4 x 1
5i	<p>Any 2 of the following – 1 mark each</p> <ul style="list-style-type: none"> • workers may be unhappy / demotivated / lower staff morale • workers may take (industrial) action • workers may need training on new machines • training is costly • workers may be less motivated • need to pay redundancy pay • gives company a bad name /reputation • initial costs are high <p>Not rewarding :machines may wrong, break down , cost lots to fix, putting people out of work</p>	1 + 1
	Total marks for papers	100
	QWC	5
	TOTAL	105