

Past exam paper questions – Topic 1.2 – Mark scheme

Q1.

Question number	Answer	Mark
	<p>Award up to 2 marks for linked points outlining an impact of lengthy queues on <i>Meringue</i>. Award a maximum of 1 mark if points are not linked.</p> <p>Long queues may lead to customers not returning to <i>Meringue</i> (1), preferring to visit competing cafes where paying for food is more efficient (1).</p> <p>Long queues may deter customers who are passing and look into the cafe (1), which may mean that they go elsewhere and <i>Meringue</i> loses potential sales (1).</p> <p>Do not accept impacts that would not be appropriate for the context of a small town centre bakery and cafe such as <i>Meringue</i>, for example going to another branch.</p>	<p>(2) A02</p>

Q2.

Question number	Answer	Mark
	C, E	<p>(2) A01a</p>

Q3.

Question number	Answer	Mark
	<p>Award 1 mark for identification of a benefit, plus 2 further marks for explaining this benefit, up to a total of 3 marks.</p> <p>The market map will help to identify key features of competitors (1), which allows the business to spot a gap in the market (1) so they can focus on features to make themselves different (1).</p> <p>A market map can help a business make decisions about its products (1) so that the features of the products are different from their competitors (1), which makes it likely that they will get more customers (1).</p> <p>Accept any other appropriate response. Answers that list more than one benefit with no explanation will be awarded a maximum of 1 mark.</p>	<p>(3) A01a=1 A01b=2</p>

Q4.

Question number	Answer	Mark
	<p>Award 1 mark for identification of a disadvantage, plus 2 further marks for explaining this disadvantage up to a total of 3 marks.</p> <p>There will be a lot of competitors (1). Therefore the business may have to charge a lower price (1). This may mean that the business does not generate as high a profit (1).</p> <p>Competitors put pressure on a business to provide a high-quality product (1). If it does not do this, customers will choose one of the rivals (1). As a result of this, sales and revenue are likely to fall (1).</p> <p>Accept any other appropriate response. Answers that list more than one disadvantage with no explanation will be awarded a maximum of 1 mark.</p>	(3) A01a=1 A01b=2

Q5.

Question number	Answer	Mark
	Competitor 1: 'Vitality' personal instructor	(1) A02

Q6.

Question number	Indicative content		Mark
Evaluate	<ul style="list-style-type: none"> • Entrepreneurs use market research to identify gaps in the market (AO1b). • Some small businesses can suffer at times when consumer income is falling (AO1b). • Sally has conducted some primary research into competitors in her local area (as evidenced in Figure 6) and identified a gap in the market identified for personal trainers (AO2). • As unemployment is rising and consumer income is falling, Sally's potential customers are likely to spend less on fitness and other non-essential services (AO2). • Sally plans to differentiate her business through the use of social media and technology. This will help her to create a USP which would appeal to younger market segments and help her business stand out from competitors (AO3a). • Sally currently has the security of a well-paid job but if she did not get enough customers in the short term she may find that she does not have enough income. If she chooses to be a sole trader, unlimited liability will mean her personal possessions are at risk (AO3a). • As there are just two main competitors in this market, Sally's business idea has a good chance of success. By creating a USP based around technology, she has a good opportunity to differentiate her business from rival personal trainers (AO3b). • The success of the business idea depends on some factors that are beyond Sally's control. However, if Sally gains a reputation as an excellent personal trainer the degree to which these factors will reduce her success are limited (AO3b). 		<p>(12) AO1b=3 AO2=3 AO3a=3 AO3b=3</p>
Level	Mark	Descriptor	
	0	No rewardable material.	
Level 1	1-4	<ul style="list-style-type: none"> • Demonstrates elements of knowledge and understanding of business concepts and issues, with limited business terminology used (AO1b). • 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 (AO3a). • Draws a conclusion, supported by generic assertions from limited evaluation of business information and issues (AO3b). 	
Level 2	5-8	<ul style="list-style-type: none"> • Demonstrates mostly accurate knowledge and understanding of business concepts and issues, including appropriate use of business terminology in places (AO1b). • 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 (AO3a). • Draws a conclusion based on sound evaluation of business information and issues (AO3b). 	
Level 3	9-12	<ul style="list-style-type: none"> • Demonstrates accurate knowledge and understanding of business concepts and issues throughout, including appropriate use of business terminology (AO1b). • 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 (AO3a). • Draws a valid and well-reasoned conclusion based on a thorough evaluation of business information and issues (AO3b). 	