

# Past exam paper questions – Topic 1.5 – Mark Scheme

Q1.

Question number	Answer	Mark
	B	(1) AO1a

Q2.

Question number	Answer	Mark
	<p>Award 1 mark for stating one impact on <i>Zoella Beauty</i> of using e-commerce.</p> <p><i>Zoella Beauty</i> may be more popular with working people who cannot shop at Boots or Superdrug (1). Lower costs as fewer sales through retail outlets (1).</p> <p>Accept any other appropriate response. Do not accept impacts that would not be appropriate for <i>Zoella Beauty</i>. For example, <i>Zoella Beauty</i> will be able to sell more.</p>	(1) AO2

Q3.

Question number	Answer	Mark
	<p>Award up to 2 marks for linked points outlining a way <i>Zoella Beauty</i> could use digital communication. Award a maximum of 1 mark if points are not linked.</p> <p>By using social media (1) which may be seen by the younger market segments it targets (1).</p> <p>Emails about beauty products (1) which could be read on customers' smart phones (1).</p> <p>Do not accept ways that would not be appropriate for <i>Zoella Beauty</i>. For example, to communicate with customers.</p>	(2) AO2

Q4.

Question number	Answer	Mark
	2009	(1) AO2

Q5.

Question number	Answer	Mark
	<p>Award up to 2 marks for linked points outlining an impact of changing consumer income on <i>Good and Proper Tea</i>. Award a maximum of 1 mark if points are not linked.</p> <p>If incomes are rising people will have more disposable income (1). This will mean that luxuries, such as <i>Good and Proper Tea</i>, are more likely to become popular and sales may increase (1).</p> <p>Falling incomes means people will have less disposable income (1) and may resort to cheaper types of tea, rather than higher quality products like <i>Good and Proper Tea</i> (1).</p> <p>Do not accept impacts that would not be appropriate for a <i>Good and Proper Tea</i>. For example, the demand for all foods will rise.</p>	(2) A02

Q6.

Question number	Answer	Mark
	C, D	(2) A01a

Q7.

Question number	Answer	Mark
	<p>Award 1 mark for identification of an objective, plus 2 further marks for explaining this objective up to a total of 3 marks.</p> <p>One objective is to earn a bonus (1) therefore the employee will work harder (1). As a result, the business will have lower costs per unit allowing the bonus to be paid (1).</p> <p>Good working conditions (1) are important to employees as this means they are able to do their job more effectively (1). As a result of this they are able to achieve their appraisal or performance targets (1).</p> <p>Accept any other appropriate response. Answers that list more than one objective with no explanation will be awarded a maximum of 1 mark.</p>	(3) A01a=1 A01b=2

Q8.

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>Employment law aims to remove discrimination in the workplace (1) and therefore the employee will not be treated differently to other workers (1). As a result, the employee is likely to enjoy work more than if such laws did not exist (1).</p> <p>Potential employees will be treated fairly when applying for a job (1) which means they will be considered equally with other applicants (1). As a result, the potential employee will be encouraged to apply (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) AO1a=1 AO1b=2</p>

Q9.

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>Social media is a cheap method of communicating (1) and as a result the business may be able to reduce spending on other forms of communication (1). As a result fixed costs may be reduced (1).</p> <p>Lots of potential customers use social media today (1), which means the business will have access to a large potential market (1). This may result in higher sales (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) AO1=1 AO1b=2</p>

Q10.

Question number	Answer	Mark
	<p>Award 1 mark for identification of an impact, plus 2 further marks for explaining this impact up to a total of 3 marks.</p> <p>One benefit is lower costs (1) because a business pays a number of different taxes (1). As a result, the business may achieve higher profit, assuming sales remain constant (1).</p> <p>Customers may have more disposable income due to lower taxes (1), which means spending with small businesses may increase (1). As a result of this the business may see an increase in revenue (1).</p> <p>Accept any other appropriate response. Answers that list more than one impact with no explanation will be awarded a maximum of 1 mark.</p>	<p>(3) AO1a=1 AO1b=2</p>

## Q11.

Question number	Indicative content		Mark
	<ul style="list-style-type: none"> <li>The owners of <i>Frog Bikes</i> operate in a competitive market, with rivals such as Halfords, and sticking to legislation will reassure potential customers who are looking to buying a child's bike (AO2).</li> <li>By having to meet all safety requirement due to government legislation, <i>Frog Bikes'</i> costs will be higher than they would be without such rules (AO2).</li> <li>This will mean that <i>Frog Bikes</i> will establish a strong reputation with its market segments that will choose its bikes knowing they have the latest safety features. This will potentially lead to higher sales, which may lead to higher profits if other costs do not increase due to implementing the requirements of the legislation (AO3).</li> <li>As a result of these higher costs, prices of its bikes may have to rise. Prices for a small business like <i>Frog Bikes</i> are likely to be higher than some of the larger producers. The price of the bikes may be more important than the safety features for parents, and as a result sales revenue may fall (AO3).</li> </ul>		(6) A02=3 A03a=3
Level	Mark	Descriptor	
	0	No rewardable material.	
Level 1	1-2	<ul style="list-style-type: none"> <li>Limited application of knowledge and understanding of business concepts and issues to the business context (AO2).</li> <li>Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3a).</li> </ul>	
Level 2	3-4	<ul style="list-style-type: none"> <li>Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2).</li> <li>Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3a).</li> </ul>	
Level 3	5-6	<ul style="list-style-type: none"> <li>Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2).</li> <li>Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3a).</li> </ul>	

## Q12.

Question number	Indicative content		Mark
	<p>Marks are awarded for discussion of at least two benefits for a business of using e-commerce.</p> <ul style="list-style-type: none"> <li>• Costs are lower as there is less need for retail outlets (AO1b).</li> <li>• Increased reach of the business - can sell beyond the immediate locality (AO1b).</li> <li>• This increases the potential profitability of the business as it will not have to pay rent on shops and other premises (AO3a).</li> <li>• This will lead to higher sales and therefore higher revenue. Providing costs do not increase by more, profits will increase (AO3a).</li> </ul>		<p><b>(6)</b>  <b>AO1b=3</b>  <b>AO3a=3</b></p>
Level	Mark	Descriptor	
	0	No rewardable material.	
Level 1	1–2	<ul style="list-style-type: none"> <li>• Demonstrates elements of knowledge and understanding of business concepts and issues, with limited business terminology used (AO1b).</li> <li>• Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3a).</li> </ul>	
Level 2	3–4	<ul style="list-style-type: none"> <li>• Demonstrates mostly accurate knowledge and understanding of business concepts and issues, including appropriate use of business terminology in places (AO1b).</li> <li>• Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3a).</li> </ul>	
Level 3	5–6	<ul style="list-style-type: none"> <li>• Demonstrates accurate knowledge and understanding of business concepts and issues throughout, including appropriate use of business terminology (AO1b).</li> <li>• Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3a).</li> </ul>	

**Q13.**

Question number	Indicative content		Mark
	<ul style="list-style-type: none"> <li>• Exposure to a very wide customer base, which may be international as well as local (AO2).</li> <li>• A high profile on social media might mean that any negative comments by customers are shared with a wide network (AO2).</li> <li>• This may lead to increased awareness of customers and potentially higher sales of bikes (AO3).</li> <li>• This might damage the reputation of <i>Frog Bikes</i>. As it is a smaller business than well-established rivals such as Halfords, any negative publicity at its early stage might be very damaging and put off potential customers (AO3).</li> </ul>		<p><b>(6)</b>  <b>A02=3</b>  <b>A03a=3</b></p>
Level	Mark	Descriptor	
	0	No rewardable material.	
Level 1	1–2	<ul style="list-style-type: none"> <li>• Limited application of knowledge and understanding of business concepts and issues to the business context (AO2).</li> <li>• Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3a).</li> </ul>	
Level 2	3–4	<ul style="list-style-type: none"> <li>• Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2).</li> <li>• Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3a).</li> </ul>	
Level 3	5–6	<ul style="list-style-type: none"> <li>• Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2).</li> <li>• Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3a).</li> </ul>	

Q14.

Question number	Indicative content	Mark
	<ul style="list-style-type: none"> <li>• Buying its tea from cheaper suppliers will be a good option for <i>Good and Proper Tea</i> because this will allow it to keep its prices as low as possible in its competitive market (AO2).</li> <li>• As a high quality, luxury product, <i>Good and Proper Tea</i> should be able to charge higher prices for its tea without deterring its market segments (AO2).</li> <li>• This means <i>Good and Proper Tea</i> could target a wider range of customers and different market segments, rather than being a high priced, café and product (AO3a).</li> <li>• The type of customer that buys expensive, gourmet tea, will not be put off by an increase in price. They choose <i>Good and Proper Tea</i> because of the quality and provenance of its products (AO3a).</li> <li>• However, <i>Good and Proper Tea</i> needs to be aware that the market for coffee shops and cafes is very competitive and it must avoid becoming one of a similar type of retailer. Changing suppliers to reduce costs may damage its reputation (AO3b).</li> <li>• However, <i>Good and Proper Tea</i> does need to pay some attention to the market and cannot continually increase the price of its tea. This risks putting off customers who might otherwise have tried its teas and potentially become repeat customers (AO3b).</li> </ul>	<p>(9) AO2=3 AO3a=3 AO3b=3</p>

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-3	<ul style="list-style-type: none"> <li>• Limited application of knowledge and understanding of business concepts and issues to the business context (AO2).</li> <li>• Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3a).</li> <li>• Makes a judgement, providing a simple justification based on limited evaluation of business information and issues relevant to the choice made (AO3b).</li> </ul>
Level 2	4-6	<ul style="list-style-type: none"> <li>• Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2).</li> <li>• Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3a).</li> <li>• Makes a judgement, providing a justification based on sound evaluation of business information and issues relevant to the choice made (AO3b).</li> </ul>
Level 3	7-9	<ul style="list-style-type: none"> <li>• Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2).</li> <li>• Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3a).</li> <li>• Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made (AO3b).</li> </ul>

**Q15.**

Question number	Indicative content	Mark
	<ul style="list-style-type: none"> <li>• Selling to foreign customers will mean <i>POD Point</i> may not have to worry about the economic climate in the UK (AO2).</li> <li>• By reducing the costs of producing the charging kits, <i>POD Point</i> may be able to charge lower prices (AO2).</li>   <li>• This means <i>POD Point</i> could target a wider range of customers and different market segments in foreign countries, rather than focussing narrowly on its UK market (AO3a).</li> <li>• As a result, customers may be more likely to afford the product, even at a time when incomes might be falling. By marketing the benefits of electric cars, in terms of the lower running costs, the business may in fact be able to use lower incomes as an advantage (AO3a).</li>   <li>• However, <i>POD Point</i> needs to be aware that the economic climate in foreign countries can be just as unpredictable as in the UK. Just because demand is currently strong in Norway, this does not mean it will be so in the future. By relying on such a strategy <i>POD Point</i> may face the same problems in the future (AO3b).</li> <li>• However, <i>POD Point</i> may find it difficult to cut costs as it is a hi-tech business and probably spends lots on research and development. As a result, it cannot easily cut its main costs. It may need to find another way to be competitive (AO3b).</li> </ul>	<p><b>(9)</b>  <b>AO2=3</b>  <b>AO3a=3</b>  <b>AO3b=3</b></p>

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-3	<ul style="list-style-type: none"> <li>• Limited application of knowledge and understanding of business concepts and issues to the business context (AO2).</li> <li>• Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3a).</li> <li>• Makes a judgement, providing a simple justification based on limited evaluation of business information and issues relevant to the choice made (AO3b).</li> </ul>
Level 2	4-6	<ul style="list-style-type: none"> <li>• Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2).</li> <li>• Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3a).</li> <li>• Makes a judgement, providing a justification based on sound evaluation of business information and issues relevant to the choice made (AO3b).</li> </ul>
Level 3	7-9	<ul style="list-style-type: none"> <li>• Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2).</li> <li>• Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3a).</li> <li>• Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made (AO3b).</li> </ul>