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Mark Scheme (Results)

November 2020

Pearson Edexcel International GCSE
In Business (4BS1)
Paper 1R: Investigating Small Businesses

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Autumn 2020
Publications Code 4BS1_01R_2011_MS
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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

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Question Number	Answer	Mark
1 (a) (i)	**AO1 = 1 mark** **The only correct answer is D – Personal satisfaction** A is not correct because it is a financial business objective B is not correct because it is a financial business objective C is not correct because it is a financial business objective	**(1)**

Question Number	Answer	Mark
1 (a) (ii)	**AO1 = 1 mark** **The only correct answer is A** - **Rising star** B is not correct because it is a process carried out for health and safety at work C is not correct because it is in relation to branding D is not correct because it is part of the product life cycle	**(1)**

Question Number	Answer	Mark
1 (a) (iii)	**AO1 = 1 mark** **The only correct answer is B - Bonus** A is not correct because it is a financial method of motivation that is not added to a basic wage C is not correct because it is a non-financial method of motivation that is not added to a basic wage D is not correct because it is a method of payment where workers get paid for each item produced	**(1)**

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Question Number	Answer	Mark
1 (a) (iv)	**AO1 = 1 mark** **The only correct answer is A - Growth** B is not correct because this is phase 4 on figure 1 C is not correct because this is phase 1 on figure 1 D is not correct because this is phase 3 on figure 1	**(1)**

Question Number	Answer	Mark
1 (a) (v)	**AO2 = 1 mark** **The only correct answer is B - 150%** A is not correct because this is profit per item C is not correct because this is selling price per course + cost per item D is not correct because this is selling price per course/ cost per item x100	**(1)**

Question Number	Answer	Mark
1 (a) (vi)	**AO2 = 1 mark** **The only correct answer is D - 9 675.90 JPY** A is not correct because this is the cost of the course B is not correct because this is the exchange rate of the JPY C is not correct because this is the cost of the course multiplied by 148	**(1)**

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Question Number	Answer	Mark
1 (b)	**AO1 = 1 mark** Award 1 mark for a correct definition of capital intensive production. • Production methods that make more use of machinery than labour (1).	**(1)**

Question Number	Answer	Mark
1 (c)	**AO1 = 1 mark** Award 1 mark for a correct definition of quantitative data. • Data that is expressed as number (1).	**(1)**

Question Number	Answer	Mark
1 (d)	**A02 = 1 mark** Award 1 mark for a reason why Tom Baker operates his business as a social enterprise. • He could use his profits to help his local community (1). **Accept any other appropriate response**.	**(1)**

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Question Number	Answer	Additional guidance	Mark
1 (e)	**A02 = 2 marks** 23 546 x 0.03 = 706.38 (1) 23 546 + 706.38 = 24 252.38 (1) **OR** 23 546 x 103 (1) = 24 252.38 (1)	Award 1 mark for correctly substituting numbers into formula. Award full marks for correct numerical answer without working.	**(2)**

Question Number	Answer	Mark
1 (f)	**A01 = 3 marks** Award 1 mark for identification of a method of increasing profit, plus 2 further marks for explaining the impact, for a maximum of 3 marks. • Profits could be increased by cutting costs (1). A small business could cut the number of workers it has or reduce their hours (1) so if the revenue stays the same this will increase the profit (1). **NB** Answers that list three methods with no explanation will get a maximum of 1 mark. **Accept any other appropriate response**.	**(3)**

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Question Number	Indicative content	Mark
1 (g)	**AO2 = 3 marks AO3 = 3 marks** **AO2** • There is more interest in businesses becoming 'green' and *Loaf* provides somewhere for the community to recycle. • *Loaf* operates the 'Waste Not' scheme by giving away waste instead of disposing of it to reduce the amount the business disposes of. **AO3** • If the business is able to recycle packaging then it can cut costs leading to more profit to be contributed back to the local community, customers will be happy about this as they can physically see their local area being helped. • This is important for *Loaf* as customers will be able to see that the business is helping charities, meeting its social objectives and reducing any waste that it produces as a business.	**(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)

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Question Number	Answer	Mark
2 (a)	**A02 = 1 mark** Award 1 mark for a valid primary research method in the context of the business. • Questionnaire for each person taking part in a cookery class (1). **Accept any other appropriate response**.	**(1)**

Question Number	Answer	Mark
2 (b)	**A02 = 1 mark** Award 1 mark for a valid drawback of poor customer service in the context of the business. • Damage to *Loaf*'s brand leading to less people joining the cookery classes/buying bakery products (1). **Accept any other appropriate response**.	**(1)**

Question Number	Answer	Mark
2 (c)	**A01 = 3 marks** Award 1 mark for identification of a benefit to a business of using e-newsletters, plus 2 further marks for explaining this benefit for a business, for a maximum of 3 marks. • It can target its existing customers (1). This allows it to introduce new products (1) and this can encourage more sales (1). NB Answers that list three benefits with no explanation will get a maximum of 1 mark. **Accept any other appropriate response**.	**(3)**

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Question Number	Answer	Mark
2 (d)	**A01 = 3 marks** Award 1 mark for identification of a responsibility of the human resources function, plus 2 further marks for explaining this responsibility, for a maximum of 3 marks. • A responsibility is recruitment (1) whereby the human resources function creates recruitment documents and carries out interviews (1) allowing the business to hire the right person for the job (1). **NB** Answers that list three responsibilities with no explanation will get a maximum of 1 mark. **Accept any other appropriate response**.	**(3)**

Question Number	Answer	Mark
2 (e)	**A01 = 3 marks** Award 1 mark for the identification of a way in which the JIT (just in time) method of stock control might benefit a business, plus 2 further marks for explaining that way, for a maximum of 3 marks. • JIT stock control method could reduce the space needed to hold buffer stock (1) leading to a reduction in storage costs (1) and allow the business to have stock as and when needed (1). NB Answers that list three ways with no explanation of how the JIT method of stock control might benefit a business will get a maximum of 1 mark. No marks are awarded for a definition. **Accept any other appropriate response**.	**(3)**

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Question Number	Indicative content	Mark
2 (f)	**AO2 = 3 marks AO3 = 3 marks** **AO4 = 3 marks** **AO2** • Option 1 – By offering food to passing trade they could entice them into the bakery. • Option 2 – The charity shops that *Loaf* works with could display the posters for free. **AO3** • Option 1 – They could use this as an opportunity to talk to people about what they do and how they help the local community therefore encouraging them to buy from the bakery or sign up for a cooking class. • Option 2 – It can be considered long-term, as posters stay up for some time and people visiting the charity shops may be enticed into visiting *Loaf,* which is nearby. **AO4** • Option 1 – However, by having someone outside giving out the samples means that the person is not working in the bakery selling goods, which could be considered a waste of time, and they are also giving out free food, which can be expensive. • Option 2 – However, it is a cheaper method of advertising but may not bring in the clientele that *Loaf* would want to purchase its goods.	**(9)**

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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)

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Question Number	Answer	Mark
3 (a)	**A01 = 1 mark** Award 1 mark for a correct definition of job share. • Two part-time employees share a single job (1).	**(1)**

Question Number	Answer	Mark
3 (b)	**A02 = 2 marks** Award 1 mark for identifying a reason why high levels of customer satisfaction are important to *Loaf*, plus 1 further mark for linking it to the context of the question. • Returning customers will buy bakery products increasing revenue (1) and potentially higher profits could be returned to the local community (1). **NB** Do not accept a reason that is not in the context of *Loaf*. **Accept any other appropriate response**.	**(2)**

Question Number	Answer	Additional guidance	Mark
3 (c)	**A02 = 2 marks** 22 - 4 = 18 (1) 18 ÷ 90 x 100 = 20 (1)	Award 1 mark for correctly substituting numbers into formula. Award full marks for correct numerical answer without working.	**(2)**

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Question Number	Indicative content	Mark
3 (d)	**AO2 = 3 marks AO3 = 3 marks** **AO2** • *Loaf* can see how the business is performing and can calculate the operating profit margin of 20%. • *Loaf* can use this information to compare itself to other bakeries or cooking schools. **AO3** • Other calculations can be made and could allow *Loaf* to take action if performance has deteriorated. • This will enable *Loaf* to judge its performance against its competitors, giving an indication of how well the business is doing.	**(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)

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Question Number	Indicative content	Mark
3 (e)	**AO2 = 3 marks AO3 = 3 marks** **AO4 = 3 marks** **AO2** • Option 1 – Pop-up events showcasing its bakery products across the country will lead to higher sales. • Option 2 – Introducing different cookery courses will target new customers wanting to learn new cookery skills. **AO3** • Option 1 – As *Loaf* already runs pop-up events it will not be costly to run these in other areas. The revenue from these events will increase cash inflow while the cost may only have a small effect on cash outflow. • Option 2 – By offering a wider range of cookery courses this may increase cash inflow and make use of its existing facilities, generating increased inflows. **AO4** • Option 1 – However, as Loaf may not be known and the costs of running these pop- up events across the country could be higher than the revenue from them leading to a negative net cash flow. • Option 2 – However, this may not increase net cash flow because *Loaf* will still have to run the classes even if they are not full so could end up spending more on the teachers and food, resulting in higher outflows than inflows.	**(9)**

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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)

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Question Number	Answer	Additional guidance	Mark
4 (a)	**A02 = 2 marks** 60 – 10 = 50 (1) 500 ÷ 50 = 10 (1)	Award 1 mark for correctly substituting numbers into formula. Award full marks for correct numerical answer without working.	**(2)**

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Question Number	Indicative content	Mark
4 (b)	**AO2 = 3 marks AO3 = 3 marks** **AO2** • *Loaf* can use casual staff to fill roles such as chefs for the cooking class and can ask them to work at short notice. • *Loaf* can use a number of chefs with different skills to run the different cooking classes. **AO3** • *Loaf* will not need to pay a salary to these chefs and only call on them when they need to run the cooking class rather than employing them on a full-time basis. • This gives *Loaf* the flexibility to employ chefs to meet the different demands of the courses it runs.	**(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)

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Question Number	Indicative content	Mark
4 (c)	**AO1 = 3 marks AO2 = 3 marks** **AO3 = 3 marks AO4 = 3 marks** **AO1** • The availability of skilled labour. • The proximity of competition. **AO2** • *Loaf* will need to find skilled bakers or chefs who can run the range of cooking classes. • *Loaf* may choose to locate away from other bakeries in the area. **AO3** • By finding labour that is already skilled will save *Loaf* training costs and it is then able to spend this money elsewhere in the business. • If there is no competition where the second bakery is located, then its chances of survival will be greater. **AO4** • However, if no skilled labour is available then the impact on the second bakery may be negative as newly trained bakers will not have the skills of a trained baker. • However, *Loaf* may alternatively choose to locate near to its competitors as it is a social enterprise with different business aims to other bakeries.	**(12)**

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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)

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