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Mark Scheme (Results)

Summer 2022

Pearson Edexcel International GCSE
In Business (4BS1)
Paper 01 Investigating small businesses

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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.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.
- Mark schemes will indicate within the table where, and which strands of QWC, are being assessed. The strands are as follows:
    - (i) ensure that text is legible and that spelling, punctuation and grammar are accurate so that the meaning is clear
    - (ii) select and use a form and style of writing appropriate to purpose and to complex subject matter
    - (iii) organise information clearly and coherently, using specialist vocabulary when appropriate

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Question Number	Which **one** of the following is a form of promotion that targets a specialised segment of the market? **Answer**	Mark
1 (a) (i)	**AO1 - 1 mark** **The only correct answer is B – Niche marketing** **A –** this is not correct because it is a form of promotion to the whole market **C** – this is not correct because it is a percentage that the business has of a specific market **D** – this is not correct because it is the activity of gathering information about conditions affecting a market	**(1)**

Question Number	Which **one** of the following is a financial aim for a business? **Answer**	Mark
1 (a) (ii)	**AO1 - 1 mark** **The only correct answer is A - Survival** **B –** this is not correct because it is a non-financial aim **C –** this is not correct because it is a non-financial aim **D –** this is not correct because it is a non-financial aim	**(1)**

Question Number	Which **one** of the following is a variable cost? **Answer**	Mark
1 (a) (iii)	**AO1 - 1 mark** **The only correct answer is D – Raw materials** **A** – this is not correct because it is a fixed cost **B** – this is not correct because it is a fixed cost **C** – this is not correct because it is a fixed cost	**(1)**

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Question Number	Which **one** of the following is a role of the production function? **Answer**	Mark
1 (a) (iv)	**AO1 - 1 mark** **The only correct answer is B – Quality control** **A –** this is not correct because it is a role of the human resources function **C –** this is not correct because it is a role of the marketing function **D –** this is not correct because it is a role of the human resources function	**(1)**

Question Number	Which **one** of the following is the markup on the packs of balloons? **Answer**	Mark
1 (a) (v)	**AO2 - 1 mark** **The only correct answer is D – 134.72** % **A –** this is not correct because it is the cost of the balloon pack **B –** this is not correct because it is the profit of the balloon pack **C –** this is not correct because it is the profit x cost of the balloon pack	**(1)**

Question Number	Which **one** of the following would a customer in Malaysia pay in MYR for 4 balloon packs? **Answer**	Mark
1 (a) (vi)	**AO2 - 1 mark** **The only correct answer is D – 206.18 MYR** **A –** this is not correct because it is the price of one balloon pack **B –** this is not correct because it is the price of four balloon packs in Singapore Dollars divided by 3.05 **C –** this is not correct because it is the price of four balloon packs	**(1)**

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Question Number	Define the term **primary sector.** **Answer**	Mark
1 (b)	**AO1 - 1 mark** Award 1 mark for a correct definition of primary sector. • The extraction of raw materials from the earth **(1)**.	**(1)**

Question Number	Define the term **diseconomies of scale.** **Answer**	Mark
1 (c)	**AO1 - 1 mark** Award 1 mark for a correct definition of diseconomies of scale. • When the average unit cost increases due to the growth of a business **(1).**	**(1)**

Question Number	State **one** factor *TBTS* should consider when selecting its manufacturers. **Answer**	Mark
1 (d)	**A02 - 1 mark** Award 1 mark for a factor *TBTS* should consider when selecting its manufacturers in the context of *TBTS*. • *TBTS* should select manufacturers that produce toys in an environmentally friendly way **(1)**. **NB** Do not accept a factor that is not in the context of *TBTS* **Accept any other appropriate response.**	**(1)**

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Question Number	Calculate the total costs for *TBTS.* **Answer**	**Additional guidance**	**Mark**
1 (e)	Calculate the total costs for *TBTS*. **A02 - 2 marks** 555.31 + (0.93 x 160) **(1)** = 704.11 **(1)**	 Award 1 mark for correctly substituting numbers into formula. Award full marks for correct numerical answer without working.	**(2)**

Question Number	Explain **one** advantage of being a sole trader. **Answer**	**Mark**
1 (f)	**A01 - 3 marks** Award 1 mark for identification of an advantage of being a sole trader, plus 2 further marks for explaining the advantage, for a maximum of 3 marks. • Sole traders have full control of their business **(1)** this means they can run the business how they want **(1)** without having to consult with anyone when making decisions **(1)** **NB** Answers that list three advantages with no explanation will get 1 mark only. **Accept any other appropriate response.**	**(3)**

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Question Number	Analyse the likely impact of external factors on business decisions made by *TBTS*. **Indicative content**	Mark
1 (g)	**AO2 = 3 marks AO3 = 3 marks** **<u>AO2</u>** • Social factors can help *TBTS* as changes in society shows customers might be demanding more environmentally friendly toys • Technological advances could increase the cost of buying or the price of a range of toys **<u>AO3</u>** • This will make TBTS more competitive and bring more customers into the toy shops as they are acting in a responsible way for the environment whilst selling high quality goods • If the technology in toys increases rapidly then TBTS could be left with unwanted stock as customers buy the newer toys	**(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	State **one** way *TBTS* can measure its success as a business **Answer**	Mark
2 (a)	**A02 - 1 mark** Award 1 mark for a valid way in which *TBTS* can measure its success in business in the context of *TBTS* • An increase in the revenue it earns from selling its toys **(1)** **NB** Do not accept a way that is not in the context of *TBTS* **Accept any other appropriate response**	**(1)**

Question Number	State **one** reason why *TBTS* might segment its market **Answer**	Mark
2 (b)	**A02 - 1 mark** Award 1 mark for a valid reason *TBTS* might segment the market in the context of *TBTS* • *TBTS* will be able to aim its toys appropriately to different age groups **(1)** **NB** Do not accept a reason that is not in the context of *TBTS* **Accept any other appropriate response**	**(1)**

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Question Number	Explain **one** benefit to a business of having a flat organisational structure. **Answer**	Mark
2 (c)	**A01 - 3 marks** Award 1 mark for identification of a benefit to a business of having a flat organisational structure, plus 2 further marks for explaining this benefit for a business, for a maximum of 3 marks • Businesses will have fewer levels **(1)** so lines of communication are shorter **(1)** leading to quicker decision-making **(1)** NB Answers that list three benefits with no explanation will get 1 mark only **Accept any other appropriate response.**	**(3)**

Question Number	Explain **one** method a small business may use to increase its profit. **Answer**	Mark
2 (d)	**A01 - 3 marks** Award 1 mark for identification of a method of increasing profit, plus 2 further marks for explaining this method, for a maximum of 3 marks. • Cutting costs **(1)** such as reducing the number of employees **(1)** which could increase profit if revenue stays the same **(1)** **NB** Answers that list three methods with no explanation will get 1 mark only **Accept any other appropriate response**	**(3)**

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Question Number	Explain **one** benefit to a business of using the Boston Matrix. **Answer**	Mark
2 (e)	**A01 - 3 marks** Award 1 mark for the identification of a benefit of using the Boston Matrix, plus 2 further marks for explaining that benefit, for a maximum of 3 marks. • The Boston Matrix helps a business to balance its product portfolio **(1)** showing if they have too many similar products **(1)** and can lead to identifying when they need to introduce a new product **(1)** NB Answers that list three benefits with no explanation will get 1 mark only **Accept any other appropriate response.**	**(3)**

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Question Number	*TBTS* is considering two options: **Option 1:** using retained profits **Option 2:** getting a bank loan Justify which **one** of these two options *TBTS* should choose **Indicative content**	Mark
2 (f)	**AO2 = 3 marks AO3 = 3 marks** **AO4 = 3 marks** **<u>AO2</u>** • **Option 1** – By using retained profits *TBTS* can buy the toys immediately to sell in its toy shops • **Option 2** – *TBTS* will have to wait for a decision to be made by the bank before being able to buy the toys from new suppliers **<u>AO3</u>** • **Option 1** – This method does not need to be paid back so any profits made from the introduction of new toys will go back into the business • **Option 2** – *TBTS* may have more finance from a bank loan and can therefore buy a wider range of toys **<u>AO4</u>** • **Option 1** – However, *TBTS* can only use retained profits if they have any in the first place as it can take some time to build up profits to use in investing in new products. • **Option 2** – However, interest has to be paid back to the bank so this adds an additional cost to the business but can be paid back over a long period of time so *TBTS* can budget for this.	**(9)**

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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	Define the term **inventory.** **Answer**	Mark
3 (a)	**A01 - 1 mark** Award 1 mark for a correct definition of inventory • Inventory is the goods a business has for sale **(1)**	**(1)**

Question Number	Outline **one** method that *TBTS* might use to respond to greater competition. **Answer**	Mark
3 (b)	**A02 - 2 marks** Award 1 mark for identifying a method *TBTS* may use to stand out against increased competition, plus 1 further mark for linking it to the context of the question • *TBTS* could increase its advertising **(1)** to show how environmentally friendly they are compared to competitors **(1)** **NB** Do not accept a method that is not in the context of *TBTS* **Accept any other appropriate response**	**(2)**

Question Number	Calculate the current ratio for 2021. **Answer**	**Additional guidance**	Mark
3 (c)	**A02 - 2 marks** 216 000/36 000 **(1)** 6 **(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	Analyse the importance of *TBTS* motivating its employees. **Indicative content**	Mark
3 (d)	**AO2 = 3 marks AO3 = 3 marks** **<u>AO2</u>** • If *TBTS* has motivated employees it can better meet the needs of customers who want to buy toys • If *TBTS* does not have motivated employees it could lead to lower sales of its toys **<u>AO3</u>** • The employees will be happier working there and will be more willing to answer any customer queries • Less motivated employees can lead to a reduction in productivity making it harder for *TBTS* to achieve any goals they may have	**(6)**

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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	*TBTS* is considering two options: **Option 1:** hand out questionnaires to customers that visit the shops **Option 2:** hold focus group meetings with parents and their children. Justify which **one** of these two options *TBTS* should choose. **Indicative content**	Mark
3 (e)	**AO2 = 3 marks AO3 = 3 marks** **AO4 = 3 marks** **<u>AO2</u>** • **Option 1** – By using questionnaires *TBTS* can get feedback directly from customers who buy the toys on behalf of children • **Option 2** – *TBTS* can use the focus groups to observe children playing with the new range of toys **<u>AO3</u>** • **Option 1** – *TBTS* can get detailed feedback from the customers to see what elements are important to them when they make a decision to buy a particular toy • **Option 2** – Employees from *TBTS* can recall how the children play with the toys and their reaction **<u>AO4</u>** • **Option 1** – However, as *TBTS* have shops in busy locations like airports people may not have the time to fill in the questionnaires or may rush it therefore not giving them accurate feedback to help them with the launch of the new range of toys • **Option 2** – However, the responses from the children may not be valid as they are in a new setting and may find other things more interesting than the toys but this does not mean they would not play with the toys at home	**(9)**

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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	Calculate the total cost to a VIP member of buying 17 dinosaur toys. **Answer**	**Additional guidance**	**Mark**
4 (a)	**A02 - 2 marks** 22.80 x 17 387.60 x 0.15 = 58.14 **(1)** 387.60 – 58.14 = 329.46 **(1)**	Award 1 mark for correctly substituting numbers into formula. Award full marks for correct numerical answer without working.	**(2)**

Question Number	Analyse the usefulness to *TBTS* of the acid test ratio. **Indicative content**	**Mark**
4 (b)	**AO2 – 3 marks AO3 – 3 marks** **<u>AO2</u>** • *TBTS* can find it useful to use these ratios as they can see it increases from 0.75 in 2018 to 0.88 in 2020 • *TBTS* can use it to see that they may need to take out any short-term finance for new projects such as the range of new toys for 4-year-olds **<u>AO3</u>** • This can help *TBTS* see if they have enough cash to cover any short-term debts to creditors such suppliers of toys and help them to keep a good relationship with the suppliers by paying on time. • The ratios show they need to be cautious as each year the acid test ratio is below 1	**(6)**

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	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	Evaluate the importance of good internal and external communication to *TBTS*. You should use the information provided as well as your own knowledge of business. **Indicative content**	Mark
4 (c)	**AO1 = 3 marks AO2 = 3 marks** **AO3 = 3 marks AO4 = 3 marks** **AO1** • Internal communication can be between owners and employees. • External communication can be between owners and various stakeholders such as suppliers and customers. **AO2** • *TBTS* need to make sure all employees are aware of the toys it sells and the aims of the business. • *TBTS* can use various external methods to communicate with its suppliers of toys and wooden materials. **AO3** • It can create better relationships leading to lower staff turnover and making them feel more valued and part of a team. • Good communication with its suppliers could lead to improved relationship between *TBTS* and its suppliers as it keeps them up to date with its business activity. **AO4** • However, communication has to be good for all employees or some may feel left out leading to animosity between the employees. • However, if the communication is poor the relationship would not work and *TBTS* could find that it loses suppliers.	**(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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