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Mark Scheme (Results)

Summer 2022

Pearson Edexcel International GCSE
In Business (4BS1)
Paper 01R 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 could immediately improve cash-flow? **Answer**	Mark
1 (a) (i)	**AO1 - 1 mark** **The only correct answer is D – Pay suppliers later** **A –** this is not correct because it will decrease cash-flow **B** – this is not correct because it could increase cash-flow in the long-term but not immediately **C** – this is not correct because it will decrease cash-flow	**(1)**

Question Number	Which **one** of the following is an example of primary market research? **Answer**	Mark
1 (a) (ii)	**AO1 - 1 mark** **The only correct answer is B – Postal survey** **A –** this is not correct because it is an example of secondary market research **C –** this is not correct because it is an example of secondary market research **D** - this is not correct as it is an example of secondary market research	**(1)**

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

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Question Number	Which **one** of the following is used to calculate the break-even point? **Answer**	Mark
1 (a) (iv)	**AO1 - 1 mark** **The only correct answer is D – Fixed costs ÷ (selling price – variable costs)** **A –** this is not correct because it is does not calculate the break-even point **B –** this is not correct because it is does not calculate the break-even point **D –** this is not correct because it is does not calculate the break-even point	**(1)**

Question Number	Which **one** of the following is the total cost in euros of buying 2 weeks of salmon? **Answer**	Mark
1 (a) (v)	**AO2 - 1 mark** **The only correct answer is D – €448.58** **A –** this is not correct because it is the cost of 10kgs of salmon in pounds **B –** this is not correct because it is the cost of 10kgs of salmon in euros **C –** this is not correct because it is the cost of 20kgs of salmon in pounds	**(1)**

Question Number	Which **one** of the following is the markup of prawns? **Answer**	Mark
1 (a) (vi)	**AO2 - 1 mark** **The only correct answer is C – 19.1%** **A –** this is not correct because it is the cost of a kilogram of prawns as a percentage **B –** this is not correct because it is the selling price of a kilogram of prawns as a percentage **D –** this is not correct because it is double the cost of a kilogram of prawns as a percentage	**(1)**

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Question Number	Define the term **job production** **Answer**	Mark
1 (b)	**AO1 - 1 mark** Award 1 mark for a correct definition of job production. • When an item is made and finished before the next one is started **(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. • Rising average costs as units increase **(1)**	**(1)**

Question Number	State **one** method *Can Culleretes* could use to collect quantitative market research. **Answer**	Mark
1 (d)	**A02 - 1 mark** Award 1 mark for a method *Can Culleretes* could use to collect quantitative market research in the context of *Can Culleretes.* • *Can Culleretes* could use a questionnaire to get feedback on its new menu from its customers **(1)** **NB:** Do not accept a method that is not in the context of *Can Culleretes.* **Accept any other appropriate response.**	**(1)**

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Question Number	Calculate the net cash flow for *Can Culleretes*. **Answer**	**Additional guidance**	**Mark**
1 (e)	**A02 - 2 marks** 4 600 – 3 000 **(1)** = 1 600 **(1)**	Award 1 mark for correctly substituting numbers into formula. Award full marks for correct numerical answer without working.	**(2)**

Question Number	Explain **one** benefit to a business of improving communication with its employees. **Answer**	**Mark**
1 (f)	**A01 - 3 marks** Award 1 mark for identification of a benefit to a business if it improves communication with employees, plus 2 further marks for explaining the benefit, for a maximum of 3 marks. • Employees will have a clear understanding of what has to be done **(1)** this could mean that fewer mistakes will be made **(1)** leading to an increase in productivity of employees **(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	Analyse the likely impact on productivity if *Can Culleretes* launch this app. **Indicative content**	Mark
1 (g)	**AO2 = 3 marks AO3 = 3 marks** **<u>AO2</u>** • The app means waiters do not have to take orders at the customer's table • As soon as customers place the order the kitchen will receive the order immediately **<u>AO3</u>** • This will reduce the cost to the business so the waiter can spend more time doing other tasks rather than taking orders • This will increase productivity as it will make for a more efficient ordering system for the restaurant	**(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** impact that government legislation could have on *Can Culleretes*. **Answer**	Mark
2 (a)	**A02 - 1 mark** Award 1 mark for a valid impact that government legislation may have on *Can Culleretes* in the context of *Can Culleretes.* • The chefs may need to be retrained to stay up to date with new health and safety regulations **(1)** **NB:** Do not accept an impact that is not in the context of *Can Culleretes.* **Accept any other appropriate response**.	**(1)**

Question Number	State **one** way *Can Culleretes* might add value to its business. **Answer**	Mark
2 (b)	**A02 - 1 mark** Award 1 mark for a valid way *Can Culleretes* might add value in the context of *Can Culleretes*. • *Can Culleretes* can use high quality organic vegetables in its Mediterranean food **(1)** **NB:** Do not accept a method that is not in the context of *Can Culleretes.* **Accept any other appropriate response.**	**(1)**

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Question Number	Explain **one** method a business could use to encourage repeat purchase of its products **Answer**	Mark
2 (c)	**A01 - 3 marks** Award 1 mark for identification of a method a business could use to encourage repeat purchase of its products, plus 2 further marks for explaining this method, for a maximum of 3 marks. • Issue loyalty cards **(1)** which could be used to offer special discounts **(1)** leading to customers being motivated to return to the business rather than its competitors **(1)** NB Answers that list three methods with no explanation will get 1 mark only. **Accept any other appropriate response.**	**(3)**

Question Number	Explain **one** disadvantage of using personal savings as a source of finance for a business. **Answer**	Mark
2 (d)	**A01 - 3 marks** Award 1 mark for identification of a disadvantage of using personal savings as a source of finance, plus 2 further marks for explaining this disadvantage, for a maximum of 3 marks. • Money to deal with an emergency may not be available **(1)** so there is no backup if things go wrong **(1)** meaning that it may be necessary to find another source of finance **(1)** **NB** Answers that list three disadvantages with no explanation will get 1 mark only. **Accept any other appropriate response**.	**(3)**

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Question Number	Explain **one** benefit for a business of motivating its employees. **Answer**	Mark
2 (e)	**A01 - 3 marks** Award 1 mark for the identification of a benefit of motivating employees, plus 2 further marks for explaining that benefit, for a maximum of 3 marks. • Retention of employees **(1)** avoids spending time and money on recruitment **(1)** allowing the business to concentrate elsewhere **(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	*Can Cullerets* is looking to improve its revenue and is considering two options. Option 1: increase advertising Option 2: opening for breakfast. **Indicative content**	Mark
2 (f)	**AO2 = 3 marks AO3 = 3 marks** **AO4 = 3 marks** **<u>AO2</u>** • **Option 1** – An increase in advertising can reach new customers and tourists visiting Barcelona • **Option 2** – By opening for breakfast Montserrat and Alicia can attract existing and new customers **<u>AO3</u>** • **Option 1** – This method can improve its revenue by drawing in new customers who may not have heard the restaurant before • **Option 2** – This method may make the restaurant stand out as it is offering something it has not done before in its long history **<u>AO4</u>** • **Option 1** – However, it depends on the method of advertising as it can be expensive so although revenue may improve it will be a cost for the business • **Option 2** – However, as it is only a small restaurant they may need to employ more staff as well but this could lead to an increase in costs	**(9)**

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	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	Define the term **non-current assets.** **Answer**	Mark
3 (a)	**A01 - 1 mark** Award 1 mark for a correct definition of non-current assets. • An investment owned for longer than a year **(1)**	**(1)**

Question Number	Outline **one** disadvantage to *Can Culleretes* of increasing the amount of inventory it holds. **Answer**	Mark
3 (b)	**A02 - 2 marks** Award 1 mark for identifying a disadvantage to *Can Culleretes* of increasing the amount of inventory it holds, plus 1 further mark for linking it to the context of *Can Culleretes*. • Holding a large inventory of meat and vegetables can lead to waste if it is not used in the kitchen **(1)** the food can go off and this will increase costs **(1)** **NB** Do not accept a method that is not in the context of *Can Culleretes*. **Accept any other appropriate response.**	**(2)**

Question Number	Calculate the gross profit margin. **Answer**	**Additional guidance**	Mark
3 (c)	**A02 - 2 marks** 4 500 ÷ 19 220 x 100 **(1)** = 23.41 **(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 impact of customers using social media to review *Can Culleretes*. **Indicative content**	Mark
3 (d)	**AO2 = 3 marks AO3 = 3 marks** **<u>AO2</u>** • It can increase the number of reviews of its meals and services • Negative reviews of the food served could be left for the restaurant **<u>AO3</u>** • This could lead to tourists considering *Can Culleretes* over its competitors after reading the reviews when visiting the city • This could lead to tourists going elsewhere as they may then doubt the positive reviews *Can Culleretes* has received	**(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	*Can Culleretes* is considering two options: **Option 1:** offer the new chef with a permanent contract **Option 2:** offer the new chef a temporary contract. Justify which **one** of these two options *Can Culleretes* should choose. **Indicative content**	Mark
3 (e)	**AO2 = 3 marks AO3 = 3 marks** **AO4 = 3 marks** **<u>AO2</u>** • **Option 1** – By offering a permanent contract the chef will be more committed to the restaurant long term. • **Option 2** – By offering a temporary contract they can wait to see if the desserts are popular or not before hiring on a permanent basis. **<u>AO3</u>** • **Option 1** – This may increase the levels of motivation of the chef leading to the high-quality production of the desserts. • **Option 2** – Therefore if the new desserts are not popular they are not committed to keeping the chef. **<u>AO4</u>** • **Option 1** – However, as *Can Culleretes* is a family run business they may be cautious of having someone come into the business on a permanent basis especially if the new desserts do not meet customer expectations. • **Option 2** – However, a skilled dessert chef may not like the uncertainty of a temporary contract and may choose to work elsewhere.	**(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)

Question Number	Calculate the total cost of a group of 12 people ordering from the fixed price menu. **Answer**	**Additional guidance**	**Mark**
4 (a)	**A02 - 2 marks** 38.40 x 12 = 460.80 460.80 x 0.125 = 57.60 **(1)** 460.80 – 57.60 = 403.20 **(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	Analyse the importance of *Can Culleretes* responding to changes in its market. **Indicative content**	Mark
4 (b)	**AO2 – 3 marks AO3 – 3 marks** **<u>AO2</u>** • Montserrat and Alicia need to keep up with changing customer tastes if they want to remain competitive • As the second oldest restaurant in Spain it may place no importance in responding to changes in the market **<u>AO3</u>** • They are located in a busy area and want to make sure customers are drawn to them over the other restaurants in the area • Despite the market changing customers are drawn to *Can Culleretes* because of it being a family run business and its long history so may see no need to change if it is successful enough as it is	**(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	Evaluate the impact of using venture capital as a source of finance to fund the opening of *Can Cullerètes*. 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** • Venture capital is when investors give a business money in exchange for a share of the profits. • Venture capital is an external source of finance often used for opening new businesses. **AO2** • Investors may have the skills in the food industry to ensure Can Café is a success. • Investors could have some ideas that the family does not like such as the opening hours of the café. **AO3** • By using this source of finance Can Café will have enough money to set up without having to pay back any interest helping the business to have more chance of it being a success from the start. • If the investors are too involved in setting up the business it may lose the historical story behind the original business leading to customers staying away from the café. **AO4** • However, the family will have to pay the investors a share of the profits which may upset the other family members as they are the ones working hard to set up Can Café but the investors get the rewards. • However, if the owners had an agreement to pay the investors back and then take back full ownership it could ensure the success of both business as well as keeping them in the family in the long term.	**(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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