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Mark Scheme (Results)

Summer 2022

Pearson Edexcel International GCSE
In Business (4BS1)
Paper 02 Investigating large 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 shows money coming in and money going out of a business? Answer	Mark
1 (a) (i)	AO1 - 1 mark **C** Cash flow A – a mortgage is a loan B – break-even does not show money in and out of a business – it is the point at which total costs and revenue are the same D – Profit and loss – profit is money left after sales and loss is when there is less money made than it cost	(1)

Question Number	Which **one** of the following could a person complete when applying for a job? Answer	Mark
1 (a)(ii)	AO1 - 1 mark **A** Application form B – Shortlisting is the process of deciding which applicants to interview C – Job description gives of the job for which applicants can apply D Person specification gives details of the type of person required for the job	(1)

Question Number	Which **one** of the following is the correct statement? Answer	Mark
1 (a) (iii)	AO2 - 1 mark **C** Loss of 550 000 A – Total costs has incorrectly been calculated using revenue + variable costs + fixed costs B – Cash inflow has incorrectly been calculated by doing variable costs minus fixed costs D – Profit is incorrect as this calculates revenue minus variable costs	(1)

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Question Number	Which **one** of the following is a benefit of being a franchisee? Answer	Mark
1 (a)(iv)	AO1 - 1 mark **B** Selling an established brand A – You cannot choose your own suppliers as a franchise C – You would still have to pay interest on any bank loans whether a franchisee or not D – You do not have complete control of the business if you are a franchisee the franchisor does	(1)

Question Number	Which **one** of the following is the percentage increase from 2019 to 2020? Answer	Mark
1 (a) (v)	AO2 - 1 mark **D** 6% A – is 2.31 ÷ 38.5 = 0.06% B – is 40.81 ÷ 38.5 = 1.06% C – is 40.81 – 38.5 = 2.31%	(1)

Question Number	Which **one** of the following functional areas could help employees who had a problem with their wage? Answer	Mark
1 (a)(vi)	AO1 - 1 mark **B** Finance A – Production is making goods C – Marketing is about identifying, anticipating and satisfying customer requirements profitably D – Sales is selling the goods to customers	(1)

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Question Number	Define the term **break-even**. Answer	Mark
1 (b)	**AO1 - 1 mark** Award 1 mark for a correct definition of **break-even**. • When costs and revenue are the same **(1)** • When total costs are the same as total sales **(1)**	**(1)**

Question Number	Define the term **public corporation**. Answer	Mark
1 (c)	**AO1 - 1 mark** Award 1 mark for a correct definition of **public corporation** • Owned by the state/central government **(1)**	**(1)**

Question Number	State **one** benefit for *LEGO* of having a short span of control. Answer	Mark
1 (d)	**A02 - 1 mark** Award 1 mark for a valid benefit for having a short span of control in the context of the business. • By reducing the levels communication between the managers of the 15 factories and the Danish HQ could lead to fewer mistakes **(1)** • Allows all 18,000 world-wide employees to make suggestions about the new products **(1)** **NB** Do not accept a benefit that is not in the context of LEGO. **Accept any other appropriate response**	**(1)**

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Question Number	Calculate, to two decimal places, the cost of making the pineapple pencil holders. Answer	Additional guidance	Mark
1 (e)	**A02 - 2 marks** 148 x 0.85 **(1)** = 125.80 **(1)** **OR** 148 x 0.15 **(1)** = 22.20 148 – 22.20 = 125.80 **(1)**	Award 1 mark for correctly substituting numbers into formula. Award full marks for correct numerical answer without working.	**(2)**

Question Number	Explain **one** disadvantage of using questionnaires as a method of market research. Answer	Mark
1 (f)	**A01 - 3 marks** Award 1 mark for identification of a disadvantage of using a questionnaire, plus 2 further marks for explaining the reason, for a maximum of 3 marks. • If the questionnaire is too long **(1)** people may be reluctant to complete them **(1)** and may not give true answers **(1)** • If there are too many questions then people may not focus properly **(1)** and this could result in a low rate of return **(1)** therefore not giving the information required **(1)** NB No marks are awarded for a definition. Answers that list three disadvantages with no explanation will get a 1 mark only. **Accept any other appropriate response.**	**(3)**

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Question Number	Analyse the benefits for *LEGO* of being a multinational business. Indicative content	Mark
1 (g)	AO2 = 3 marks AO3 = 3 marks <u>AO2</u> • *LEGO* can sell its Harry Potter toys around the world • The arts and craft materials can be produced in the most cost-effective location for *LEGO* <u>AO3</u> • This means that *LEGO*'s global market will increase compared to rivals • Thus reducing the average total cost and leading to a larger profit margin	(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** financial objective for *LEGO*. **Answer**	**Mark**
2 (a)	**A02 - 1 mark** Award 1 mark for a financial objective in the context of the business. • *LEGO* wants to maintain its market share in the toy sector **(1)** • By achieving financial security, it allows *LEGO* to provide employment for its 18,000 employees **(1)** **NB** Do not accept if the objective is not in the context of *LEGO*. **Accept any other appropriate response**.	**(1)**

Question Number	State **one** reason why *LEGO* does not recruit casual employees. **Answer**	**Mark**
2 (b)	**A02 - 1 mark** Award 1 mark for a valid reason why *LEGO* do not employ casual employees in the context of the business. • Casual employees may not have the commitment to ensuring that the art materials they produce are of the high standard set by *LEGO* **(1)** • Casual employees may take longer to understand how the Harry Potter games are labelled and packed ready for despatch **(1)** **NB** Do not accept a reason that is not in the context of *LEGO*. **Accept any other appropriate response.**	**(1)**

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Question Number	Explain **one** reason why a business would pay its employees above the minimum wage. **Answer**	**Mark**
2 (c)	**A01 - 3 marks** Award 1 mark why a business would pay its employees above the minimum wage, plus 2 further marks for explaining the reason, for a maximum of 3 marks. • Paying above the minimum wage will encourage more employees to work at a business **(1)** as they could be paid more than at a competitor **(1)** and they are likely to stay with the business because of the payment they receive **(1)** • Employees will feel more rewarded because of the pay they receive **(1)** and this could increase their motivation at work **(1)** and also improve their productivity **(1)** NB No marks are awarded for a definition. Answers that list three reasons why a business would pay above minimum wage with no explanation will get 1 mark only. **Accept any other appropriate response.**	**(3)**

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Question Number	Explain **one** reason why product trials are important to a business. **Answer**	**Mark**
2 (d)	**A01 - 3 marks** Award 1 mark for a reason why product trials are important, plus 2 further marks for explaining this reason, for a maximum of 3 marks. • Gain customer feedback on a new product **(1)** identify strength/weaknesses/problems **(1)** which can then be addressed before the product enters the wider market **(1)** • By offering a customer a three month trial on electronic games **(1)** the customer can find out if they like the games **(1)** and if they do, they may a purchase the game console **(1)** NB No marks are awarded for a definition. Answers that list three reasons with no explanation will get 1 mark only. **Accept any other appropriate response**.	**(3)**

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Question Number	Explain **one** reason why a business complies with health and safety legislation. Answer	Mark
2 (e)	**A01 - 3 marks** Award 1 mark for identification why a business complies with health and safety legislation plus 2 further marks for explaining this reason, for a maximum of 3 marks. • If a business does not comply with the laws given by the country **(1)** they could be fined/sued if there was an accident or someone was injured **(1)** and the business could be fined/closed down for not complying with the legislation **(1)** • It ensures all staff are protected against injuries **(1)** meaning less days are lots to illness **(1)** and reducing the need to get in temporary cover saving costs **(1)** NB No marks are awarded for a definition. Answers that list three reasons with no explanation will get a 1 mark only. **Accept any other appropriate response.**	**(3)**

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Question Number	**Option 1:** cost plus **Option 2:** skimming. Indicative content	Mark
2 (f)	AO2 = 3 marks AO3 = 3 marks AO4 = 3 marks <u>AO2</u> • **Option 1 –** This is easy to apply and *LEGO* will know that the cost of manufacturing the Princess Leia toy is covered when sold • **Option 2 -** This means that the new Princess Leia toy is sold at a high price when it is released <u>AO3</u> • **Option 1** – As each new toy is sold *LEGO* will know that it is making a profit on each sale • **Option 2** - As each toy is sold it will have a high profit margin, if only a few toys are sold the profits would still be high because they know that as Star Wars toys are popular and will sell <u>AO4</u> • **Option 1** - However, even though this pricing strategy guarantees a profit, there is no guarantee that the toys will be sold as customer may wait until the price falls • **Option 2** - However, this strategy might limit the number of potential customers wanting to buy the product as the price is too high.	(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 **delegation**. Answer	Mark
3 (a)	**A01 - 1 mark** Award 1 mark for a correct definition of **delegation** • The passing of work from a superior to a subordinate **(1)**	**(1)**

Question Number	Outline **one** benefit to *LEGO* of being a privately-owned family business. Answer	Mark
3 (b)	**A02 - 2 marks** Award 1 mark for identifying a benefit for *LEGO of* being a family owned business, plus 1 further mark for linking it to the context of the question. • This means that since 1932 the Kritiansen family have continuously run *LEGO as a* privately owned business **(1)** which gives *LEGO* stability and continuity **(1)** **NB** Do not accept a benefit that is not in the context of *LEGO.* **Accept any other appropriate response.**	**(2)**

Question Number	Calculate the employee's new salary. Answer	Additional guidance	Mark
3 (c)	**A02 - 2 marks** 150 000 x 0.045 = 6 750 **(1)** 150 000 + 6 750 = 156 750 **(1)** **OR** 150 000 x 1.045 **(1)** = 156 750 **(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 how *LEGO* could use a Statement of Comprehensive Income when considering the development of new toys. Indicative content	Mark
3 (d)	AO2 = 3 marks AO3 = 3 marks <u>AO2</u> • Statement of Comprehensive Income gathers data from all 15 worldwide *LEGO* factories • *LEGO* can use the information to see its financial position when introducing the new Star Wars Princess Leia toy and whether it has sufficient funds <u>AO3</u> • This will enable *LEGO* to see if it is making a sufficient profit margin compared to other toy makers such as Disney allowing it to alter its pricing strategy • Introducing a new toy is expensive as there are costs of design and development as well as producing the toy before it goes on sale to the public	(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	**Option 1:** on-the-job training **Option 2:** off-the-job training. **Indicative content**	Mark
3 (e)	AO2 = 3 marks AO3 = 3 marks AO4 = 3 marks <u>AO2</u> • **Option 1** – The cost of training is reduced as employees remain on the premises producing the Princess Leia toy whilst being trained • **Option 2** – When employees are trained by experts off site, they gain new skills and see new production methods not seen in the 15 *LEGO* factories <u>AO3</u> • **Option 1** – Employees gain in confidence as they are trained by staff they know whilst at *LEGO* • **Option 2** – Employees can gain new skills from experts, resulting in fewer errors thus improving the number of toys produced in each factory <u>AO4</u> • **Option 1** – However, this can be time consuming and prevents the skilled employees from carrying out their job efficiently • **Option 2** – However, the new employees may not gain the specific skills and knowledge which are needed for designing the new Star Wars toys for *LEGO*	**(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	Calculate, to two decimal places, the current ratio in 2019. Answer	Additional guidance	Mark
4 (a)	**A02 - 2 marks** 34 946 ÷ 12 763 **(1)** = 2.74 **(1)**	Award 1 mark for correctly substituting numbers into formula. Award full marks for correct numerical answer without working.	**(2)**

Question Number	Analyse the benefits to *LEGO* of increasing the use of robotics in the manufacture of toys and games. Indicative content	Mark
4 (b)	**AO2 – 3 marks AO3 – 3 marks** <u>AO2</u> • Increasing the use of robotics reduces human error in the production of Princess Leia toys • Robotics increases the number of pineapple pencil holders that can be made <u>AO3</u> • This means that there will be fewer toys rejected as there will be fewer faults in the manufacture of them • Production rate increases which reduces the manufacturing costs •	**(6)**

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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 how *LEGO* has maintained a competitive advantage in the making of toys and games. Indicative content	Mark
4 (c)	AO1 = 3 marks AO2 = 3 marks AO3 = 3 marks AO4 = 3 marks <u>AO1</u> • Customers purchase *LEGO* toys and games because they are well known and have been trading for a long time • The toys made are of a good quality and should last for a long time <u>AO2</u> • *LEGO* has achieved 'Toy of the Century' twice meaning that people can rely on the products made • *LEGO* keeps up to date making toys to correspond to new films that are introduced such as Harry Potter <u>AO3</u> • As customers want to purchase toys and games that they know are reliable and well made • Fans of Harry Potter will want to purchase the new *LEGO* toys to play with <u>AO4</u> • However, there is no guarantee that customers will buy some of the products because they are expensive and may want a cheaper product • However, if the film is not a success, then the toys may not sell and *LEGO* will have wasted the time and investment in producing the toys	(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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