



Mark Scheme (Results)

Summer 2016

IGCSE Business Studies (4BS0)

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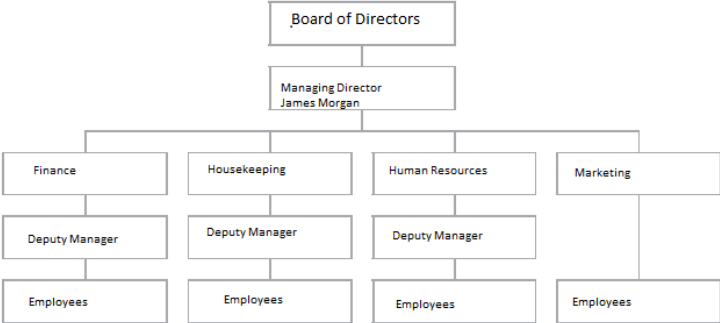
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General Marking Guidance

- 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.
- 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 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.*

Question Number	Answer	Mark
1 (a) (i)	A	(1)
Question Number	Answer	Mark
1 (a) (ii)	B	(1)
Question Number	Answer	Mark
1 (a) (iii)	D	(1)
Question Number	Answer	Mark
1 (a) (iv)	C	(1)

Question Number	Answer	Mark
1 (a) (v)	B	(1)

Question Number	Indicative Content	Mark
1 (b)	 <pre> graph TD A[Board of Directors] --> B["Managing Director James Morgan"] B --> C1[Finance] B --> C2[Housekeeping] B --> C3[Human Resources] B --> C4[Marketing] C1 --> D1[Deputy Manager] C2 --> D2[Deputy Manager] C3 --> D3[Deputy Manager] C4 --> D4[Deputy Manager] D1 --> E1[Employees] D2 --> E2[Employees] D3 --> E3[Employees] D4 --> E4[Employees] </pre> <p>1 mark for correctly placing Board of Directors 1 mark for correctly placing Managing Director or James Morgan 1 mark for correctly placing all four departments 1 mark for correctly placing all three deputies 1 mark for correctly placing employees</p>	(5)

Question Number	Indicative Content	Mark
1 (c) (i) AO1 = 2	Meeting the needs and desires of a customer (1) before, during and after customer requirements have been met (1).	(2)

Question Number	Indicative Content	Mark
1 (c) (ii) AO2 = 4	Valid points include: <ul style="list-style-type: none"> • If the service is not good then they will not return to The Trafalgar (AO2) which would reduce the sales revenue (AO2). They may tell their friends about poor service (AO2) leading to a decline in new bookings (AO2). • Negative comments may be put on social media (AO2) which will put off new customers (AO2) <p>1 x 4 2 x 2</p>	(4)

Question Number	Indicative Content	Mark
1 (d) AO2 = 2 AO4 = 2	Valid points include: <ul style="list-style-type: none"> • James wants to achieve a 4* rating for his own personal satisfaction (AO2), this means that his hotel is maintaining its standards year on year (AO4). If he maintains this rating he can then continue to use it as part of his marketing for the hotel (AO2) and this would encourage visitors to come and stay (AO2) however, he may wish to aim for a 5* rating opening the hotel to a new segment of the market (AO4) <p>1 x 4</p>	(4)

Total for Question 1 – 20 marks

Question Number	Indicative Content	Mark
2 (a) AO3 = 4	<p>Valid points include:</p> <ul style="list-style-type: none"> • (success) the chances of the franchisor's business failing is much reduced (AO3) so the risk is spread over many franchises (AO3). • (supplies) The franchisor can purchase all supplies centrally (AO3). This ensures consistency for all the franchisor's franchises (AO3). <p>2 x 2</p>	(4)

Question Number	Indicative Content	Mark
2 (b) AO3 = 4	<p>Valid points include:</p> <ul style="list-style-type: none"> • (independence) less independence than operating a business which is not franchised (AO3) unable to make decisions that would suit the local area e.g. new service which is not offered by the franchisor (AO3). • (costs) a licence fee must be paid to the franchisor (AO3) and possible a percentage of the annual turnover, whether the business is doing well or not (AO3). <p>2 x 2</p>	(4)

Question Number	Indicative Content	Mark
2 (c) AO2 = 4 AO4 = 2	Valid points include: <ul style="list-style-type: none"> Blue16 can gather information from the guests as to what their stay was like at its hotels (AO2). If there were any problems or issues they can raise these with the hotel (AO2) and they would expect that the hotel will rectify the situation if at all possible (AO4). Blue16 can collect a lot of data from its guests (AO2) that they can then analyse and see how often they stay at hotels (AO4) and if the facilities that are provided by the hotel are what the guests want (AO2). 1 x 6 2 x 3	(6)

Question Number	Indicative Content	Mark
2 (d) (i) AO2 = 2	Valid points include: <ul style="list-style-type: none"> Employers are required to make the working environment suitable for disabled people i.e. ramps for wheelchair users. Employers are not allowed to treat disabled people differently from able-bodied people someone who has to use a wheelchair should be allowed to work at the hotel. Transport vehicles cannot discriminate against disabled people. Easier for disabled people to rent property. Tenants of rented property can have adjustments made. 	(2)

Question Number	Indicative Content	Mark
<p>2 (d) (ii)</p> <p>AO2 = 2 AO3 = 2</p>	<p>Valid points include:</p> <ul style="list-style-type: none"> • Blue16 could comply with this legislation by adding lifts to the hotel (AO2) so that anyone who has limited mobility has access to all the different floors of the hotel (AO3). • They could also add wheelchair access to the hotel and other public areas (AO2) this allows people to easily get from their transport to reception and the lift (AO3). • They could modify the rooms so that anyone who needs to get a wheelchair into the bathroom can do (AO2). This means that the person can have a bath/shower as well as moving the wheelchair around the bedroom (AO3). <p>NB: Responses can apply to either employees or clients.</p> <p>2 x 2 1 x 4</p>	<p>(4)</p>

Total for Question 2 – 20 marks

Question Number	Indicative Content	Mark
3 (a) (i) AO2 = 2	2015 = 22.06%, 22.1% or 22% 2014 = 25.74%, 25.7% or 26%	(2)

Question Number	Indicative Content	Mark
3 (a) (ii) AO2 = 2 AO3 = 4	Valid points include: <ul style="list-style-type: none"> • The sales revenue has gone down from 2014 to 2015 (AO2) from 2 144 100, to 2 035 900/equal to 3.6% (AO2) a reduction of some £108 200 (AO3). This might be because there are less guests staying at the hotel (AO3) or the hotel is not full (AO3). • The gross profit is down (AO2) this could be because there has been an increase in the purchase of materials or equipment (AO3). Blue16 should try and find cheaper suppliers or ask for discounts (AO3). • However the expenses/overheads are lower in 2015 compared to 2014 (AO2), this is a good sign that the business is reducing its costs even though the figure is only small of £2 458 (AO3). If the business continues to do this it will help in the overall performance (AO3). <p>1 mark for a statement and one for development</p> <p>1 x 6 2 x 3</p>	(6)

Question Number	Indicative Content	Mark
<p>3 (b)</p> <p>AO3 = 2</p> <p>AO4 = 4</p>	<p>Valid points include:</p> <ul style="list-style-type: none"> • Price is important, if the price is not correct then guests will not stay at the hotel (AO3). Often there are many different prices for different nights and different facilities at the hotel (AO4) this is to encourage guests to come and stay when there are deals on (AO4) or when there are special offers available (AO3). Often people are encouraged to stay at a hotel if they believe they are getting a special offer (AO4). For a hotel near to the airport one nights accommodation and the facility of leaving your car for the duration of your holiday is an incentive (AO4). • Hotels often have different prices to encourage people to stay at different times (AO4) this is because at certain times of the year there are quiet periods (AO3) and they want to fill the hotel with guests who will spend money (AO4). Also when the hotel is busy they can increase the prices of the rooms for guests (AO4) for example at Christmas or summer holidays when lots of people want to travel (AO4) the price of rooms can vary considerably (AO3). <p>1 x 6 2 x 3</p>	<p>(6)</p>

Question Number	Indicative Content	Mark
3 (c) (i) AO1 = 2	Eg Workforce Language Access Tourist attractions Nearness to market Availability of land Security Utilities	(2)

Question Number	Indicative Content	Mark
3 (c) (ii) AO2 = 2 AO4 = 2	Valid points include: <ul style="list-style-type: none"> • If the hotel is near to the airport and they have an early flight (AO2) they will want to stay at a hotel that is not far away (AO4). • Guests will stay at the hotel if it is near an attraction they are visiting (AO2) as they do not wish to spend time travelling to the venue (AO4). • Business people would often prefer to have a meeting near transport facilities (AO2) so that delegates do not have to use a variety of methods of transport thus wasting time and delaying meetings (AO4). 1 mark for each point and 1 mark for the reason x 2 1 x 4	(4)

Total for Question 3 – 20 marks
Total for Section A = 60 marks

Question Number	Indicative Content	Mark
4 (a) (i) AO1 = 2	Valid points include: <ul style="list-style-type: none"> • Company becomes too large (AO1) and this incurs greater unit costs (AO1). <p>2 marks for full definition A partial definition (1) with a valid example (1) e.g. Poorer communication/Slower decision making/Low morale</p>	(2)

Question Number	Indicative Content	Mark
4 (a) (ii) AO3 = 2 AO4 = 2	Valid points include: <ul style="list-style-type: none"> • (Purchasing) <i>Blue16</i> is able to buy goods in bulk that means that it can reduce the unit price of the goods (AO3) or it can purchase more expensive items at the same price as the lower quality items (AO4). • (Managerial) <i>Blue16</i> can employ experienced managers within the hotel business (AO3) to improve individual sections as they can ensure that its hotels run smoothly and efficiently (AO4). • (External) <i>Blue16</i> hotels are situated near to airports and in cities meaning that staff have easy access to them (AO3) which allows the management to employ more experienced staff (AO4). <p>2 x 2</p>	(4)

<p>4 (b)</p> <p>AO1 = 2 AO2 = 2 AO4 = 4</p>	<p>Valid points include:</p> <ul style="list-style-type: none"> • (persuasive). This type of advertising tries to encourage people to stay at the hotel (AO1). It might show an advert of someone using the fitness centre (AO1). They would use this method of advertising because they want people to believe that it is well worth staying at their hotels because of the offers they have available (AO2) or that the hotels have so many facilities that the guests would want to use (AO2). Often this type of advertising would have pictures of people inside the gym using the facilities, or having a meal in the restaurant (AO4) giving the appearance that the hotel is exactly what the people want (AO4). The hotels have all the facilities that anyone would need when staying at the hotels (AO4). They may advertise the fact that certain celebrities have stayed at the hotel and this may encourage other people to stay (AO4). • (informative). This is a very different type of advertising, often with very few pictures but more detail and information about the hotel (AO1). They may even include prices of the hotel for different dates (AO1). They might advertise the number of rooms there are, the different facilities (AO2) together with the special offers they are prepared to give to guests (AO2). This is a way that they could persuade people that the hotels contain everything they need for their stay (AO4). They could include details of the facilities offered for car parking whilst the guests are on holiday, adding more information to the deals the hotel offers (AO4). In the adverts they may include all the facilities that are in each guest room so that guests can make decisions on whether they have the facilities they need or not (AO4). They could also include information about what food is on offer and the menus so that potential guests can browse and make decisions as to whether they eat at the hotel or not (AO4). <p>2 marks for knowledge of the method of chosen Up to 2 marks for applying it to Blue16 Up to 4 marks for development relevant to Blue16</p>	<p>(8)</p>
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<p>4 (c)</p> <p>AO1 = 2 AO3 = 2 AO4 = 2</p>	<p>Valid points include:</p> <ul style="list-style-type: none"> • James could use an overdraft facility (AO1) this could be used as it is for a short period of time and it is hoped that the advertising would bring in sufficient hotel guests that would cover the cost of advertising (AO3) this is probably not the best method to use as the interest rates are high and the guests would need to book quickly to enable James to pay back the debt (AO4). • If James used retained profit then he would not incur any more debt (AO1) this would mean that any business he gains from advertising will be additional profit (AO3) as well as creating an awareness of the hotel and encouraging more people to stay (AO4). • James could take a loan from the bank for a short period of time (AO1) this would then enable him to spend more money on advertising (AO3) so that he could have a more attractive and larger advert that more people will see (AO4). <p>2 x 3</p>	<p>(6)</p>
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Total for Question 4 – 20 marks

Question Number	Indicative Content	Mark
<p>5 (a)</p> <p>AO2 = 2</p> <p>AO3 = 3</p>	<p>Valid points include:</p> <ul style="list-style-type: none"> • Hotels are labour-intensive because they employ many different people to work at the hotel they can be cleaners who clean the rooms in the hotel (AO2) or waitresses in the restaurant (AO2). They have to have people doing all the different jobs because machines are not able to carry out the tasks (AO3). Guests need their luggage carried to the room (AO3) and meals cooked for them in the restaurant (AO3) – machines could not do this. <p>Up to 2 marks for application. Up to 3 marks for analysis.</p>	<p>(5)</p>

Question Number	Indicative Content	Mark
<p>5 (b)</p> <p>AO1 = 2 AO2 = 2 AO3 = 1</p>	<p>Valid points include:</p> <ul style="list-style-type: none"> • (partnership) Partners set up a business to share profit/loss under a partnership agreement (AO1) James could set up a partnership with his friends (AO1) which means that there may be more ideas/suggestions for the hotel (AO1). This also would allow them to raise sufficient funds if they all invested the same amount (AO2) they could also have expertise in different areas that would benefit the hotel business (AO3). Additional partners can be added at a later date if needed (AO2). • (private limited company) If they set up a private limited company they control who the shares can be sold to (AO1). The hotel has limited liability (AO1). Also the hotel can gain additional investors who would not be involved in the running of the hotel (AO2). The big advantage of this type of ownership is that there is limited liability, which means that they are not liable for the hotel's debts (AO3). <p>Up to 2 marks for knowledge of methods of ownership. Up to 2 marks for applying to James/the 'new' business 1 mark for development</p>	<p>(5)</p>

<p>5 (c)</p> <p>AO2 = 2</p> <p>AO3 = 4</p> <p>AO4 = 4</p>	<p>Valid points include:</p> <ul style="list-style-type: none"> • (in-house training) This method of training is cheaper for the hotel as they carry it out themselves (AO2). The staff would be trained in the ways of that particular hotel (AO3) which means that they learn everything relevant to the hotel (AO3). They know exactly where they are working and what they have to do, there is nothing new to learn (AO4) if the staff have any questions they can get an answer immediately without having to wait (AO4). The staff would be working with the same people at the hotel (AO3) this would make it easier as they get to know everyone involved in the business (AO4). This would make the atmosphere at the hotel better and staff would not be worried when they start work (AO4). The staff training provides opportunities for staff to get to know each new member of staff (AO3) this would have benefits for the hotel (AO2). • (trained off site) This method of training is more expensive for the hotel as professionals carry out the training (AO2). As they have to pay for the training and the staff are not working at the hotel (AO2). The staff would therefore have to travel to the company and this could be very inconvenient for them (AO3) and could cause family issues with regard to child care etc (AO4). However, staff trained this way, are trained by qualified trainers and if they make a mistake it is not a problem (AO3) whereas if they make a mistake in the hotel it could cause problems and be expensive (AO4). Staff trained by a company can gain qualifications (AO2) which could be used in the future and recognised by other companies (AO3) this would help the member of staff as they are able to include it in their CV (AO4). Training using this method does not hinder the progress of staff at the hotel (AO3) as the hotel continues running with the staff and no interruptions or delays (AO4). <p>5 marks for maximum for why method selected 5 marks maximum for why other method is rejected. 2 marks maximum for balance comments against selection. Any combination to a maximum of 10 marks.</p>	<p>(10)</p> <p>ABSO_01 1606</p>
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Total for Question 5 – 20 marks

Total for Section B = 40 marks

Total for Paper – 100 marks