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Mark Scheme (Results)

November 2021

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.
- 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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- 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.

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Question Number	Answer	Mark
1 (a) (i)	**AO1 - 1 mark** **D** Human Resources	**(1)**

Question Number	Answer	Mark
1 (a) (ii)	**AO1 - 1 mark** **B** Selling assets	**(1)**

Question Number	Answer	Mark
1 (a) (iii)	**AO1 - 1 mark** **C** Cost of sales	**(1)**

Question Number	Answer	Mark
1 (a) (iv)	**AO1 - 1 mark** **A** Taxation	**(1)**

Question Number	Answer	Mark
1 (a) (v)	**AO2 - 1 mark** **C** 250%	**(1)**

Question Number	Answer	Mark
1 (a) (vi)	**AO2 - 1 mark** **D** S$42.08	**(1)**

Question Number	Answer	Mark
1 (b)	**AO1 - 1 mark** Award 1 mark for a correct definition of diseconomies of scale. • An increase in average cost per units **(1)**.	**(1)**

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Question Number	Answer	Mark
1 (c)	**AO1 - 1 mark** Award 1 mark for a correct definition of job production. • A method of production that involves completing one unit of output at a time **(1).**	**(1)**

Question Number	Answer	Mark
1 (d)	**A02 - 1 mark** Award 1 mark for a financial method of motivation *Artify Studio* could use to motivate its employee in the context of the business. • Employees could be given commission for any art materials they sell **(1).** **Accept any other appropriate response.**	**(1)**

Question Number	Answer	Additional guidance	Mark
1 (e)	**A02 - 2 marks** 285 x 0.12 = 34.20 **(1)** 285 – 34.20 = 250.80 **(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	Answer	Mark
1 (f)	**A01 - 3 marks** Award 1 mark for identification of a measure of success, plus 2 further marks for explaining this measure, for a maximum of 3 marks. • Market share can be used to measure the success of a business **(1).** Changes in market share will show how well or not the business is doing **(1)** and help them to make decisions for the business **(1).** **NB** Answers that list three measures of success with no explanation will get a maximum of 1 mark. **Accept any other appropriate response.**	**(3)**

Question Number	Indicative content	Mark
1 (g)	**AO2 = 3 marks AO3 = 3 marks** **<u>AO2</u>** • Lower interest rates could lead to an increase in the demand for the popular Liberty Art Jam sessions. • The cost of borrowing comes down so *Artify Studio* could pay less on any loans they take out. **<u>AO3</u>** • *Artify Studio* may need to put on additional sessions to cater for the increase in demand, this will lead to an increase in costs but as sales increase this can cover this cost. • This will enable *Artify Studio* to have more funds available to increase advertising and bring in more customers.	**(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	Answer	Mark
2 (a)	**A02 - 1 mark** Award 1 mark for a valid reason why *Artify Studio* would want to offer a high-quality service in the context of the business. • To encourage customers to come back and try other art sessions on offer **(1).** **Accept any other appropriate response**.	**(1)**

Question Number	Answer	Mark
2 (b)	**A02 - 1 mark** Award 1 mark for a valid advantage of using part-time employees in the context of the business. • It allows for flexibility when the studio is quiet and courses are not full **(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 being a partnership, plus 2 further marks for explaining this benefit for a business, for a maximum of 3 marks. • The business gains investment from each partner **(1)** increasing the capital available to the partnership **(1)** which can help the business to expand **(1).** **NB** Answers that list three benefits of being a partnership 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 way social media can be used by a business, plus 2 further marks for explaining this way, for a maximum of 3 marks. • Creating a targeted advertising campaign **(1)** where the business can send a specific advert to a targeted group **(1)** who may be interested in the product or service **(1)**. **NB** Answers that list three ways of using social media 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 a business benefit that comes from introducing TQM, plus 2 further marks for explaining that benefit, for a maximum of 3 marks. • One benefit is improved product quality **(1).** This is because everyone is working as a team **(1)** and so fewer mistakes are likely to be made **(1).** **NB** Answers that list three benefits of using TQM 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
2 (f)	**AO2 = 3 marks AO3 = 3 marks AO4 = 3 marks** **<u>AO2</u>** • Option 1 – this would increase the awareness of *Artify Studio* to those in the Kampong Glam area. • Option 2 –this can allow a business to become known to a wider market of artists. **<u>AO3</u>** • Option 1 – They could use this as an opportunity to advertise the different services they offer to local artists. • Option 2 – They can approach artists from all over the country to find out what the needs of those artists are and consider what they can do to meet those needs. **<u>AO4</u>** • Option 1 – However, sponsorship can cost the business a lot depending on the size of the art show and this could be a cost that the business cannot afford. • Option 2 – However, it would mean taking time out of the business and it may not bring in new customers or improve its image if the exhibition was poorly attended.	**(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 price skimming. • Setting a high price for a new product and then lowering it later **(1).**	**(1)**

Question Number	Answer	Mark
3 (b)	**A02 - 2 marks** Award 1 mark for identifying a reason why cash is important to *Artify Studio*, plus 1 further mark for linking it to the context of the question. • It allows *Artify Studio* to pay suppliers for the art materials they sell **(1)** and by paying on time help to build a positive relationship between the business and supplier **(1).** **NB** Do not accept a reason that is not in the context of *Artify Studio*. **Accept any other appropriate response.**	**(2)**

Question Number	Answer	Additional guidance	Mark
3 (c)	**A02 - 2 marks** 28 500/90 500 x 100 **(1)** = 31.49 **(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** **<u>AO2</u>** • *Artify Studio* can see how it is performing and can calculate the gross profit margin of 31.49%. • *Artify Studio* could can use this information to assess the direction that the art studio will take in the future. **<u>AO3</u>** • This calculation helps them to see the sales they are making are currently sufficiently covering costs of running their services and selling their products. • This helps *Artify Studio* to judge how much profit they are making against the cost of running their business and if any changes need to be made to make the business more profitable.	**(6)**

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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** **<u>AO2</u>** • Option 1 – Crowdfunding could be a quick way to raise the finance needed for new art sets. • Option 2 – Tay Hui Jae could invest his own retained profits which have been earned from previous years to purchase the new art sets. **<u>AO3</u>** • Option 1 – Investors do not need to be given any financial reward in return for their money but could instead be offered access to the art services *Artify Studio* offer. • Option 2 – This may provide the business will the short-term finance it needs to get the painting sets together. **<u>AO4</u>** • Option 1 – However, *Artify Studio* is only a small business so may not have enough presence to gain the funding needed and if they don't meet the target they set then they may end up with nothing. • Option 2 – However, there is no guarantee these painting sets will sell as customers may prefer for their children to take part in the art sessions in the studio making the venture unsuccessful.	**(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	Answer	Additional guidance	Mark
4 (a)	**A02 - 2 marks** 17.87 x 3 = 53.61 **(1)** 459.50 + 53.61 = 513.11 **(1)**	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** **<u>AO2</u>** • *Artify Studio* can use the existing employees at its Kampong Glam studio to train the new employees. • This gives Tay Hui Jae the chance to see if the new employees are skilled enough to work in the art studio. **<u>AO3</u>** • The new employees can see the work carried out in the art studio and what would be expected of them when the second studio opens up. • This gives Tay Hui Jae the chance to see if the new employees require further training which could be off the job.	**(6)**

Level	Mark	Descriptor
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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 availability of materials available. **AO2** • *Artify Studio* will need to find employees with art-based skills to work at the studio. • *Artify Studio* will need art supplies for its art courses. **AO3** • Finding labour that is already skilled will help *Artify Studio* to progress and expand the range of art-based courses it offers. • The art supplies will allow all of the current courses to be offered at the new art studio so there is consistency between the studios. **AO4** • However, if no skilled labour is available then the impact on the second art studio may be negative as it may not be able to run courses without skilled employees. • However, as they are relocating to a small mining town then they may find it difficult to source the art materials in such a remote area and therefore may not be able to offer its full range of services.	**(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)