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Mark Scheme standardisation November 2021

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.
- 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.

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Question Number	Which **one** of the following is an advantage of primary market research? **Answer**	Mark
1 (a) (i)	**AO1 - 1 mark** **A –** It is a more up to date method of research B – is incorrect as it is very time-consuming C – is incorrect as it is more expensive D – is incorrect as it is carried out by a variety of people not just agencies	**(1)**

Question Number	Which **one** of the following is a financial objective? **Answer**	Mark
1 (a) (ii)	**AO1 - 1 mark** **B –** Market share A – is incorrect as personal satisfaction is not financial C – is incorrect as independence is not financial D – is incorrect as control is not financial	**(1)**

Question Number	Which **one** of the following is the total revenue for a day? **Answer**	Mark
1 (a) (iii)	**AO2 - 1 mark** **C** – £2 400 A – is incorrect as £600 is the fixed cost B – is incorrect as £1 800 is £600 x £3.00 D – is incorrect as £600 x £12.00	**(1)**

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Question Number	Which **one** of the following would be a disadvantage for a partner in a partnership? **Answer**	**Mark**
1 (a) (iv)	**AO1 - 1 mark** **B –** Liability for all debts A – is incorrect as sharing the workload is a benefit C – is incorrect as access to more capital is a benefit D – is incorrect as sharing skills is a benefit	**(1)**

Question Number	What would be the brand value in 2019? **Answer**	**Mark**
1 (a) (v)	**AO2 - 1 mark** **C –** $8.66 billion A – is incorrect as 6.20 is 14/10 = 1.4 7.6 – 1.4 = 6.2 B – is incorrect as 7.74 is 7.6 plus .14 D – is incorrect as 10.64 is 76 x .14	**(1)**

Question Number	Which **one** of the following is a source of long-term finance? **Answer**	**Mark**
1 (a) (vi)	**AO1 - 1 mark** **D –** Bank loan A – is incorrect as an overdraft is short term finance B – is incorrect as sales revenue is funds made from sales C 0 is incorrect as a bank loan is not long term finance.	**(1)**

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Question Number	Define the term **sole trader**. **Answer**	Mark
1 (b)	**AO1 - 1 mark** Award 1 mark for a correct definition of sole trader. • A business owned exclusively by one person **(1)**	**(1)**

Question Number	Define the term **demographics**. **Answer**	Mark
1 (c)	**AO1 - 1 mark** Award 1 mark for a correct definition of demographics. • A particular section of the population **(1)**	**(1)**

Question Number	State **one** reason why *Huawei* may use share capital as a source of finance. **Answer**	Mark
1 (d)	**A02 - 1 mark** Award 1 mark for a valid reason of using share capital in the context of the business. • *Huawei* does not have to pay the funds back it can use the money to pay the salaries of the smartphone designers **(1)** • *Huawei* can use the money raised as it wishes such as investing in new technology **(1)** **Accept any other appropriate response.**	**(1)**

Question Number	Calculate, to two decimal places, the operating profit margin for *Huawei*. **Answer**	**Additional guidance**	Mark

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1 (e)	**A02 - 2 marks** = 73 287 ÷ 721 202 x 100 **(1)** = 10.16 **(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 for a business of using **sponsorship**. **Answer**	**Mark**
1 (f)	**A01 - 3 marks** Award 1 mark for identification of an advantage of a business of using sponsorship, plus 2 further marks for explaining the reason, for a maximum of 3 marks. • By sponsoring an event the business will gain publicity **(1)** the event could be local, national or global **(1)** this would mean the business would cover a wide spectrum of people **(1)** • By sponsoring an event brand awareness will be increased **(1)** this could encourage followers of the event to consider purchasing from the business **(1)** leading to increased revenue/profits **(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 benefits of *Huawei* of locating its factories near to its labour sources. **Indicative content**	Mark
1 (g)	**AO2 = 3 marks AO3 = 3 marks** **<u>AO2</u>** • By locating a factory in an area where there is a skilled labour force it could reduce training costs • *Huawei* may need certain skills to operate manufacturing machinery for its products e.g. smartphones **<u>AO3</u>** • The money saved could then be used for other purposes within *Huawei* • If those skills are available the factory may become more productive and efficient in manufacturing smartphones	**(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** possible reason why *Huawei* pays its employees in the UK above the minimum wage. **Answer**	Mark
2 (a)	**A02 - 1 mark** Award 1 mark for a valid reason for *Huawei* paying its employees above the minimum wage in the context of the business. • Employees are more likely to stay with *Huawei* and not move to a competitor such as Samsung to earn additional money **(1)** • Employees are less likely to take time off from making smartphones if they are paid well and will stay more committed to *Huawei* **(1)** • **Accept any other appropriate response.**	**(1)**

Question Number	State **one** possible reason why *Huawei* would want to keep its customers loyal to its brand. **Answer**	Mark
2 (b)	**A02 - 1 mark** Award 1 mark for a valid reason why *Huawei* would want to keep its customers loyal in the context of the business. • Loyal customers will return to *Huawei* when they need to upgrade their smartphones **(1)** • *Huawei* want its customers to return and purchase other products such as its tablets **(1)** **Accept any other appropriate response**.	**(1)**

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Question Number	Explain **one** reason why having good public relations is important to a business. **Answer**	Mark
2 (c)	**A01 - 3 marks** Award 1 mark why good public relations is important to a business, plus 2 further marks for explaining the reason, for a maximum of 3 marks. • By a business having good public relations means it is likely to improve its brand image **(1).** This could lead to increased sales and **(1)** overall profitability **(1)** NB No marks are awarded for a definition. Answers that list three reasons why good public relations are important to a business with no explanation will get 1 mark only. **Accept any other appropriate response.**	**(3)**

Question Number	Explain **one** benefit of being a multinational business. **Answer**	Mark
2 (d)	**A01 - 3 marks** Award 1 mark for a benefit of being a multinational business, plus 2 further marks for explaining this reason, for a maximum of 3 marks. • Multinationals operate globally **(1).** So, if the sales are low in one country this can be offset by high sales in another country **(1)** thus, thereby spreading the risk for the business **(1)** NB 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 secondary research would be used by a business. **Answer**	Mark
2 (e)	**A01 - 3 marks** Award 1 mark for a reason why secondary research would be of interest to a business, plus 2 further marks for explaining why it would be of interest to a business, for a maximum of 3 marks. • Secondary research already exists and is available **(1)** this can save a business a great deal of time and effort in collecting such information **(1).** The information can then be used to help the business to further develop its products or gain information on other businesses **(1)** NB Answers that list three reasons with no explanation will get a maximum of 1 mark. **Accept any other appropriate response.**	**(3)**

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Question Number	**Option 1:** financial **Option 2:** non-financial. **Indicative content**	Mark
2 (f)	**AO2 = 3 marks AO3 = 3 marks** **AO4 = 3 marks** **<u>AO2</u>** • **Option 1** – By offering financial methods to its employees such as bonus payments, piece rates, employees will remain productive • **Option 2** – If *Huawei* offers non-financial benefits such as job enrichment employees are more likely to enjoy working at the *Huawei* and feel motivated **<u>AO3</u>** • **Option 1** – Employees are more likely to stay with *Huawei* than move to another business • **Option 2** – Employees will gain new skills and feel valued by *Huawei*, which may help them gain promotion such as becoming a supervisor of a group of staff assembling tablets or watches **<u>AO4</u>** • **Option 1** – However, employees may not be interested in bonus payments if they are assembling tablets and they do not meet the targets set therefore not getting the additional wage • **Option 2** – However, not all employees are motivated by non-financial methods of motivation such as job enrichment, they may prefer to remain producing smartphones and would prefer to have additional wages in their payslips so that they can pay their bills	**(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 **revenue**. **Answer**	Mark
3 (a)	**A01 - 1 mark** Award 1 mark for a correct definition of revenue. • Income from the sale of goods and services **(1)**	**(1)**

Question Number	Outline **one** reason why *Huawei* would use robotics in the production of its products. **Answer**	Mark
3 (b)	**A02 - 2 marks** Award 1 mark for identifying a reason why *Huawei* would use robotics, plus 1 further mark for linking it to the context of the question. • *Huawei* could use robots to produce its smartphones because they are quicker and more accurate than employees **(1)** Robots do not need a break and can work 24/7 **(1)** NB Do not accept a reason that is not in the context of *Huawei.* **Accept any other appropriate response.**	**(2)**

Question Number	Calculate the interest *Huawei* would pay. **Answer**	**Additional guidance**	Mark
3 (c)	**A02 - 2 marks** 69 941 000 000 x 4.5/100 **(1)** = 3 147 345 000 **(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 why *Huawei* offers its new employees in the design department off-the job training. **Indicative content**	Mark
3 (d)	**AO2 = 3 marks AO3 = 3 marks** **<u>AO2</u>** • This involves new employees being trained outside *Huawei* at an external college by tutors and/or other experts in modern technology such as smartphones and tablets • Employees can learn at their own pace the detail and requirements of producing smartphones and tablets **<u>AO3</u>** • As a result, it means that *Huawei* present employees concentrate on their work, and do not have to supervise or train new employees • Employees do not have to worry about making mistakes or errors that could cost *Huawei* money	**(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	**Option 1:** competition pricing **Option 2:** promotional pricing. **Indicative content**	**Mark**
3 (e)	**AO2 = 3 marks AO3 = 3 marks** **AO4 = 3 marks** **<u>AO2</u>** • **Option 1** – If *Huawei* uses this method of pricing, then it is likely to gain sales of the new smartphone because the price will be realistic • **Option 2** – Selling at a cheaper price encourages customers to switch from their present brand to *Huawei* **<u>AO3</u>** • **Option 1** – This pricing strategy means that the consumers have more choice of smartphones as they are all priced at a similar rate • **Option 2** – *Huawei* could gain a larger market share of smartphone users who change brands **<u>AO4</u>** • **Option 1** – However, this does not always mean that the cost of production is covered and if *Huawei* uses this method, it may lose out financially • **Option 2** – However, promotional pricing may generate sales for the length of time of the promotion, but once the price of the smartphones reverts to their normal price it may reduce sales	**(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 the cost of this smartphone in US Dollars **Answer**	**Additional guidance**	**Mark**
4 (a)	**A02 - 2 marks** 5 353/6.70 **(1)** = 798.96 **(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 why *Huawei* would want good quality control when producing its smartphones. **Indicative content**	Mark
4 (b)	**AO2 – 3 marks AO3 – 3 marks** **<u>AO2</u>** • If *Huawei* gains a reputation for good quality products more customers are likely to purchase its smartphones • To repair faulty smartphones or tablets could be expensive for *Huawei* **<u>AO3</u>** • If the standard is not maintained then customers may not trust the reliability of the smartphones and may change to other brands • If customers have to wait for smartphones and tablets to be repaired this could give *Huawei* a bad reputation	**(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 why *Huawei* would carry out market research before designing a new product. **Indicative content**	Mark
4 (c)	**AO1 = 3 marks AO2 = 3 marks** **AO3 = 3 marks AO4 = 3 marks** **AO1** • Market research finds out what customers' needs and wants are • By carrying out market research *Huawei* will be able to make informed decisions as to actions it should take **AO2** • If *Huawei* produces a watch that very few customers want then it could waste a great deal of money • *Huawei* may decide to add additional features or reduce or increase the size of its smartphones from comments made by potential customers **AO3** • This could have a negative effect on *Huawei's* financial situation and also impact upon the development of other products such as tablets that *Huawei* makes and sells • This could help increase sales of tablets and smartphones and enable *Huawei* to remain competitive **AO4** • However, producing a watch that no other business is offering could mean that it sells more of the products and gains a competitive advantage • However, there is no guarantee that all the market research carried out is worthwhile as customers' tastes and needs are changing constantly in light of new technological developments	**(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).

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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).