

# Mark Scheme (Results)

Summer 2014

Pearson Edexcel GCSE  
In Business Studies (5BS03)  
Paper 01: Building a Business

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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.

**Section A:**

<b>Question Number</b>	<b>Answer</b>	<b>Mark</b>
<b>1(a)</b> <b>AO1=1</b>	D	<b>(1)</b>

<b>Question Number</b>	<b>Answer</b>	<b>Mark</b>
<b>1(b)</b> <b>AO1=2</b>	<p>A salary is a payment made over a year divided into 12 monthly payments.</p> <p>2 marks for an accurate definition. If an accurate definition is not given award 1 mark for an answer that suggests that candidate has some understanding of the term. E.g. a fixed payment</p> <p>An imperfect definition can be raised to 2 marks through the use of an example or some kind of accurate elaboration.</p>	<b>(2)</b>

<b>Question Number</b>	<b>Answer</b>	<b>Mark</b>
<b>1(c) (i)</b> <b>AO1=2</b>	<p>2 marks for any two appropriate responses which involve non-monetary payments. Do not accept 'bonuses' or 'commission'.</p> <p>Possible answers include:</p> <ul style="list-style-type: none"><li>• Company cars.</li><li>• Pension scheme.</li><li>• Health care/insurance.</li><li>• Shares in the company.</li><li>• Free uniform/meals.</li></ul> <p>Accept any other relevant answer.</p>	<b>(2)</b>

Question Number	Answer	Mark
<p>1(c) (ii)</p> <p>AO1=1 AO3=2</p>	<p>For 3 marks, there will be <b>one</b> effect identified and <b>two</b> clearly identifiable linked strands of explanation between the statements. These may contain connective words such as, 'this leads to...', 'because...' etc.</p> <p>Possible effects include:</p> <ul style="list-style-type: none"> <li>• Motivates workers.</li> <li>• Provides a sense of belonging (Maslow).</li> <li>• Will increase the costs to the business.</li> <li>• Makes it easier to attract/retain workers.</li> <li>• Could be cheaper than increasing wages/salaries.</li> </ul> <p>E.g. By providing fringe benefits workers are less likely to leave the business (1 mark). This reduces the cost to the business (1 mark) since they do not need to train new workers (1 mark).</p> <p>This answer would gain <b>three</b> marks since there are at least two relevant, linked points made, following the identification of a valid effect.</p>	(3)

Question Number	Answer	Mark
<p>2(a)</p> <p>AO1=1</p>	B	(1)

Question Number	Answer	Mark
<p>2(b)</p> <p>AO1=1 AO2=1</p>	<p>For 2 marks, one method will be identified with some development in context.</p> <p>Possible methods include:</p> <ul style="list-style-type: none"> <li>• Promotion.</li> <li>• Building a brand.</li> <li>• Lower prices/special offers.</li> <li>• Enhance product e.g. unusual flavours.</li> <li>• Encourage more retailers to sell them (place).</li> </ul> <p>E.g. <i>Tyrells</i> could promote their crisps (1 mark) by introducing new flavours such as summer BBQ (1 mark).</p> <p>This answer would gain <b>two</b> marks since a method has been identified and there is some development in context.</p>	(2)

Question Number	Answer	Mark
<p>2(c)</p> <p>AO2=2</p> <p>AO3=1</p>	<p>For 3 marks, one reason will be given and there will be at least <b>two</b> clearly identifiable linked strands of explanation. These may contain connective words such as, 'this leads to...', 'because...' etc. The explanation <b>must be</b> in the <i>Tyrells crisps</i> context if it is to secure all three marks.</p> <p>Possible reasons include:</p> <ul style="list-style-type: none"> <li>• Builds customer loyalty.</li> <li>• Makes <i>Tyrells</i> stand out in the crisp market.</li> <li>• Allows <i>Tyrells</i> to charge higher prices without the loss of demand.</li> <li>• Makes it harder for a new crisp firm to set up in competition.</li> <li>• <i>Tyrells</i> will be able to add value.</li> </ul> <p>E.g. Branding is important to <i>Tyrells</i> because there are lots of firms like <i>Walkers</i> and <i>Kettle</i> in the crisp market (1 mark). A strong brand makes them stand out in this competitive market (1 mark) and encourages people to try their crisps because of the unusual shape (1 mark).</p> <p>This answer would gain <b>three</b> marks since there are at least two linked strands that build the explanation following the identification of a reason. The answer is also rooted in the context of <i>Tyrells/crisps</i>. Without this use of context the answer can score a maximum of 2 marks.</p>	<p><b>(3)</b></p>

Question Number	Answer	Mark
<p>2(d)</p> <p>AO1=1 AO2=1 AO3=2</p>	<p>For 4 marks, the description will make up to <b>four</b> relevant points associated with how cash flow is likely to change for a product as it moves from introduction to the maturity stage of the product life cycle. Four marks could also be achieved through focusing on two effects on how cash flow is likely to change plus some development. One mark can be given for a definition of one of the terms.</p> <p><b>Note:</b> candidates may offer a description of the product moving straight from introduction to the maturity phase (missing out the growth phase). This is acceptable.</p> <p>Possible changes in cash flow include:</p> <ul style="list-style-type: none"> <li>• In the introduction phase cash flow is likely to be negative due to low sales and high promotion costs.</li> <li>• In the growth phase, cash flow is likely to improve due to increasing sales, although promotion costs may be high (a candidate could argue the converse if they believe <i>Tyrells Furrows</i> are likely to be unsuccessful).</li> <li>• In maturity cash flow will improve, promotion costs will fall since <i>Tyrells Furrows</i> are now an established brand.</li> </ul> <p>E.g. In the introduction phase, cash flow is likely to be poor (1 mark). This is because <i>Tyrells</i> will spend heavily on advertising to encourage people to try the new crisps (1 mark). Also In the maturity phase cash flow will improve (1 mark) as more people buy the product and the <i>Tyrells</i> brand becomes established (1 mark).</p> <p>This answer would gain <b>four</b> marks since the candidate has described what cash flow is in one stage of the product life cycle and why. They then say what cash flow is like in another stage of the product life cycle and why, in context.</p>	<p>(4)</p>

Question Number	Answer	Mark
3(a) AO1=1	B	(1)

Question Number	Answer	Mark
3(b) AO2=2	<p>1 mark for each appropriate method of differentiation identified. Each method needs to be applicable to a fast food/breakfast context. Accept generic answers <b>only</b> if they can be realistically viewed as a source of differentiation for <i>KFC</i> e.g. lower prices, better advertising etc.</p> <p>Possible methods include:</p> <ul style="list-style-type: none"> <li>• New fast food products.</li> <li>• Earlier opening times.</li> <li>• Faster service.</li> <li>• Free wifi/newspapers in restaurants.</li> <li>• Loyalty cards.</li> </ul>	(2)

Question Number	Answer	Mark
3(c) AO2=2 AO3=1	<p>For 3 marks, there will be <b>one</b> reason identified and <b>two</b> clearly identifiable linked strands of explanation between the statements. These may contain connective words such as, 'this leads to...', 'because...' etc. The explanation <b>must be</b> in the <i>KFC</i>/fast food/breakfast context if it is to secure all three marks.</p> <p>Possible reasons include:</p> <ul style="list-style-type: none"> <li>• Very competitive market.</li> <li>• <i>Burger King/McDonald's</i> already dominate.</li> <li>• <i>KFC's</i> branding is wrong (focused on chicken).</li> <li>• More people eating at home to save money.</li> <li>• Hard to differentiate its products relative to the competition.</li> </ul> <p>E.g. <i>KFC</i> will struggle in the breakfast market because it is usually associated with chicken (1 mark). Chicken is not something that most people eat for breakfast (1 mark). Therefore it might be difficult to compete with established rivals (1 mark).</p> <p>This answer would gain <b>three</b> marks since there are at least two linked strands that build the explanation, following the identification of a reason. The answer is also rooted in the context of <i>KFC</i> and breakfasts/fast food. Without this use of context the answer can only score 1 mark.</p>	(3)



Question Number	Answer	Mark
3(d) (i)  AO2=1	<p>The text highlights that the fast food breakfast market is growing and that <i>KFC</i> are unsure as to whether or not the breakfast menu is likely to be a success. This clearly points to the high growth, but low market share element of the Boston Matrix.</p> <p>Accept:</p> <ul style="list-style-type: none"> <li>• Problem Child/?/Question mark</li> </ul>	(1)

Question Number	Answer	Mark
3(d) (ii)  AO2=2 AO3=1	<p>For 3 marks, there will be <b>one</b> benefit identified and <b>two</b> clearly identifiable linked strands of explanation. These may contain connective words such as, 'this leads to...', 'because...' etc. The explanation <b>must be</b> in the <i>KFC</i>/fast food/breakfast context if it is to secure all three marks.</p> <p>Possible benefits include:</p> <ul style="list-style-type: none"> <li>• <i>KFC</i> will know what stage of the product life cycle its products are.</li> <li>• The likely level of advertising for its products will be understood.</li> <li>• <i>KFC</i> will know if it needs to develop new products.</li> <li>• <i>KFC</i> will know the likely level of revenue each item should be generating.</li> <li>• <i>KFC</i> will be able to make better decisions regarding its products which will reduce costs.</li> </ul> <p>E.g. <i>KFC</i> can see which products require more advertising (1 mark). The breakfast menu products have just been introduced to the market (1 mark) and so they need to make customers aware of this new product (1 mark).</p> <p>This answer would gain <b>three</b> marks since there are at least two linked strands that build the explanation following the identification of a benefit. The answer is also rooted in the context of <i>KFC</i>. Without this use of context the answer can only score 1 mark.</p>	(3)

Question Number	Answer	Mark
4(a) AO1=1	D	(1)

Question Number	Answer	Mark
4(b) AO2=2	<p>1 mark for the identification of each reason as to why <i>Portakabin Limited</i> might want to focus on recycling.</p> <p>Possible reasons include:</p> <ul style="list-style-type: none"> <li>• Improve branding/sales.</li> <li>• To become an ethical business.</li> <li>• To be more environmentally friendly.</li> <li>• To reduce waste.</li> <li>• To cut costs.</li> </ul>	(2)

Question Number	Answer	Mark
4(c) AO2=2 AO3=1	<p>For 3 marks, the explanation will show how a Just In Time (JIT) method of stock control can be a drawback to <i>Portakabin Limited</i>. Within the answer there will be at least <b>two</b> clearly identifiable linked strands of explanation. These may contain connective words such as, 'this leads to...', 'because...' etc. The explanation <b>must be</b> in the <i>Portakabin Limited</i> context if it is to secure all three marks.</p> <p>Possible drawbacks include:</p> <ul style="list-style-type: none"> <li>• Loss of revenue/profit if unable to supply at short notice.</li> <li>• Loss of productivity if components do not arrive.</li> <li>• Damage to the brand if unable to supply at short notice.</li> <li>• Increased costs of raw materials by not placing bulk orders.</li> </ul> <p>E.g. <i>Portakabin Limited</i> prides itself on being able to build quickly (1 mark). If supplies do not arrive on time production may be halted (1 mark). This means <i>Portakabin Limited</i> might lose sales (1 mark).</p> <p>This answer would gain <b>three</b> marks since the candidate identifies the context then states the drawback and offers a consequence.</p>	(3)

Question Number		Indicative content
4(d)  AO2=2 AO3=4		<p>The aim here is for candidates to make a judgement as to whether improving quality or reducing costs is more important in allowing <i>Portakabin Limited</i> to maintain its competitiveness. There is no right answer and the candidate can argue that either method is better, depending on the circumstances. Candidates might consider the following possible ideas as part of their answer:</p> <p>Quality:</p> <ul style="list-style-type: none"> <li>• Target certain market segments.</li> <li>• Can add value.</li> <li>• Increases customer loyalty.</li> <li>• Fits in with their slogan.</li> <li>• Will increase costs.</li> <li>• Builds the <i>Portakabin®</i> brand and takes <i>Portakabin Limited</i> away from price competitive markets.</li> <li>• More likely to gain repeat purchases from satisfied customers.</li> </ul> <p>Reducing costs:</p> <ul style="list-style-type: none"> <li>• Could lead to lower prices.</li> <li>• Will cause <i>Portakabin Limited's</i> profits to increase.</li> <li>• Could result in lower quality buildings.</li> <li>• May allow <i>Portakabin Limited</i> to compete more aggressively against rivals.</li> <li>• Less waste and therefore more environmentally friendly.</li> </ul> <p>To be evaluative and support the judgement made, the candidate might suggest (for example) that the more effective method might be to cut costs since this will allow <i>Portakabin Limited</i> to boost profits or give them the scope to lower prices. In the longer-term, quality may be more appropriate especially since this seems consistent with their slogan.</p> <p>An alternate route to evaluation might come through the candidate examining the drawbacks of cutting costs (possible implications for quality) and/or increasing quality. E.g. this may or may not add value.</p>
Level	Mark	Descriptor
No mark	0	Non-rewardable material.
Level 1	1-2	A judgement or point is given as to which method is most likely to allow <i>Portakabin Limited</i> to improve its competitiveness. If there is just a simple judgement or where the support shows misunderstanding 1 mark should be awarded. If this judgement/point has some simple support, the response should be placed at the top of this level.

<b>Level 2</b>	<b>3-4</b>	A judgement/point is given on one or both issues with some development/support, which includes at least <b><u>one</u></b> reason/cause/consequence etc. At the top of this level this analysis will be relevant and linked to the judgement/point made.
<b>Level 3</b>	<b>5-6</b>	A judgement/point is given on one or both issues with some development/support, which includes at least <b><u>two</u></b> reasons/causes/consequences etc. <b><u>and includes some balance.</u></b>  At the top of this level there will be a conclusion drawn from the analysis and the answer will be in context.

**Section B:**

<b>Question Number</b>	<b>Answer</b>	<b>Mark</b>
<b>5(a)</b>  <b>AO1=2</b>	Profit is the difference between revenue and total costs.  Also accept Revenue (Sales) – Total Costs for 2 marks.  Note: Due to the nature of this question it is unlikely that there will be any 1 mark responses to this question.	<b>(2)</b>

<b>Question Number</b>	<b>Answer</b>	<b>Mark</b>
<b>5(b) (i)</b>  <b>AO1=1</b> <b>AO3=2</b>	1 mark for the identification of the formula, 1 mark for workings and 1 mark for the correct answer.  Break-even = $\frac{\text{Total Fixed Costs}}{\text{Price} - \text{AVC}}$  Fixed costs = £930 Variable costs = £1.80 per birdfeeder Selling Price = £8  therefore:  Break-even = $\frac{£930}{(£8 - £1.80)}$  therefore:  Break-even = 150 birdfeeders. Candidates are to be awarded a mark even if they just state '150'.	<b>(3)</b>

Question Number	Answer	Mark
<p><b>5(b) (ii)</b></p> <p><b>AO1=1</b></p> <p><b>AO3=2</b></p>	<p>1 mark for the identification of the formula, 1 mark for workings and 1 mark for the correct answer.</p> <p>Profit = Revenue – Total Costs</p> <p>therefore:</p> <p>Revenue = 400 x £8 = £3 200</p> <p>Total costs = (400 x £1.80) + £930 = £1 650</p> <p>therefore:</p> <p>Profit = £3 200 - £1 650 = £1 550</p> <p>Also reward candidates full marks if they multiply contribution per unit £6.20 by the number of units above the break-even point (i.e. 250 units) to reach the answer.</p>	<p><b>(3)</b></p>

Question Number	Answer	Mark
<p>5(c)</p> <p>AO2=4</p> <p>AO3=4</p>	<p>This question has a 2 x 4 mark split. There is one mark for identifying an advantage and one mark for identifying a disadvantage. The remaining 3 marks are for the explanation which will show how the advantage/disadvantage of <i>Ecovation</i> minimising its affect on the environment will affect the business. Within the answer there will be at least <b>three</b> clearly identifiable strands of explanation <b>and reference to the context</b> for each advantage/disadvantage considered. These may contain connective words such as, 'this leads to...', 'because...' etc.</p> <p>Possible advantages include:</p> <ul style="list-style-type: none"> <li>• Better reputation for ethics.</li> <li>• Better reputation for being environmentally friendly.</li> <li>• Ability to add value.</li> <li>• Ability to move away from price competitive markets.</li> <li>• Create brand loyalty.</li> </ul> <p>Possible disadvantages include:</p> <ul style="list-style-type: none"> <li>• Higher costs.</li> <li>• Maybe difficult/impossible to do.</li> <li>• May take time.</li> <li>• Makes <i>Ecovation</i> less competitive compared to other manufacturers.</li> </ul> <p>E.g. Advantage: Better reputation (1 mark).</p> <p>A better reputation will make <i>Ecovation's</i> brand stand out in the market (1 mark). This will give it an edge over other birdfeeder manufacturers (1 mark). As a result it can charge a higher price leading to increased profits (1 mark).</p> <p>This answer would gain <b>four</b> marks since an advantage has clearly been identified and there are at least <b>three</b> linked strands that build the explanation, with some reference to the birdfeeder context.</p>	<p><b>(8)</b></p>

Question Number	Answer	Mark
<p><b>6(a)</b></p> <p><b>AO1=2</b></p>	<p>Share capital is the capital/money raised from issuing/selling <b>new</b> shares in the business.</p> <p>2 marks for an accurate definition. If an accurate definition is not given award 1 mark for an answer that suggests that the candidate has some understanding of the term. E.g. money from selling shares or it is an external source of finance.</p> <p>An imperfect definition can be raised to 2 marks through the use of an example or some kind of accurate elaboration.</p>	<p><b>(2)</b></p>

Question Number	Answer	Mark
<p><b>6(b)</b></p> <p><b>AO1=1</b></p>	<p>1 mark for an appropriate internal source of finance.</p> <p>Possible answers include:</p> <ul style="list-style-type: none"> <li>• Retained profit (accept profit).</li> <li>• Selling assets.</li> <li>• De-stocking.</li> <li>• Longer creditor's period.</li> <li>• Shorter debtor's period.</li> </ul>	<p><b>(1)</b></p>

Question Number	Answer	Mark
<p><b>6(c)</b></p> <p><b>AO2=2</b></p> <p><b>AO3=1</b></p>	<p>For 3 marks, the explanation will show one drawback of using debt as a way of financing the growth of the business. Within the answer there will be at least <b>two</b> clearly identifiable linked strands of explanation. These may contain connective words such as, 'this leads to...', 'because...' etc. The explanation <b>must be</b> in the <i>Ecovation/new/small business</i> context if it is to secure all three marks.</p> <p>Possible drawbacks include:</p> <ul style="list-style-type: none"> <li>• Higher cost.</li> <li>• Much higher risk.</li> <li>• May not get a loan due to size of the business.</li> <li>• Interest rates could rise.</li> <li>• Bank could ask for immediate repayment.</li> </ul> <p>E.g. <i>Ecovation</i> is a small business and has only raised £2000 in share capital (1 mark). This makes it highly unlikely that any bank will lend <i>Ecovation</i> any money to allow them to expand (1 mark). This is because the business will be too much of a risk (1 mark).</p> <p>This answer would gain <b>three</b> marks since there are at least two linked strands that build the explanation following the identification of a reason. The answer is also rooted in the context of <i>Ecovation/new/small businesses</i>. Without this use of context the answer can only score 1 mark.</p>	<p><b>(3)</b></p>



Question Number		Indicative content
<p>*6(d)</p> <p><b>QWC Strands (i), (ii) and (iii)</b></p> <p><b>AO2=4</b></p> <p><b>AO3=4</b></p>		<p>The aim here is for candidates to consider whether freelancers will be more motivated than a directly employed sales team. The question asks the candidate to 'assess', so the candidate must develop some evidence of balance within the answer. This could take the form of considering where a freelancer is positioned in Maslow's Hierarchy of Needs which, in turn, will change the importance of monetary payments. Assessment could also be developed by suggesting that <i>Ecovation</i> has more control over its own sales teams or by suggesting that freelancers may not have loyalty to the company. An alternative route to attain assessment marks could come through a consideration of the scale to which the use of freelance is likely to motivate.</p> <p>Possible motivating factors for freelancers:</p> <ul style="list-style-type: none"> <li>• More motivated otherwise no income.</li> <li>• More specialised sales people.</li> <li>• May have particular contacts that boost sales.</li> <li>• They rely on self motivation.</li> <li>• Success builds their reputation and credibility.</li> </ul> <p>Counterbalancing factors:</p> <ul style="list-style-type: none"> <li>• Freelancers may have no loyalty to the company.</li> <li>• They know the work is only short-term.</li> <li>• They might be working for other companies.</li> <li>• Unethical sales tactics.</li> <li>• They may not be able to earn a sufficient amount of money to motivate.</li> <li>• May demand higher commission.</li> </ul>
Level	Mark	Descriptor
No mark	0	Non-rewardable material. No mark is to be awarded if the candidate just re-states the question. i.e. using freelancers will increase motivation.
Level 1	1-2	<p>Candidate will consider freelancers or their own sales teams <b><u>with no development</u></b> - bottom of level.</p> <p>Candidate will consider freelancers or their own sales teams <b><u>with simple development</u></b> – top of level.</p> <p>Candidate will consider <b><u>both</u></b> freelancers and their own sales teams <b><u>with no development</u></b> – top of level.</p> <p>The quality of written communication will be poor with frequent spelling, punctuation, style and grammar errors.</p>

<p><b>Level 2</b></p>	<p><b>3-5</b></p>	<p>Candidate will consider either freelancers or their own sales teams <b><u>with more detailed development</u></b> – bottom of level.</p> <p>Candidate will further develop their responses with a reason/cause/consequence – middle of level.</p> <p>Candidate will have some <b><u>evidence of balance and context</u></b> – top of level.</p> <p>At the top of the level there will be some evidence of balance to the point/judgement in the form of advantage/disadvantage, cost/benefit, pro/con or some counterbalancing factor. At the top of the level, candidates may attach some value/importance to one of the factors and their will be evidence of contextualisation.</p> <p>There will be a good level of quality of written communication with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter.</p>
<p><b>Level 3</b></p>	<p><b>6-8</b></p>	<p>Candidate will consider freelancers and/or their own sales teams with development which includes <b><u>two</u></b> reasons/causes/consequences, balance with unsupported conclusion/judgement(s) all of which is in the context of the business – bottom of level.</p> <p>Candidate will consider freelancers and/or their own sales teams with development which includes <b><u>two</u></b> reasons/causes/consequences, clear balance with supported conclusion/judgement(s) all of which is in the context of the business – middle of level.</p> <p>Candidate will consider freelancers and/or their own sales teams with development which includes <b><u>two</u></b> reasons/causes/consequences, clear balance with supported conclusion/judgement(s) all of which is in the context of the business and using the 'it depends' rule or something similar – top of the level.</p> <p>The quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence that the candidate has structured their answer clearly and coherently, using appropriate terminology.</p>

**Section C:**

Question Number	Answer	Mark
<p><b>7</b></p> <p><b>AO1=2</b></p>	<p>Ethics are a set of moral principles. This might involve considering whether it is right for the business to do something because it might impact unfairly on one or more stakeholders E.g. treating workers badly in factories abroad.</p> <p>2 marks for an accurate definition. If an accurate definition is not given award 1 mark for an answer that refers to the difference between right and wrong e.g. not polluting.</p> <p>An imperfect definition can be raised to 2 marks through the use of an example or some kind of accurate elaboration.</p>	<p><b>(2)</b></p>

Question Number	Answer	Mark
<p><b>8</b></p> <p><b>AO2=2</b></p>	<p>1 mark for each appropriate method.</p> <p>Possible answers include:</p> <ul style="list-style-type: none"> <li>• Tariffs/customs duties.</li> <li>• Quotas/restrictions.</li> <li>• Any other relevant non-tariff barrier e.g. safety laws/legislation.</li> </ul>	<p><b>(2)</b></p>

Question Number		Indicative content
*9  QWC Strands (i), (ii) and (iii)  AO2=3 AO3=3		<p>The aim here is for candidates to discuss two benefits to <i>Primark</i> of selling its clothes at very low prices. The question asks the candidate to 'discuss', so we should expect some balance within the answer. This could take the form of considering the importance of one of the benefits relative to the other or by considering possible drawbacks to selling clothes at very low prices.</p> <p>Possible benefits:</p> <ul style="list-style-type: none"> <li>• Larger market, therefore greater revenues and profit.</li> <li>• Brand is enhanced in the market.</li> <li>• More likely to gain repeat purchases.</li> <li>• Makes it harder for other clothing retailers to set up/compete in the market.</li> </ul> <p>Possible sources of balance:</p> <ul style="list-style-type: none"> <li>• Lower prices mean thin profit margins so large volumes of sales are necessary.</li> <li>• Low prices could suggest that the quality of the clothes is low.</li> <li>• Low prices could imply that the clothes are produced using unethical practises.</li> <li>• Lower prices makes it harder to target upper socio-economic market segments.</li> </ul>
Level	Mark	Descriptor
No mark	0	Non-rewardable material.
Level 1	1-2	<p><u>One</u> benefit to <i>Primark</i> is highlighted with some simple development or <u>two</u> benefits are given with no development of either.</p> <p>An alternative route to marks in this level is if just a simple judgement or value is given to a benefit. 1 mark can be awarded for no support and 2 if some simple support is offered.</p> <p>The quality of written communication will be poor with frequent spelling, punctuation, style and grammar errors.</p>
Level 2	3-4	<p>Reference to at least <u>two</u> benefits is given with some development of each. A judgement/point is given at the lower end of the level with some development/support, which includes at least <u>one</u> reason/cause/consequence etc. for each benefit.</p> <p>At the top of the level this analysis will be relevant and linked to the judgement/point made.</p> <p>There will be a good level of quality of written communication with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter.</p>

<b>Level 3</b>	<b>5-6</b>	<p>Reference to at least <b><u>two</u></b> benefits is given with development of each. A judgement/point is given with some development which includes at least <b><u>two</u></b> reasons/causes/consequences etc. for each benefit and should include some comparison/judgement as to which benefit is more important/evidence of balance.</p> <p>Answers at the top of this level will refer to the <i>Primark</i>/clothing context.</p> <p>The quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence that the candidate has structured their answer clearly and coherently, using appropriate terminology.</p>
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Question Number	Indicative content
<p>* 10</p> <p><b>QWC Strands (i), (ii) and (iii)</b></p> <p><b>AO2=4</b> <b>AO3=6</b></p>	<p>The aim here is for candidates to make a judgement as to whether having a strict ethical policy will allow <i>Primark</i> to increase its profits. To demonstrate the evaluative skill, candidates could consider the importance of an ethical policy in <i>Primark's</i> overall marketing strategy. For instance they may consider that the quality of the clothing or the price of the clothing is much more important and that <i>Primark's</i> consumers are willing to overlook <i>Primark's</i> ethical record. Other candidates might question the importance of an ethical policy for a budget fashion retailer or might question the extent to which it boosts <i>Primark's</i> profits considering most other retailers also have one. Some candidates might consider time periods and suggest that in the longer term having an ethical policy might become more important to <i>Primark's</i> profitability. There is no right or wrong answer to this question, but candidates should aim to make a judgement which is supported. Candidates may consider the following ideas as part of their answer:</p> <p>Reasons why an ethical policy could be important:</p> <ul style="list-style-type: none"> <li>• Prevents pressure groups damaging <i>Primark's</i> brand.</li> <li>• Allows <i>Primark</i> to attract ethically motivated consumers.</li> <li>• Will enhance <i>Primark's</i> brand.</li> <li>• Will enable it to steal customers from rival budget retailers.</li> <li>• Could reduce the likelihood of any costly regulation.</li> </ul> <p>Reasons why an ethical policy may not be important:</p> <ul style="list-style-type: none"> <li>• Budget consumers may not care about ethics.</li> <li>• At times of low consumer confidence, ethics are perhaps less important.</li> <li>• Increases <i>Primark's</i> costs.</li> <li>• Other factors that cause profits to rise may be much more important.</li> </ul>

Level	Mark	Descriptor
No mark	0	Non-rewardable material.
1	1-4	<p>Candidate will consider <b>one</b> point with no statement - bottom of level.</p> <p>Candidate will consider <b>one</b> point with basic statement – middle of level.</p> <p>Candidate statements are supported – top of level.</p> <p>The quality of written communication will be poor with frequent spelling, punctuation, style and grammar errors.</p>
2	5-7	<p>Candidate will consider <b>two</b> reasons/causes/consequences to support point(s) – bottom of level.</p> <p>Candidate will develop their reasons/causes/consequences – middle of level.</p> <p>Candidate will have some evidence of balance – top of level.</p> <p>There will be a good level of quality of written communication with few mistakes in spelling, punctuation and grammar. The quality of the language used will be appropriate for the subject matter.</p>
3	8-10	<p>Candidate will consider point(s) with development which includes <b>two</b> reasons/causes/consequences, balance with unsupported conclusion or judgement(s) all of which is in the context of <i>Primark/clothing</i> – bottom of level.</p> <p>Candidate will consider point(s) with development which includes <b>two</b> reasons/causes/consequences, clear balance with supported conclusion/judgement(s) all of which is in the context of <i>Primark/clothing</i> – middle of level.</p> <p>Candidate will consider point(s) with development which includes <b>two</b> reasons/causes/consequences, clear balance with supported conclusion/judgement(s) all of which is in the context of <i>Primark/clothing</i> and using the 'it depends' rule or something similar – top of the level.</p> <p>The quality of written communication will be of a high standard with few, if any, errors in spelling, punctuation and grammar. The style of writing and the structure of the response will be appropriate and of a high standard and there will be clear evidence that the candidate has structured their answer clearly and coherently, using appropriate terminology.</p>

