



*Rewarding Learning*

ADVANCED SUBSIDIARY (AS)  
General Certificate of Education  
2017

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## **Business Studies**

Assessment Unit AS 1

*assessing*

Introduction to Business

**[SBU11]**

THURSDAY 18 MAY, AFTERNOON

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**MARK  
SCHEME**

## General Marking Instructions

### **Introduction**

The main purpose of the mark scheme is to ensure that examinations are marked accurately, consistently and fairly. The mark scheme provides examiners with an indication of the nature and range of candidates' responses likely to be worthy of credit. It also sets out the criteria which they should apply in allocating marks to candidates' responses.

### **Assessment objectives**

Below are the assessment objectives for GCE Business Studies.

Candidates should be able to:

- AO1** Demonstrate knowledge of terms, concepts, theories, methods and models to show an understanding of how individuals and organisations are affected by and respond to business issues.
- AO2** Apply knowledge and understanding to various business contexts to show how individuals and organisations are affected by and respond to issues.
- AO3** Analyse issues within a business, showing an understanding of the impact on individuals and organisations of external and internal influences.
- AO4** Evaluate quantitative and qualitative information to make informed judgements and propose evidence-based solutions to business issues.

### **Quality of candidates' responses**

In marking the examination papers, examiners should be looking for a quality of response reflecting the level of maturity which may reasonably be expected of a 17 or 18-year-old which is the age at which the majority of candidates sit their GCE examinations.

### **Flexibility in marking**

Mark schemes are not intended to be totally prescriptive. No mark scheme can cover all the responses which candidates may produce. In the event of unanticipated answers, examiners are expected to use their professional judgement to assess the validity of answers. If an answer is particularly problematic, then examiners should seek the guidance of the Supervising Examiner.

### **Positive marking**

Examiners are encouraged to be positive in their marking, giving appropriate credit for what candidates know, understand and can do rather than penalising candidates for errors or omissions. Examiners should make use of the whole of the available mark range for any particular question and be prepared to award full marks for a response which is as good as might reasonably be expected of a 17 or 18-year-old GCE candidate.

### **Awarding zero marks**

Marks should only be awarded for valid responses and no marks should be awarded for an answer which is completely incorrect or inappropriate.

### **Marking Calculations**

In marking answers involving calculations, examiners should apply the 'own figure rule' so that candidates are not penalised more than once for a computational error. To avoid a candidate being penalised, marks can be awarded where correct conclusions or inferences are made from their incorrect calculations.

### **Types of mark schemes**

Mark schemes for tasks or questions which require candidates to respond in extended written form are marked on the basis of levels of response which take account of the quality of written communication.

Other questions which require only short answers are marked on a point for point basis with marks awarded for each valid piece of information provided.

### **Levels of response**

In deciding which level of response to award, examiners should look for the 'best fit' bearing in mind that weakness in one area may be compensated for by strength in another. In deciding which mark within a particular level to award to any response, examiners are expected to use their professional judgement.

The following guidance is provided to assist examiners.

- **Threshold performance:** Response which just merits inclusion in the level and should be awarded a mark at or near the bottom of the range.
- **Intermediate performance:** Response which clearly merits inclusion in the level and should be awarded a mark at or near the middle of the range.
- **High performance:** Response which fully satisfies the level description and should be awarded a mark at or near the top of the range.

### **Quality of written communication**

Quality of written communication is taken into account in assessing candidates' responses to all tasks and questions that require them to respond in extended written form. These tasks and questions are marked on the basis of levels of response. The description for each level of response includes reference to the quality of written communication.

For conciseness, quality of written communication is distinguished within levels of response as follows:

Level 1: Quality of written communication is basic.

Level 2: Quality of written communication is satisfactory.

Level 3: Quality of written communication is good.

Level 4: Quality of written communication is excellent.

In interpreting these level descriptions, examiners should refer to the more detailed guidance provided below:

**Level 1 (Basic):** The candidate makes only a basic selection and use of an appropriate form and style of writing. The organisation of material may lack clarity and coherence. There is little use of specialist vocabulary. Presentation, spelling, punctuation and grammar may be such that intended meaning is not clear.

**Level 2 (Satisfactory):** The candidate makes a satisfactory selection and use of an appropriate form and style of writing. Relevant material is organised with some degree of clarity and coherence. There is some use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are satisfactory enough to make meaning clear.

**Level 3 (Good):** The candidate makes a good selection and use of an appropriate form and style of writing. Relevant material is organised with good clarity and coherence. There is good use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are sufficiently competent to make meaning clear.

**Level 4 (Excellent):** The candidate successfully selects and uses the most appropriate form and style of writing. Relevant material is organised with a high degree of clarity and coherence. There is widespread and accurate use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are of a sufficiently high standard to make meaning very clear.

- 1 (a) Use Boojum Limited as an example to explain the importance of **Adding Value**. (AO1, AO2)

- Provides customers with a unique product/service which meets their needs, e.g. vegetarian burritos, shredded pork tacos;
- Enables the business to increase revenues/profits/market share; ensures survival, e.g. Andrew and David Maxwell can gain increased dividends.

**Marking:**

- Good, accurate knowledge and detailed explanation of the importance of Adding Value [2]
- Basic knowledge and explanation of the importance of Adding Value [1]
- Good use of relevant source material to support detailed explanation of the importance of Adding Value [2]
- Limited use of relevant source material to support explanation of the importance of Adding Value [1]
- Answers not worthy of credit [0]

4

- (b) (i) Using the information in **Fig. 2** calculate (to two decimal places) Northern Ireland's percentage share of the total Quick Service Annual Sales Revenue during 2014. Show your workings clearly. (AO1, AO2, AO3)

**£454m**

$$\text{£1664m} \times 100 = 27.28\%$$

**Marking:**

- statement of correct answer without supporting workings (AO1, AO2) [2]
- statement of correct figures (£454m/£1664m) (AO1) [1]
- statement of correct answer 27.28% (AO2) [1]
- statement of incorrect answer [0]

2

- (ii) Analyse **two** motives that entrepreneurs David and Andrew Maxwell might have had, prior to setting up Boojum Limited. (AO1, AO2, AO3)

AVAILABLE  
MARKS

**Possible motives include:**

- To make profits (i.e. financial rewards)
- To take advantage of business opportunities (i.e. gap in the market/vision)
- To create their own job and provide employment for staff
- Being your own boss (i.e. self-fulfilment/making decisions)
- Ethical reasons – promote healthy food standards, health/safety
- Home working
- Social entrepreneurship – engage with consumers, trade contacts

**Marking:**

**Level 3 [5]–[6]**

An excellent response demonstrates:

- Well-focused and sound analysis of two motives that entrepreneurs such as David and Andrew Maxwell might have had
- Comprehensive and relevant, accurate knowledge and understanding of two motives that entrepreneurs such as David and Andrew Maxwell might have had
- Thorough and detailed use of relevant source material to analyse two motives that entrepreneurs such as David and Andrew Maxwell might have had.

**Level 2 [3]–[4]**

A good response demonstrates:

- Focused analysis of two motives that entrepreneurs such as David and Andrew Maxwell might have had
- Good, accurate knowledge and understanding of two motives that entrepreneurs such as David and Andrew Maxwell might have had
- Good use of relevant source material to analyse two motives that entrepreneurs such as David and Andrew Maxwell might have had.

**Level 1 [1]–[2]**

A basic response demonstrates:

- Basic analysis of the motives that entrepreneurs such as David and Andrew Maxwell might have had
- Basic knowledge and understanding of the motives that entrepreneurs such as David and Andrew Maxwell might have had
- Limited use of relevant source material to analyse the motives that entrepreneurs such as David and Andrew Maxwell might have had.

Answers not worthy of credit [0] marks.

[6]

6

(c) Analyse **three** benefits of Boojum Limited operating as a private limited company. (AO1, AO2, AO3)

- Economies of scale (financial)
- Publish limited information compared to public limited company
- Shareholders enjoy limited liability to the extent of their investment in the company
- Control remains within the key shareholders, generally not accessible to investors on the stock market
- Reduced risk of a formal takeover by predator investors, e.g. competitors
- Secures the future of the business and staff since additional funds may be available to the company, compared to a sole trader business (i.e. from banks/shareholders)
- Decision making shared across directors and shareholders
- Continuity of existence.

**Marking:**

**Level 3 [8]–[10]**

An excellent response demonstrates:

- Well-focused and sound analysis of three benefits of Boojum Limited operating as a private limited company
- Comprehensive and relevant, accurate knowledge and understanding of all three benefits of Boojum Limited operating as a private limited company
- Thorough and detailed use of relevant source material to analyse all three benefits of Boojum Limited operating as a private limited company
- An excellent quality of written communication.

**Level 2 [4]–[7]**

A good response demonstrates:

- Focused analysis of up to three benefits of Boojum Limited operating as a private limited company
- Good, accurate knowledge and understanding of up to three benefits of Boojum Limited operating as a private limited company
- Good use of relevant source material to analyse up to three benefits of Boojum Limited operating as a private limited company
- A good quality of written communication.

**Level 1 [1]–[3]**

A basic response demonstrates:

- Basic analysis of the appropriate benefits of Boojum Limited operating as a private limited company
- Basic knowledge and understanding of the appropriate benefits of Boojum Limited operating as a private limited company
- Limited use of relevant source material to analyse one, two or three benefits of Boojum Limited operating as a private limited company
- A basic quality of written communication.

Answers not worthy of credit **[0]** marks.

The question requires an analysis of three benefits of Boojum Limited operating as a private limited company. Any additional points discussed will not attract any marks.

[10]

AVAILABLE  
MARKS

10

- (d) Evaluate the impact on Boojum Limited of using online technology as part of their recruitment process. (AO1, AO2, AO3, AO4)

AVAILABLE  
MARKS

**Positive impacts of online technology:**

- More efficient – greater use of online technology might lead to economics of scale
- Reduced cost – it saves the Human Resource department a lot of money in the recruitment process
- Increased audience – i.e. greater pool of applicants
- Faster – enables Boojum Limited to complete the process quicker
- Easy for Boojum to use and update new jobs
- It helps to assess candidate's personality through use of online tests.

**Negative impacts of online technology:**

- High volume of responses – time consuming for Boojum managers, may need specialist recruiter to help
- Logistical problems – some applicants may apply from half way round the world. Telephone interview may be needed.
- Security issues – some applicants may prefer to send a CV in via post – may reduce size of pool of candidates – not everyone has access to IT facilities
- Poor website – if the website is poorly designed or out-of-date then it may put off potential applicants and make succession planning more difficult – technical difficulties
- Fraudulent applications possible in increasing numbers.

**Marking:**

**Level 4 [14]–[18]**

An excellent response demonstrates:

- Comprehensive and relevant, accurate knowledge and understanding, and detailed evaluation of the use of online technology for recruitment in Boojum Limited; comprehensive analysis
- Highly appropriate, clear and logical judgement of the use of online technology for recruitment in Boojum Limited
- Thorough use of relevant source material to address the use of online technology for recruitment in Boojum Limited
- An excellent quality of written communication.

**Level 3 [10]–[13]**

A good response demonstrates:

- Sound, good, accurate knowledge and understanding, and evaluation of the use of online technology for recruitment in Boojum Limited; sound analysis
- An appropriate, clear and logical judgement of the use of online technology for recruitment in Boojum Limited, based on well focused analysis
- Good use of relevant source material to address the use of online technology for recruitment in Boojum Limited
- A good quality of written communication.

**Level 2 [6]–[9]**

A satisfactory response demonstrates:

- Satisfactory knowledge, understanding and application of the use of online technology for recruitment in Boojum Limited; satisfactory analysis



- A suitable, appropriate judgement based on reasonable evaluation of the use of online technology for recruitment in Boojum Limited
- A satisfactory quality of written communication.

**Level 1 [1]–[5]**

A basic response demonstrates:

- Basic knowledge and understanding, with unfocused evaluation of the use of online technology for recruitment in Boojum Limited
- Basic or no judgement based on limited analysis of the use of online technology for recruitment in Boojum Limited
- Limited use of relevant source material to address the use of online technology for recruitment in Boojum Limited
- A basic quality of written communication.

Answers not worthy of credit [0] marks.

[18]

18

- 2 (a) Explain the term **niche market**, using Eat-Well Café as an example. (AO1, AO2)

- Concentration of marketing efforts on a small but specific and well defined segment of the population – niches are created by identifying needs, wants, and requirements that are being addressed poorly or not at all by other firms, and developing and delivering goods or services to satisfy them (e.g. gluten-free products)
- Typically a business aims their product at a narrow or focused subset of a larger market sector
- Eat-Well Café's turnover was reported at £300 000 in 2016 representing a niche market locally.

**Marking:**

- Good, accurate knowledge and detailed explanation of niche market [2]
- Basic knowledge and explanation of a niche market [1]
- Good use of relevant source material to support detailed explanation of a niche market [2]
- Limited use of relevant source material to support detailed explanation of a niche market [1]
- Answers not worthy of credit [0]

4

- (b) (i) Calculate (to the nearest whole number) the percentage change in annual sales revenues from 2014 to 2019 as shown in **Fig. 3**. Show your workings clearly. [2]

$$= \frac{(\pounds 547.5\text{m} - \pounds 365\text{m})}{\pounds 365\text{m}}$$

$$= \pounds 182.5\text{m} / \pounds 365\text{m}$$

$$= 50\%$$

**Marking:**

- Statement of correct answer, without supporting workings (AO1, AO2) [2]
- Correct calculation of £182.5m increase in sales revenues (AO1) [1]
- Correct calculation of correct answer 50% (AO2) [1]
- Statement of incorrect answer [0]

2



- (ii) Analyse the **two** factors mentioned in the case study that may influence the demand for 'Free From' foods between 2014 and 2019.

- Change in disposable incomes – consumers may be willing to pay more for 'Free From' foods compared to alternative foods on the market; incomes are expected to rise by at least £1500 over the period to 2019
- Increased levels of advertising by competitors in the 'Free From' food sector; Sophie plans to increase the amount spent on advertising by £2211 next year.

**Marking:**

**Level 3 [5]–[6]**

An excellent response demonstrates:

- Well-focused and sound analysis of two stated factors that might affect the demand for 'Free From' foods between 2014 and 2019
- Comprehensive and relevant, accurate knowledge and understanding of two factors that might affect the demand for 'Free From' foods between 2014 and 2019.

**Level 2 [3]–[4]**

A good response demonstrates:

- Focused analysis of up to two stated factors that might affect the demand for 'Free From' foods between 2014 and 2019
- Good, accurate knowledge and understanding of the factors that might affect the demand for 'Free From' foods between 2014 and 2019.

**Level 1 [1]–[2]**

A basic response demonstrates:

- Basic analysis of the stated factors that might affect the demand for 'Free From' foods between 2014 and 2019
- Basic knowledge and understanding the factors that might affect the demand for 'Free From' foods between 2014 and 2019.

Answers not worthy of credit **[0]** marks.

[6]

6

AVAILABLE  
MARKS

- (c) Analyse **three** benefits to Eat-Well Café of using ‘**off-the-job**’ training. (AO1, AO2, AO3, AO4)

AVAILABLE  
MARKS

**Analysis of off-the-job training:**

- employees should be properly trained as the course is run by a professional; less wastage
- the trainee can learn at his/her own pace (not distracted)
- the cost of training is easily calculated
- an employee can receive a formal qualification
- it will motivate an employee (i.e. feel more valued)
- staff more productive once completed
- more efficient use of resources (i.e. minimal loss of production)
- enhances image of the business.

**Marking:**

**Level 3 [8]–[10]**

An excellent response demonstrates:

- Comprehensive and relevant, accurate knowledge and understanding, and detailed analysis of three benefits of ‘off-the-job’ training to Eat-Well Café
- Thorough use of relevant source material to address the benefits of ‘off-the-job’ training to Eat-Well Café
- An excellent quality of written communication.

**Level 2 [4]–[7]**

A good response demonstrates:

- Sound, good, accurate knowledge and understanding, and analysis of up to three benefits of ‘off-the-job’ training to Eat-Well Café
- Good use of relevant source material to analyse three benefits of ‘off-the-job’ training to Eat-Well Café
- A good quality of written communication.

**Level 1 [1]–[3]**

A basic response demonstrates:

- Basic knowledge and understanding, with unfocused analysis of the benefits of ‘off-the-job’ training to Eat-Well Café
- Limited use of relevant source material to analyse the benefits of ‘off-the-job’ training to Eat-Well Café
- A basic quality of written communication.

Answers not worthy of credit **[0]** marks.

[10]

10

- (d) Evaluate the impact of Sophie’s democratic style of leadership on staff motivation. (AO1, AO2, AO3, AO4)

**Positive impacts:**

- A more motivated workforce in the Eat-Well Café may be evident thus improving reputation
- Sophie will get feedback about employees who come into contact with customers every day – improves image of the Café
- Sophie may delegate more authority down and this gives her more time to run the business – this extra responsibility may increase staff motivation; this means that workers feel valued
- Builds strong teamwork – this extra responsibility may increase staff motivation; this means social needs are met; are happier
- Empowers workers – this extra responsibility may increase staff motivation; this means workers have greater autonomy

- Encourages group decision-making – this may increase staff morale and motivation; this means staff improve their skill sets.

AVAILABLE MARKS

**Negative impacts:**

- No clear direction in times of crisis.
- Time consuming to implement which may demotivate staff in the Café
- Encourages disagreement when important decisions are needed to be made – this may demotivate staff in the Café.
- Stress – staff may not want to make key decisions; may result in poor decision-making

**Marking:**

**Level 4 [14]–[18]**

An excellent response demonstrates:

- Well-focused and sound evaluation of the impact of a democratic style of leadership by Sophie on staff motivation; focused analysis
- Comprehensive and relevant, accurate knowledge and understanding of the impact of a democratic style of leadership by Sophie on staff motivation
- Thorough and detailed use of relevant source material to discuss the impact of a democratic style of leadership by Sophie on staff motivation
- An excellent quality of written communication.

**Level 3 [10]–[13]**

A good response demonstrates:

- Focused evaluation of the impact of a democratic style of leadership by Sophie on staff motivation; focused analysis
- Good, accurate knowledge and understanding of the impact of a democratic style of leadership by Sophie on staff motivation
- Good use of relevant source material to discuss the impact of a democratic style of leadership by Sophie on staff motivation
- A good quality of written communication.

**Level 2 [6]–[9]**

A satisfactory response demonstrates:

- Satisfactory knowledge, understanding and application of the impact of a democratic style of leadership on staff motivation; satisfactory analysis
- A suitable, appropriate judgement based on reasonable evaluation of the impact of a democratic style of leadership on staff motivation
- A satisfactory quality of written communication.

**Level 1 [1]–[5]**

A basic response demonstrates:

- Basic evaluation of the appropriate impact of a democratic style of leadership by Sophie on staff motivation
- Basic knowledge and understanding of the appropriate impact of a democratic style of leadership by Sophie on staff motivation
- Limited use of relevant source material to discuss appropriate impact of a democratic style of leadership by Sophie on staff motivation
- A basic quality of written communication.

Answers not worthy of credit [0] marks.

The question requires a discussion of the impact of a democratic style of leadership by Sophie on staff motivation. Any additional issues discussed will not attract any marks.

[18]

**Total**

**AVAILABLE  
MARKS**

18

**80**