



**General Certificate of Secondary Education
2018**

Business and Communication Systems

Unit 2: The Business Environment

[GBC21]

WEDNESDAY 20 JUNE, AFTERNOON

**MARK
SCHEME**

General Marking Instructions

Introduction

Mark schemes are published to assist teachers and students in their preparation for examinations. Through the mark schemes teachers and students will be able to see what examiners are looking for in response to questions and exactly where the marks have been awarded. The publishing of the mark schemes may help to show that examiners are not concerned about finding out what a student does not know but rather with rewarding students for what they do know.

The Purpose of Mark Schemes

Examination papers are set and revised by teams of examiners and revisers appointed by the Council. The teams of examiners and revisers include experienced teachers who are familiar with the level and standards expected of students in schools and colleges.

The job of the examiners is to set the questions and the mark schemes; and the job of the revisers is to review the questions and mark schemes commenting on a large range of issues about which they must be satisfied before the question papers and mark schemes are finalised.

The questions and the mark schemes are developed in association with each other so that the issues of differentiation and positive achievement can be addressed right from the start. Mark schemes, therefore, are regarded as part of an integral process which begins with the setting of questions and ends with the marking of the examination.

The main purpose of the mark scheme is to provide a uniform basis for the marking process so that all the markers are following exactly the same instructions and making the same judgements in so far as this is possible. Before marking begins a standardising meeting is held where all the markers are briefed using the mark scheme and samples of the students' work in the form of scripts. Consideration is also given at this stage to any comments on the operational papers received from teachers and their organisations. During this meeting, and up to and including the end of the marking, there is provision for amendments to be made to the mark scheme. What is published represents this final form of the mark scheme.

It is important to recognise that in some cases there may well be other correct responses which are equally acceptable to those published: the mark scheme can only cover those responses which emerged in the examination. There may also be instances where certain judgements may have to be left to the experience of the examiner, for example, where there is no absolute correct response – all teachers will be familiar with making such judgements.

1 Helen owns Hairport Hairdressers. She wants to recruit a new hairdresser.

(a) Identify and explain **two** methods of recruitment which Helen could use.

- Media, e.g. newspapers – These usually contain a jobs section that local people would know to look in. It is not usually expensive to advertise in local newspapers;
- Job Centre – These are centres run by the government. They display advertisements as well as mentioning posts to unemployed people that they know would be suitable. It is free to advertise through the job centre;
- The Internet – There are different kinds of websites that organisations can use, including sites that advertise a range of jobs or the organisation's own site. It is fairly cheap to use these sites;
- Private Recruitment Agency – These businesses will try to find suitable employees in return for a fee.

(AO1 1 × [2], AO2 1 × [2]) [4]

(b) The new hairdresser will need some training.

(i) Identify and explain **two** reasons why this new hairdresser will need training.

- Induction – to introduce the new hairdresser to the business;
- To introduce the new hairdresser to new equipment or methods of styling hair;
- To improve the efficiency of the hairdresser, for example, when dealing with customers; cutting hair etc.
- To lessen the possibility of accidents in the workplace;
- Helen as an employer has a statutory duty to provide training in respect of Health and Safety.

Any two of the above points with explanation relevant to this business.
(AO1 1 × [2], AO2 1 × [2]) [4]

(ii) Identify **one** type of on-the-job training suitable for the new hairdresser.

Work shadowing, internal courses, e.g. Health and Safety training, demonstration, role play.

(AO1 1 × [1]) [1]

(iii) Explain **one** advantage and **one** disadvantage of using on-the-job training for Hairport Hairdressers.

Advantage:

- Well suited for small groups – on-the-job training is often the most practical training method when you only need to train one or two employees at a time, such as the case in this business;
- Low cost – does not require the development of potentially expensive training materials or classroom/computer based instruction;
- The content of the course is designed specifically for Helen's business;
- It is usually more economic because the work at the business is not interrupted;
- Training specific to the needs of Hairport Hairdressers can be provided.

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Disadvantage:

- Bad habits – the trainee may observe and adopt the trainer’s habits and attitudes about all aspects of the job including safety, quality, customer service and relationship with management;
- Incomplete – without a structured lesson guide, Helen may forget to cover important information. What is learned is likely to be based on what happened that day rather than on what the new hairdresser needs to know to be safe and productive;
- Inconsistent – on-the-job training relies heavily on an experienced employee at the business to provide the instructions based on what they feel are the most important topics. What is important to one employee may not be important to another. The result is what is learned may vary greatly, depending on who is assigned to the employee;
- Takes the worker who is providing the training away from their normal work or slows it down;
- Employees training may make mistakes, this can impact negatively on customers.

(AO1 1 × [2], AO2 1 × [2])

[4]

- (c) The new hairdresser will be paid a wage, instead of a salary.

Explain the difference between a wage and a salary.

Wage

Someone who is paid wages receives a pay rate per hour multiplied by the number of hours worked. The new hairdresser will be paid based on the hours he/she worked.

Salary

Someone who is paid a salary is paid a fixed amount each month, with the total of these fixed payments over a full year totalling to the amount of the salary.

(AO2 1 × [2])

[2]

- (d) Helen plans to use ICT to calculate wages.

- (i) Identify the most suitable type of software she could use.

Spreadsheet

(AO1 [1])

[1]

- (ii) Explain **two** advantages of using this software application for Hairport Hairdressers.

- Formula – allows Helen to calculate figures quickly, e.g. +, –, *, /, sum, max, min;
- Currency – allows Helen to choose the appropriate currency;
- Graphs – allows Helen to create graphs to see information easily;
- Replicate (cut, copy, paste) – copy formula, text, numbers quickly;
- Template – when Helen has created the template she can use it again and again;
- Use of macros/shortcuts;
- Validation techniques.

(AO1 1 × [2], AO2 1 × [2])

[4]

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(e) Identify and explain **two** stakeholder groups who might have an interest in Hairport Hairdressers.

- Consumers/customers – consumers have a stake in Hairport Hairdressers and will support it if it supplies goods and services at suitable prices. Hairport Hairdressers improves competition and the variety of goods/services on offer;
- Employees/managers – these are the people who work for Hairport Hairdressers. They will be rewarded with a wage or salary;
- Local community – creating jobs, e.g. Job Seekers;
- Government – collects tax from business and individuals. Those who are earning pay income tax. Everyone has to pay value added tax (VAT) on most purchases. Hairport Hairdressers pay tax on its profit to the government;
- Producers/suppliers – they supply materials to Hairport Hairdressers and they want it to succeed to receive repeat business;
- Trade unions – is an organisation which represents the interest of the workers at Hairport Hairdressers and negotiates with management on their behalf;
- Competitors – will be interested in Hairport Hairdresser's prices and services;
- Financial institutions, e.g. banks.

(AO1 1 × [2], 1 × [2])

[4]

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2 Techy Software plc is a company that develops Apps for education.

(a) What type of business ownership is Techy Software plc?

Public Limited Company
(AO1 1 × [1])

[1]

(b) Name the **two** legal documents this type of ownership must complete before they start trading.

1. Memorandum of Association
 2. Articles of Association
- (AO1 2 × [1])

[2]

(c) The main feature of this type of business ownership is limited liability. Explain what this means for the shareholders of Techy Software plc.

Limited liability means that people who invest in Techy Software plc cannot lose any money other than the amount they invested in it. If the business should fail, the shareholders' of Techy Software plc liability is limited to the amount of their original investment – their private possessions cannot be taken and used to pay off business debts. This offers assurance to current and potential investors in Techy Software plc.

(AO2 1 × [2])

[2]

(d) Apart from limited liability, explain **one** advantage and **one** disadvantage of this type of ownership for Techy Software plc.

Advantages:

- Public limited companies like Techy Software plc are very powerful organisations, with great influence in the market;
- The capital available to Techy Software plc is very large which gives them all the benefits of increased finance;
- A public limited company like Techy Software plc has the resources necessary for growth and expansion;
- Techy Software plc has a separate legal identity from that of its owners, it can take legal action without involving the shareholders;
- Techy Software plc has continuity of existence and shareholders may buy and sell their shares without affecting the business;
- Each director and manager has his/her own area of responsibility in Techy Software plc, giving the benefits of specialisation and division of labour;
- Financial economies of scale making it easier to borrow money;
- Board of Directors are specialists appointed to run the business, this allows shared decision making.

Disadvantages:

- The shareholders are the owners of Techy Software plc but the directors and managers make all the decisions. Therefore the owners of Techy Software plc have no real say in its running;
- The formation of a public limited company like Techy Software plc involves a lengthy and costly legal procedure;

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- The financial information of Techy Software plc must be published for the information of the general public, meaning competitors can access this information;
- In some public companies like Techy Software plc top management and employees feel out of touch with one another;
- Decision making in large companies like Techy Software plc is frequently slow because a series of meetings have to be held and numerous people consulted.

(AO2 2 × [2])

[4]

(e) Identify and explain **two** aims Techy Software plc is likely to have.

- To create and improve profit – one of the most important aims for Techy Software plc is to make a profit and to improve on the profit levels of previous years. All stakeholders in Techy Software plc will benefit – the owners and shareholders get larger returns on their investment, customers will have an improved variety of goods on offer in Techy Software plc, while employees have job security meaning their morale is improved;
- To grow and expand – if Techy Software plc is successful it will aim to grow and expand its market into new areas by opening more branches, by taking over other businesses, or by extending its range of products;
- To survive – when Techy Software plc was first opened, it took some time for it to become established in the market. During the period when it was becoming established it is unlikely to be in a profit-making position, and its basic aim, at the early stage, would simply be to survive;
- To have a good corporate image – Techy Software plc need to have a good corporate image. This means that they want to be well thought of by their customers, by other companies and by members of the general public;
- Care for the environment – Techy Software plc will take on board Reduce, Recycle and Reuse;
- Staff development – Techy Software plc continues to offer staff development on a regular basis.

(AO1 1 × [2], AO2 1 × [2])

[4]

(f) Techy Software plc are in the process of updating their website. Analyse **one** advantage and **one** disadvantage of e-business to Techy Software plc.

Advantages to Techy Software plc

- A well developed website will make the business look professional;
- Potentially, people worldwide can access information on the business or buy its products;
- People can access information or buy from the business 24 hours a day, seven days a week;
- It is easier and quicker to update a website compared to documentation such as catalogues;
- It could lead to a cut in costs for Techy Software plc: if they start doing more business online.

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Disadvantages to Techy Software plc

- Designing and maintaining a website can be costly;
- Expert staff are needed to design and maintain the website;
- Technical difficulties can lead to problems;
- Security concerns can be a problem, especially when dealing with people's money or personal details;
- Increased competition when trading on a global scale.

(AO3 2 × [2])

[4]

- (g) Discuss the legal implications of data protection for e-business to Techy Software plc.

Data Protection Act 1998

The Data Protection Act covers all personal data, whether it is stored on a computer or other media such as paper or video. The Act is enforced by a government regulator called the Information Commissioner. People who have their personal data stored by organisations are known as Data Subjects. The Data Protection Act contains eight principles which organisations must follow if they collect personal data.

- Information must be fairly and lawfully processed;
- Information must be processed for limited purposes;
- Information must be adequate, relevant and not excessive;
- Information must be adequate and up to date;
- Information must not be kept for longer than is necessary;
- Information must be processed in line with your rights;
- Information must be secure;
- Information must not be transferred to other countries without adequate protection.

Techy Software plc must:

- Appoint a Data Controller to ensure Techy Software plc comply with legislation;
- Keep employees informed of the legislation and changes to it;
- Provide access on request.

Candidates must reference Techy Software plc in their answers.

Level 0 [0]

Candidate's answer is not worthy of credit.

Level 1 ([1]–[3])

The candidate has made a limited analysis and evaluation of the legal implications of data protection for e-business to Techy Software plc. Candidate makes limited use of specialist terms. Candidate demonstrates a limited level of accuracy in spelling, punctuation and grammar. The meaning of the text is clear some of the time. The candidate demonstrates a limited level of writing, form and style appropriate to the purpose of the question. The organisation of the work is limited.

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Level 2 ([4]–[6])

The candidate has made a satisfactory analysis and evaluation of the legal implications of data protection for e-business to Techy Software plc. Candidate makes satisfactory use of specialist terms. Candidate demonstrates a satisfactory level of accuracy in spelling, punctuation and grammar. The meaning of the text is clear most of the time. The candidate demonstrates a satisfactory level of writing, form and style appropriate to the purpose of the question. The organisation of the work is satisfactory.

Level 3 ([7]–[8])

The candidate has made a good analysis and evaluation of the legal implications of data protection for e-business to Techy Software plc. Candidate demonstrates a good use of specialist terms. Candidate demonstrates a good level of accuracy in spelling, punctuation and grammar. The meaning of the text is always clear. The candidate demonstrates a good level of writing, form and style appropriate to the purpose of the question. The organisation of the work is good.

(AO2 [2], AO3 [6])

[8]

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3 Paul Parker is starting a new painting business called PP Painting, providing painting services. Paul intends to conduct market research to discover potential customers.

(a) Identify and explain the **two** market research methods that Paul could use.

- **Primary/Field Research** – Gathering data for the first time and for a specific purpose.
Example: Questionnaire, observation, focus groups, surveys.
- **Secondary/Desk Research** – Collecting data that already exists.
Example: Government statistics, Reports from market research agencies, Company Reports, Websites, Trade Journals.

(AO1 1 × [2], AO2 1 × [2])

[4]

(b) Describe the difference between random and quota sampling.

Random Sampling

Random sampling is where people are randomly selected and asked for their opinions by Paul. For example, random sampling may be taken as every fifth person who walks down the street

Quota sampling

Quota sampling is where a sample is selected from a set number of people who fall into predetermined categories by Paul. For example, a quota sample might consist of 50% males and 50% females.

(AO2 2 1 × [2])

[2]

(c) Paul's business needs to have the right marketing mix. Explain the following elements of the marketing mix in relation to Paul's business.

Price

The price of the product is basically the amount of money that a customer pays for Paul's service. The price set should be one the market can bear and could be value based, competitor based or cost plus pricing.

Product

A product is an item that is built or produced to satisfy the needs of a certain group of people. It can also be in the form of a service such as Paul's painting business. Product life cycle.

Promotion

Promotion can help to boost brand recognition and sales. Promotion has two main forms – advertising and sales promotion. Paul will want to use promotion to let customers know about his business and encourage them to use his service.

Place

It is important that Paul positions and distributes his service in a place that is accessible to potential customers. Channels of distribution.

(AO2 4 × [1], AO3 4 × [1])

[8]

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- (d) Paul needs to think about the main methods of communication for his business. Describe the following methods.

Formal

Formal communication is the exchange of information using official methods sent by Paul's business. This may be to people outside the organisation or within PP Painting. A business letter is an example of formal communication.

Informal

Informal communication are unofficial messages not formally approved by Paul's business. This involves employees within PP Painting communicating with each other, e.g. grapevine.

(AO2 2 × [2])

[4]

- (e) Evaluate the impact that ICT could have on communication in Paul's business.

The benefits of ICT on communication within Paul's business:

- Resources – material can be altered and improved without having to start again or reprint. This results in less wastage of paper;
- Improved quality – the finished work has a more professional appearance;
- Faster production – word processors/spreadsheets/photoshop produce a greater quantity of material in a shorter period of time;
- Corporate image – the public image of Paul's business is enhanced;
- Data source – Paul's business has access to a vast range of material. This keeps them well informed;
- Faster speed – e-mails, website, help desk, apps, text;
- Any other relevant point related to the benefit of ICT on communication.

The drawbacks of ICT on communication within Paul's business:

- Technology costs – all employees need training in the correct use of the technology and retraining as the technology is updated;
- Technological breakdown – computers occasionally go down, causing a break in work and perhaps lost material;
- Capital investment – there is a vast outlay of capital in installing the new technology and in keeping it up-to-date;
- Costs of hardware – computer, printer, scanner, digital camera
- Any other relevant point related to the drawback of ICT on communication.

Level 0 [0]

Candidate's answer is not worthy of credit.

Level 1 ([1]–[3])

The candidate has made a limited analysis and evaluation of the impact that ICT could have on communication in Paul's business. Candidate makes limited use of specialist terms. Candidate demonstrates a limited level of accuracy in spelling, punctuation and grammar. The meaning of the text is clear some of the time. The candidate demonstrates a limited level of writing, form and style appropriate to the purpose of the question. The organisation of the work is limited.

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Level 2 ([4]–[6])

The candidate has made a satisfactory analysis and evaluation of the impact that ICT could have on communication in Paul's business. Candidate makes satisfactory use of specialist terms. Candidate demonstrates a satisfactory level of accuracy in spelling, punctuation and grammar. The meaning of the text is clear most of the time. The candidate demonstrates a satisfactory level of writing, form and style appropriate to the purpose of the question. The organisation of the work is satisfactory.

Level 3 ([7]–[8])

The candidate has made a good analysis and evaluation of the impact that ICT could have on communication in Paul's business. Candidate demonstrates a good use of specialist terms. Candidate demonstrates a good level of accuracy in spelling, punctuation and grammar. The meaning of the text is always clear. The candidate demonstrates a good level of writing, form and style appropriate to the purpose of the question. The organisation of the work is good.

(AO2 [2], AO3 [6])

[8]

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Total

75

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