



General Certificate of Secondary Education  
2011

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**Business Studies**

Assessment Unit 1

*assessing*

Business Start Up

**[GBS11]**

**FRIDAY 27 MAY, AFTERNOON**

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**MARK  
SCHEME**

## GCSE BUSINESS STUDIES – 2011

AVAILABLE  
MARKS

## UNIT 1 (REVISED SPECIFICATION) – MARKS SCHEME

1 (a)

(i)	Sole trader
(ii)	Public limited company or Private limited company (plc, ltd)
(iii)	Franchise plc, ltd
(iv)	Partnership

[4]

(b) **One** advantage of a public limited company:

- they are powerful organisations with control over the market
- shareholders have limited liability
- capital is available through share issue to the public
- easier to borrow money as they are considered less risk
- continuity of existence
- specialisation and division of labour possible with specialist functional areas
- economies of scale.

**One** disadvantage of a public limited company:

- the owners have no real say over the running of the business
- lengthy process to set up
- accounts are published and available to all
- decision making can be slower due to increased size
- can be open to takeovers.

(2 × [2])

[4]

(c) A social enterprise is a business that is not driven by the need to make a profit and profits are reinvested to benefit the business or the community.

[2]

(d) Any **two** examples of appropriate businesses, e.g.:

- Divine Chocolate
- The Big Issue
- Bryson House
- Fifteen, etc.
- The Eden Project
- Fair Trade
- **NOT** – a charity

(1 + [1])

[2]

(e) Explanation of the **role** of the public sector:

- to provide essential services such as health and education
- to provide security for the country
- to distribute wealth more evenly
- in some cases the private sector do not want to provide the service as it might be unprofitable.

(2 × [2] or 1 × [4])

[4]

(f) Analysis of **two** differences in the public and private sector from the following:

The aims are different

- aims of private sector business are generally to make a profit whereas the main aim of the public sector business is to provide a service. [3]

The control/ownership is different

- generally the private sector is run by the owners of the business whereas the public sector is controlled by the government on behalf of the people. [3]

The raising of capital

- in the private sector capital is invested by private people whereas the money for the public sector business comes from taxes. [3]

(2 × [3])

[6]

22

2 (a) One advantage of division of labour:

- increased quality as each worker becomes very skilled at one particular task
- lengthy and costly training is not required
- the work is faster leading to increased output
- lower prices will increase sales and profit.

One disadvantage:

- the work can be boring leading to decreased motivation
- delays or strikes in one part of the factory will affect the rest of the output
- there is a loss of traditional skills
- goods produced usually lack variety
- lack of employability.

(2 × [2])

[4]

(b) Impact of using technology on production.

One advantage from the following:

- improvement in the quality of output leading to increased satisfaction/increased output
- the chance to develop new products
- a decrease in the costs of production
- higher profit levels due to increased output
- 24/7 production. [2]

One disadvantage from the following:

- capital costs are high as the machinery need to be paid for
- the upkeep and maintenance of the machinery is expensive
- staff need to be trained to use the machinery
- safety gear needs to be provided
- staff redundancies
- loss of traditional skills. [2]

Final conclusion [1]

(2 × [2] + [1])

[5]

**(c) Social considerations:**

- some staff may lose their jobs
- may be too far to travel for some staff
- quality of life and beauty of the landscape – may ruin the look of the village.

**Environmental considerations:**

- increased traffic in the village
- increased noise and pollution
- landscape – animal habitat.

(2 × [2])

[4]

**(d) Use of factors of production:**

<b>Factor</b>	<b>Examples of use</b>
Land [1]	Bell & Sons need land to build their factory [1] Bell & Sons need land to grow the trees for the wooden toys [1]
Labour [1]	Bell & Sons need people to work in the factory [1]
Capital [1]	Bell & Sons need money to buy all the assets and run the business [1]
Enterprise [1]	Bell & Sons need to be enterprising to take risks and make decisions to coordinate all the activities in the business [1]

(2 × [4])

[8]

**Level 1 ([1]–[3])**

Candidate demonstrates little knowledge and understanding of the factors of production and how they relate to Bell & Sons. Candidate can name only two factors and makes little attempt to apply them to the context. Candidate displays limited accuracy in the use of spelling, punctuation and grammar.

**Level 2 ([4]–[6])**

Candidate demonstrates adequate knowledge and understanding of the factors of production and how they relate to Bell & Sons. Candidate can name two to three factors of production and makes a good attempt to apply them to the context. Candidate displays satisfactory accuracy in the use of spelling, punctuation and grammar.

**Level 3 ([7]–[8])**

Candidate demonstrates good knowledge and understanding of the factors of production and how they relate to Bell & Sons. Candidate can name all four factors of production and can apply them fully to the context. Candidate displays good accuracy in the use of spelling, punctuation and grammar.

- (e) Quality assurance is about preventing mistakes and getting it right first time, zero defects. Everyone is responsible for quality at every stage. [2]
- (f) Any **one** from:
- Investors in People
  - EFQM
  - ISO 9001
  - Charter Mark
  - CORGI
  - Kitemark. [1]
- (g) Reasons for obtaining a quality standard:
- increases the reputation of the business leading to increased sales
  - improves the motivation of staff
  - helps to maintain customer loyalty
  - helps to reduce the cost of waste and faulty products
  - increases efficiency and productivity.
- (2 × [3]) or (3 × [2]) [6] 30
- 3 (a) Google [1]  
Any valid reason:
- they may have the best reputation
  - they may advertise their services
  - they may appear as pop ups on the web browser
  - they may be fast and efficient. (1 × [2])
- (1 + [2]) [3]
- (b) 8.4% [1]  
Any valid reason:
- may be relatively new competition
  - may not be as well known
  - may not spend as much money on advertising
  - may not be their main market. (1 × [2])
- (1 + [2]) [3]
- (c) **Definition:**  
Random sampling is when every person in the population has an equal chance of being selected in the sample – it is usually taken from a published list. [2]
- How it is used:**  
Microsoft might use it to survey as many people as possible and might target, for example, every tenth person who uses their search engine to find out information such as their likes and dislikes about the ease of use. (2 × [2]) [4]

			AVAILABLE MARKS
<p>(d) Microsoft might use customer service to add value by:</p> <ul style="list-style-type: none"> <li>• sending e-mails to alert the frequent users about new upgrades</li> <li>• offer discounts to companies to attract them to the Microsoft site</li> <li>• provide an easily used search engine that allows customers the opportunity to express opinions</li> <li>• carry out surveys to help identify areas for improvement</li> <li>• special help lines for problems.</li> </ul> <p>(1 × [4])</p>	[4]	14	
<p>4 (a) (1) introduction or launch [1] (2) growth [1] (3) maturity/saturation [1]</p>	[3]		
<p>(b) Any <b>two</b> extension strategies from the following:</p> <ul style="list-style-type: none"> <li>• reduce price [1] This will help to compete with other cameras and encourage increased sales that will lead to increased profits [2]</li> <li>• offer sales promotion [1] They might be able to offer a free memory card or carry case. This will help to set them aside from the other competitors and help to increase sales [2]</li> <li>• modify the product [1] They might upgrade the camera, e.g. more features or different colours to help appeal to more people and increase sales. [2]</li> </ul> <p>(2 × [3])</p>	[6]		
<p><b>Level 1 ([1]–[2])</b> Candidate demonstrates little knowledge and understanding of extension strategies and how they relate to the camera. Candidate can name only one extension strategy and makes little attempt to apply it to the context. Candidate displays limited accuracy in the use of spelling, punctuation and grammar.</p>			
<p><b>Level 2 ([3]–[4])</b> Candidate demonstrates adequate knowledge and understanding of extension strategies and how they relate to the camera. Candidate can name two extension strategies and makes some attempt to analyse them in this context. Candidate displays satisfactory accuracy in the use of spelling, punctuation and grammar.</p>			
<p><b>Level 3 ([5]–[6])</b> Candidate demonstrates good knowledge and understanding of two extension strategies and how they relate to the camera. Candidate can fully analyse the strategies and can apply them fully to the context. Candidate displays good accuracy in the use of spelling, punctuation and grammar.</p>			9
<b>Total</b>			<b>75</b>