



ADDITIONAL SPECIMEN
ASSESSMENT MATERIAL

GCSE
BUSINESS
8132/1

PAPER 1

Mark scheme

V1.0

Mark schemes are prepared by the Lead Assessment Writer and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all associates participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every associate understands and applies it in the same correct way. As preparation for standardisation each associate analyses a number of students' scripts. Alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Assessment Writer.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

Further copies of this mark scheme are available from aqa.org.uk

Level of response marking instructions

Level of response mark schemes are broken down into levels, each of which has a descriptor. The descriptor for the level shows the average performance for the level. There are marks in each level.

Before you apply the mark scheme to a student's answer read through the answer and annotate it (as instructed) to show the qualities that are being looked for. You can then apply the mark scheme.

Step 1 Determine a level

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptor for that level. The descriptor for the level indicates the different qualities that might be seen in the student's answer for that level. If it meets the lowest level then go to the next one and decide if it meets this level, and so on, until you have a match between the level descriptor and the answer. With practice and familiarity you will find that for better answers you will be able to quickly skip through the lower levels of the mark scheme.

When assigning a level you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as the rest. If the answer covers different aspects of different levels of the mark scheme you should use a best fit approach for defining the level and then use the variability of the response to help decide the mark within the level, ie if the response is predominantly level 3 with a small amount of level 4 material it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

Step 2 Determine a mark

Once you have assigned a level you need to decide on the mark. The descriptors on how to allocate marks can help with this. The exemplar materials used during standardisation will help. There will be an answer in the standardising materials which will correspond with each level of the mark scheme. This answer will have been awarded a mark by the Lead Examiner. You can compare the student's answer with the example to determine if it is the same standard, better or worse than the example. You can then use this to allocate a mark for the answer based on the Lead Examiner's mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

Indicative content in the mark scheme is provided as a guide for examiners. It is not intended to be exhaustive and you must credit other valid points. Students do not have to cover all of the points mentioned in the Indicative content to reach the highest level of the mark scheme.

An answer which contains nothing of relevance to the question must be awarded no marks.

Section A

Total for this section: 20 marks

Question number	Answer
01.1	C
01.2	A
01.3	C
01.4	B
01.5	D
01.6	B

01.1 – 01.6 = AO1 × 6
(1 mark for each correct answer)

01.7 State **two** factors that could affect where a business chooses to locate. **[2 marks]**

01	7	<p>1 mark for identifying suitable factor x 2</p> <p>Possible factors include:</p> <ul style="list-style-type: none"> • close to raw materials • close to labour • near to owner's home • near to large market • away from competition • near suppliers. 	AO1	2
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01.8	<p>A business uses commission to motivate its sales team. Once the sales target of £40 000 per month is reached, the sales person will receive 4% of any extra sales.</p> <p>If one member of the team sells £45 000 of goods, how much commission will she receive?</p> <p style="text-align: right;">[2 marks]</p>		
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01	8	<p>1 mark for showing 4% of £5000 in working eg 4/100 x 5000 or 4%x5000 (1) £200 (1)</p> <p>Correct answer without working 2 marks Allow answers without £ sign</p> <p>1 mark for calculating 4% correctly but with incorrect figures eg 4% of £45 000 = £1800; 4% of £40 000 = £1600</p>	AO2	2
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01.9	<p>State two reasons a business might create a business plan.</p> <p style="text-align: right;">[2 marks]</p>		
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01	9	<p>1 mark for stating suitable factor x 2</p> <p>Possible answers include:</p> <ul style="list-style-type: none"> • to help raise finance • to identify what resources are needed • to decide if a business idea is viable. 	AO1	2
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01.10	<p>Identify two benefits of training employees.</p> <p style="text-align: right;">[2 marks]</p>		
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01	10	<p>1 mark for identifying benefit of training x 2</p> <p>Possible answers include:</p> <ul style="list-style-type: none"> • increase productivity • increase motivation • retain more employees. 	AO1	2
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01.11 Explain **one** way in which the pound strengthening against the US dollar might affect a UK business.

[2 marks]

01	11	<p>1 mark for identifying effect of strong pound 1 mark for some development</p> <p>Possible answers include:</p> <ul style="list-style-type: none"> • UK exports to US will appear more expensive to US citizens causing a decrease in its demand • imported goods from US to UK will appear to be cheaper causing increase in demand for US goods causing a fall in demand for the goods of a UK business by UK citizens. 	AO1	2
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01.12 A business that has customers throughout the UK currently makes all major decisions from its head office.

Explain **two** possible benefits to the business of decentralising its operations.

[4 marks]

01	12	<p>1 mark for knowledge of a benefit of decentralisation, plus 1 mark for explaining the benefit.</p> <p>Apply twice</p> <p>Possible examples:</p> <ul style="list-style-type: none"> • closer to customers • aware of local conditions • take advantage of cheaper employees • provides more motivation to local managers • greater flexibility in responding to local changes. <p>Example of developed answer: Taking decisions closer to the customer may mean better decisions are made e.g the right products for the area are held in stock so sales are better.</p>	AO1	4
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Section B

Total for this section: 34 marks

02.1	Explain one benefit to a business of being a public limited company (plc) rather than a private limited company (ltd).	[2 marks]
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02	1	<p>1 mark for identifying the benefit 1 mark for development/explanation</p> <p>Possible answers include:</p> <ul style="list-style-type: none"> • being able to raise additional funding on the stock exchange • raising the profile of the business. <p>Example of developed answer: Being a plc means the business can sell its shares to the public which means it will find it easier to raise funds.</p>	AO1	2
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02.2	<p>Greengrass Mowers employs 480 people. When they worked in groups of 3, each group had to produce 20 lawnmowers in a shift.</p> <p>Calculate the total number of lawnmowers made in a shift. Show your workings.</p>	[3 marks]
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02	2	<p>3 marks for correct answer of 6400 regardless of working</p> <p>480/3 = 160 groups (1)</p> <p>160 x 20 (1 OFR)= 3200 mowers (1)</p>	AO2	3
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02.3 The lawnmower industry is becoming increasingly globalised.

Analyse the benefits to Greengrass Mowers of operating in more globalised markets.

[6 marks]

02.3 Marking grid

Marks for this question: AO2 = 3 AO3 = 3

Level	Description	Marks
3	Detailed analysis of topics based on the context <ul style="list-style-type: none"> • Business areas are fully analysed. • Applies knowledge and understanding to the context sufficiently. 	5–6
2	Sound analysis of topics based on the context <ul style="list-style-type: none"> • Business areas are partially analysed. • Applies some knowledge and understanding to the context. 	3–4
1	Basic analysis of topics based on the context <ul style="list-style-type: none"> • Basic analysis of business areas. • Basic knowledge and understanding is applied to the context. 	1–2
0	Nothing worthy of credit	0

02.3 Indicative content

02	3	<p>Possible answers include:</p> <ul style="list-style-type: none"> • components can be made cheaper in countries with lower costs • greater market size to sell to • labour costs may be pushed down by increase in immigrant workers • might use outsourcing to reduce costs • could set up abroad to reduce costs or be closer to foreign markets • opportunity for franchising brand overseas. <p>Application</p> <ul style="list-style-type: none"> • Cheaper supplies due to specialism/lower costs. • Larger market for sales. • Ability to use foreign labour. <p>Analysis:</p> <ul style="list-style-type: none"> • Cheaper supplies due to specialism/lower costs. • Larger market for sales <ul style="list-style-type: none"> • Wider market to sell to could result in more sales and increased profits. But need to consider transport costs and impact of fluctuating exchange rates. • Increased competition overseas but will Greengrass Mowers' USP of high quality set it apart? • Ability to use foreign labour. 	6
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		<p>Example of a developed answer (L3): The business employs a large number of foreign nationals which is a result of having a global market for labour. Employees from other countries might be more willing to work for the UK minimum wage because they have been used to lower wages in their home countries. This allows Greengrass Mowers' costs to be kept down, which seems to be one of its objectives.</p>	
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02.4 Explain **one** disadvantage to a business of using flow production. **[2 marks]**

02	4	<p>Possible answers include:</p> <ul style="list-style-type: none"> • Leads to repetitive work causing demotivation • Can be costly to set up • Less satisfied workforce. <p>Example of developed answer It can be expensive to set up as there is usually more equipment needed.</p>	2
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02.5 Using **Item B**, analyse why introducing Just in Time (JIT) may cause difficulties for Greengrass Mowers.

[6 marks]

02.5 Marking grid

Marks for this question: AO2 = 3 AO3 = 3

Level	Description	Marks
3	Detailed analysis of topics based on the context <ul style="list-style-type: none"> Business areas are fully analysed. Applies knowledge and understanding to the context sufficiently. 	5–6
2	Sound analysis of topics based on the context <ul style="list-style-type: none"> Business areas are partially analysed. Applies some knowledge and understanding to the context. 	3–4
1	Basic analysis of topics based on the context <ul style="list-style-type: none"> Basic analysis of business areas. Basic knowledge and understanding is applied to the context. 	1–2
0	Nothing worthy of credit	0

02	5	<p>Possible answers include:</p> <ul style="list-style-type: none"> need not find it easy to find the right suppliers suppliers may run out of stock higher risk is no safety stock <p>Application</p> <ul style="list-style-type: none"> Large number of suppliers Change to flow production Specialist quality product Remote location makes deliveries more difficult <p>Analysis</p> <ul style="list-style-type: none"> Large number of suppliers <ul style="list-style-type: none"> The more suppliers a business has, the more difficult it will be to co-ordinate a JIT system. One supplier not delivering on time could result in production having to be halted. Change to flow production <ul style="list-style-type: none"> This makes it more important that Greengrass Mowers does not run out of components. The production run could have to stop if just one part was not delivered on time. Specialist quality product <ul style="list-style-type: none"> There is not a mass market but for one for high quality lawnmowers. A sub-standard delivery might not be rejected just to keep production flowing and this could affect the quality/life span of the product. 	6
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		<p>Example of developed answer (L3): Greengrass Mowers has 40 suppliers so it would be difficult to arrange. Each supplier would have to be coordinated so enough supplies arrive each day which would take planning and money to arrange . If supplies didn't arrive on time production would stop as there are no spare stocks.</p>	
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<p>02.6 Using Item B analyse how an increase in interest rates might affect Greengrass Mowers' profits.</p>	[6 marks]
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02.6 Marking grid

Marks for this question: AO2 = 3 AO3 = 3

Level	Description	Marks
3	<p>Detailed analysis of topics based on the context</p> <ul style="list-style-type: none"> • Business areas are fully analysed. • Applies knowledge and understanding to the context sufficiently. 	5–6
2	<p>Sound analysis of topics based on the context</p> <ul style="list-style-type: none"> • Business areas are partially analysed. • Applies some knowledge and understanding to the context. 	3–4
1	<p>Basic analysis of topics based on the context</p> <ul style="list-style-type: none"> • Basic analysis of business areas. • Basic knowledge and understanding is applied to the context. 	1–2
0	Nothing worthy of credit	0

02	6	<p>Possible answers include:</p> <ul style="list-style-type: none"> • Increased costs • Less demand <p>Application</p> <ul style="list-style-type: none"> • Cost of loans and overdrafts will increase • Might reduce demand for Greengrass Mowers lawnmowers • Will make future investment in the business more expensive • Customers will have less disposable income which may mean they delay buying new or first lawnmower <p>Analysis</p> <ul style="list-style-type: none"> • Cost of loans and overdrafts will increase <ul style="list-style-type: none"> • Existing loans etc would become more expensive to service, increasing costs and thereby lowering profits. • Might reduce demand for Greengrass Mowers lawnmowers <ul style="list-style-type: none"> • Wider market to sell to could result in more sales and increased profits. But need to consider transport costs and impact of fluctuating exchange rates. • Will make future investment in the business more expensive <ul style="list-style-type: none"> • If Greengrass Mowers manage to exploit the global market, it may need to expand. Higher interest rates would make it more expensive to do so. 	6
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		<ul style="list-style-type: none"> • Customers will have less disposable income which may mean they delay buying new or first lawnmower <ul style="list-style-type: none"> • People will be paying more for mortgages so they will have less money to spend on luxury items – possibly buying a cheaper mower instead. <p>Example of a developed answer (L3): Higher interest rates will cause Greengrass’s costs to rise because it is now paying more for their loans and overdrafts . This is hard for the company because we are told that it is already trying to find ways to lower its costs. The higher interest rates would cause profits to fall which could lead the business into considering whether to continue operating.</p>	
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02.7	<p>Greengrass Mowers is known for its high quality. The company wishes to reduce its costs to make it more competitive with foreign lawnmower manufacturers. It has been suggested that Greengrass Mowers could reduce costs by not having such a high quality product.</p> <p>Recommend whether Greengrass Mowers should continue to produce high quality lawnmowers. Give reasons for your recommendation.</p> <p style="text-align: right;">[9 marks]</p>
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02.7 Marking grid

Marks for this question: AO2 = 3 AO3 = 6

Level	Description	Marks
3	<p>Detailed analysis and evaluation of topics based on the context</p> <ul style="list-style-type: none"> • Sustained line of reasoning, which is coherent, relevant, substantiated with a focused conclusion that is fully justified. • Business areas are fully analysed. • Applies knowledge and understanding to the context sufficiently. 	7–9
2	<p>Sound analysis and evaluation of topics based on the context</p> <ul style="list-style-type: none"> • A line of reasoning, with a conclusion that has some justification. • Business areas are partially analysed. • Applies some knowledge and understanding to the context. 	4–6
1	<p>Basic analysis and evaluation of topics based on the context</p> <ul style="list-style-type: none"> • Basic line of reasoning with a conclusion. • Basic analysis of business areas. • Basic knowledge and understanding is applied to the context. 	1–3
0	Nothing worthy of credit	0

02.7 Indicative content

Application	Analysis/evaluation
The reputation of the business is based on the quality of its products	If quality is lowered it would very likely affect the reputation and the demand for these lawnmowers.
The working life of the lawnmowers is long because of the quality so there is less repeat business	The high quality of the product discourages people buying new machines so the business is constantly having to gain new customers.
Lower quality would result in lower prices which could affect profits	Demand might increase if the working life was lowered.
Lower quality product would affect the marketing of the lawnmowers	There is a market for a high quality product so GGM reduces this quality it would lose the status it currently has.

02	7	<p>Evaluation/conclusion</p> <ul style="list-style-type: none"> Reducing quality would be a high risk strategy because of Greengrass Mowers' reputation. It is unsure how consumers would respond. The move to flow production has an uncertain effect on quality. It could increase or go down. Boring repetitive work might cause sloppiness and a further reduction in quality. Greater specialisation might cause quality to be maintained with lower costs. Demand might be stimulated in the long run if the working life of the lawnmowers were to be reduced – need to use the most suitable quality to balance reputation and demand. 	9
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Section C

Total for this section: 36 marks

03.1 Explain why a business might give fringe benefits to its employees. **[2 marks]**

03	1	<p>Possible answers include:</p> <ul style="list-style-type: none"> • motivate staff • encourage loyalty to the business • help retain staff <p>Example of developed answer: A business might give fringe benefits to motivate the employees. If they receive something like a free coffee machine they will feel they are appreciated and work harder.</p>	AO1	2
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03.2 Explain **one** reason why Jooma recruits its managers internally rather than externally. **[4 marks]**

03.2 Marking grid

Marks for this question: AO1 = 2 AO2 = 2

Level	Description	Marks
2	<p>Sound understanding and application of the topics.</p> <ul style="list-style-type: none"> • Applies knowledge and understanding to the context sufficiently. • A sound understanding of one or more business concepts and issues. 	3-4
1	<p>Basic understanding and application of the topics.</p> <ul style="list-style-type: none"> • Applies basic knowledge and understanding to the context. • A basic understanding of one or more business concepts. 	1-2
0	Nothing worthy of credit	0

03	2	<p>Possible answers include:</p> <ul style="list-style-type: none"> • Jooma knows how good the employees are • rewards for loyalty • motivates others to strive for promotion • recruiting externally means teams have to be re-established. <p>Example of developed answer (L2) Internal recruitment is good because Jooma will know how hard working the person because they know them already; this means they are less likely to get someone who is good at interviews but lets them down later.</p>		4
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03.3 Explain **one** benefit to Jooma of using up-to-date technology in its restaurants. **[4 marks]**

03.3 Marking grid

Marks for this question: AO1 = 2 AO2 = 2

Level	Description	Marks
2	Sound understanding and application of the topics. <ul style="list-style-type: none"> Applies knowledge and understanding to the context sufficiently. A sound understanding of one or more business concepts and issues. 	3-4
1	Basic understanding and application of the topics. <ul style="list-style-type: none"> Applies basic knowledge and understanding to the context. A basic understanding of one or more business concepts. 	1-2
0	Nothing worthy of credit	

03	3	Possible answers include: <ul style="list-style-type: none"> more efficient – reduces staffing costs provides way of checking stock/monitoring sales. gives a good youthful image Example of developed answer: Up-to-date technology is expected by Jooma’s target market as it gives a modern image to the business and offers them things they want such as wifi and USB charging or they would go elsewhere.	4
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03.4 Calculate the percentage change in Jooma’s profits between 2016/17 and 2017/18.
 Show your workings and give the answer to **two** decimal places. **[3 marks]**

03	4	One mark for identifying the change in profits (£35.7m-£28.5m) =£7.2m One mark for comparing the change with the original £7.2m compared to £28.5 million One mark for correct answer 25.26%	AO2	3
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03.5 The percentage change in Jooma’s profits is different from the percentage change in revenue between 2016/17 and 2017/18. Explain why this might be.

[2 marks]

03	5	Profit increasing faster than revenue (1 mark) because costs not rising as fast as revenue (2 marks) OFR applies	AO1 = 1 AO2 = 1	2
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03.6 Jooma uses social media to help it improve its service to its customers.

Recommend whether this is a good way for Jooma to improve its customer service.

[9 marks]

03.6 Marking grid

Marks for this question: AO2 = 3 AO3 =6

Level	Description	Marks
3	Detailed analysis and evaluation of topics based on the context <ul style="list-style-type: none"> Sustained line of reasoning, which is coherent, relevant, substantiated with a focused conclusion that is fully justified. Business areas are fully analysed. Applies knowledge and understanding to the context sufficiently. 	7–9
2	Sound analysis and evaluation of topics based on the context <ul style="list-style-type: none"> A line of reasoning, with a conclusion that has some justification. Business areas are partially analysed. Applies some knowledge and understanding to the context. 	4–6
1	Basic analysis and evaluation of topics based on the context <ul style="list-style-type: none"> Basic line of reasoning with a conclusion. Basic analysis of business areas. Basic knowledge and understanding is applied to the context. 	1–3
0	Nothing worthy of credit	0

03.6 Indicative content

Application	Analysis/evaluation
The costs of social media communications are very low compared with some other methods of communication	Cost reduction is important as the company attempts to expand its operations. Jooma can make substantial savings by avoiding more traditional methods
The target group of customers are more likely to appreciate dealing with a business that has a modern approach to using ICT to run its business	It would be seen as appropriate for the target group but it does not necessarily encourage other customers to visit. Needs to keep up with the different social media platforms, some go out of fashion and new ones develop.
The feedback from social media might not be honest as customers attempt to gain concessions from Jooma.	Social media does have shortcomings – tends to be general and allows feedback that might harm Jooma’s reputation especially with more restaurants being run by franchisees.

03	6	<p>Possible answers include:</p> <ul style="list-style-type: none"> • Low costs • May be good way to reach target audience • Good way to get feedback • May get damaging feedback <p>Evaluation: May depend on how easy it is to target customers Depends on whether customers are big users of social media (probably are)</p> <p>Depends on how Jooma use it eg what they post and advertise Depends on how customers use it eg what they post</p> <p>Example of developed answer: Social media is a relatively cheap way of accessing large numbers of people and ads and posts can be targeted at the right age group. This can help the business to get more customers quiet cheaply. However by inviting comments and feedback the reviews may not always be good and this may damage the brand so social media is not always a good approach; it depends how it is controlled and what is said by customers.</p>	9
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03.7 Jooma uses two approaches to increase efficiency:

- it delegates to employees so they can make decisions about how to run the restaurants.
- it uses lean production.

Analyse the effect of **each** of these approaches on efficiency.

Evaluate which of these two approaches will have the biggest impact on the company's efficiency.

[12 marks]

03.7 Marking Grid

Marks for this question: AO1 = 3 AO2 = 3 AO3 = 6

Level	Description	Marks
4	<p>Developed integrated analysis and evaluation of topics with sustained judgement based on context.</p> <ul style="list-style-type: none"> • An integrated line of reasoning, which is coherent, relevant, with a conclusion with the area which has been impacted on the most has been fully justified. • Interdependent nature of business areas is fully analysed. • Applies knowledge and understanding to the context and successfully draws together several functional areas of business. 	10–12
3	<p>Detailed analysis and evaluation of topics based on the context.</p> <ul style="list-style-type: none"> • A line of reasoning, which is coherent, relevant, with a conclusion that is justified. • Different business areas are analysed independently or the interdependent nature of business areas is partially analysed. • Applies knowledge and understanding to the context and starts to draw together several functional areas of business. 	7–9
2	<p>Sound analysis and evaluation of topics in isolation of their interdependence based on the context.</p> <ul style="list-style-type: none"> • A line of reasoning, with a conclusion that has some justification. • One business area is analysed independently. • Applies some knowledge and understanding to the context. 	4–6
1	<p>Basic generic discussion of topics.</p> <ul style="list-style-type: none"> • A basic understanding of business concepts in isolation. • A basic understanding of one or more business concepts. • Partial relevance to the question. 	1-3
0	Nothing worthy of credit.	0

03.7 Indicative content

Application	Analysis/evaluation
Delegation allows employees to decide what do for themselves such as swap shifts	May motivate and lead to more productivity and higher work rate increasing efficiency
Delegation may lead to new ideas such as new menu items	May mean food offered matches customer needs more closely leading to less wastage
Delegation may mean lead to better ways for running restaurant such as how customers are served	Can increase number of customers served leading to more efficiency
Delegation may mean less supervisors are needed	This reduces supervisor costs
Delegation may give authority to crew members who lack necessary skills	May lead to poor decision making and inefficiency as mistakes are made
Lean production using JIT may mean right amount of food ordered	Less throwing away of food ordered but not used. Food may go off/go out of date easily and so can be high levels of wastage can occur in restaurants
Lean production may mean less mistakes made with orders and less wastage making the food	Less need to change good once prepared as it matches orders and less excess ingredients used

03	7	<p>Integrated approach/evaluation</p> <ul style="list-style-type: none"> • depends on how employees respond to greater delegation and whether they have the skills to use the greater authority well to improve efficiency • depends on whether this helps attract and retain better staff who are more efficient • depends on whether lean approach causes problems eg lack of stocks meaning the business runs out 	12
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