



Mark Scheme (Results)

Summer 2019

Pearson Edexcel GCE AS Level
in Business (8BS0)
Paper 01 in Marketing and people

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Publications Code 8BS0_01_1906_MS

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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.

Question Number	Answer	Mark
1(a)	Knowledge 2 Knowledge/understanding: of social enterprise e.g. A business that has aim/objectives which benefit society (1) and is not for profit/its profits are reinvested into the business/community (1).	(2)

Question Number	Answer	Mark
1(b)	Knowledge 2 Knowledge/understanding: of business objective, e.g. A goal/target (1) set by the business to help achieve its aim/mission (1)	(2)

Question Number	Answer	Mark
1 (c)	Knowledge 1, Application 2 , Analysis 1 Knowledge/understanding: 1 mark for understanding of social objectives/added value. - A goal to benefit/improve the community. - The difference between the price the customer pays and the cost of inputs. Application: up to 2 marks for suggesting how The Good Hotel could achieve this through its social objectives e.g. - It is a not-for-profit business which may make customers trust them more. - Offers training to local unemployed people which could give them a good reputation locally. - Helps people find employment/get off welfare payments. Analysis: 1 mark is available for explaining the consequences, e.g. - This might mean customers are willing to pay more for the hotel's services because they feel like they are helping the community/being ethical.	(4)

Question Number	Answer	Mark
1 (d)	Knowledge 1, Application 2, Analysis 1 Knowledge/understanding: 1 mark for understanding niche market • A specialised section of the market where customers have specific needs/wants. Application: up to 2 marks for contextualised examples of how The Good Hotel could benefit e.g. • It is a social enterprise so might attract customers who prefer ethical businesses. • The hotel is in a private mansion which may provide attractive/luxury rooms • The hotel only has 20 rooms which may allow staff to focus on customer service Analysis: 1 mark for explaining the consequences e.g. • The Good Hotel may be able to charge higher prices/may face less competition from big brand hotels such as Marriott/Hilton.	(4)

Question Number	Indicative content	Mark
1 (e)	Knowledge 2, Application 2, Analysis 2, Evaluation 2 - Customer loyalty means that customers will return to the business again and again/favour it over competitors in the same market. - The hotel in Guatemala has only 20 rooms, staff could provide a tailored personal service to each guest so they are more satisfied and therefore likely to return. - The Good Hotel could start a loyalty card so that guests collect points every time they stay at one of the hotels which might lead to a free stay in the future. <i>Potential Counterbalance</i> - Personalised service may not give sufficient differentiation from other luxury hotels. - The loyalty card may not be of interest to customers as The Good Hotel does not have many locations yet.	(8)

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–5	Accurate knowledge and understanding. Applied accurately to the business and its context. Chains of reasoning are presented, showing cause(s) and/or effect(s) but may be assertions or incomplete. An attempt at an assessment is presented that is unbalanced, and unlikely to show the significance of competing arguments.
Level 3	6–8	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Logical chains of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors leading to a supported judgement.

Question Number	Indicative content	Mark
1 (f)	Knowledge 2, Application 2, Analysis 3, Evaluation 3 • A USP is a factor that differentiates a product from its competitors. • The hotels operate in a niche market providing a luxury service, so could benefit from charging premium prices as there might not be much competition. • The Good Hotel is a social enterprise so customers may be willing to pay more as they are less price sensitive. <i>Potential counterbalance</i> • The hotel may have high costs due to the luxury service offered, resulting in higher prices so that profit can be achieved and reinvested into training more unemployed people. • The level of competition in the area may lead to the use of competitive pricing. <i>Potential Judgement</i> • It depends on how well the USP differentiates The Good Hotel from similar hotels in the area such as Marriott/Hilton.	(10)

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1-2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3-4	Elements of knowledge and understanding, which are applied to the business example. Chains of reasoning are presented, but may be assertions or incomplete. A generic or superficial assessment is presented.
Level 3	5-6	Accurate and thorough knowledge and understanding, supported by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and qualitative information, though unlikely to show the significance of competing arguments.
Level 4	7-10	Accurate and thorough knowledge and understanding, supported by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). Assessment is balanced and well contextualised, using quantitative and qualitative information, and shows an awareness of competing arguments/factors leading to a supported judgement.

Question Number	Answer	Mark
2(a)	Knowledge 2 Knowledge/understanding: of span of control, e.g. The number of employees/subordinates (1) that a manager is responsible for (1).	(2)

Question Number	Answer	Mark
2(b)	Knowledge 2 Knowledge/understanding: of consultation, e.g. Employees opinions/feedback are sought (1) when making business decisions (1).	(2)

Question Number	Answer	Mark
2(c)	Knowledge 1, Application 3 Quantitative skills assessed: QS7 Calculate, use and understand percentages and percentage changes Knowledge: 1 mark for the formula $PED = \% \text{ change in QD} \div \% \text{ change in price}$ (1) Application: up to 3 marks - Calculate the % change in QD $((690-600) \div 600) \times 100 = 15\%$ (1) - Calculate the % change in price $15\% \div 0.8$ (1) $= 18.75\%$ (2 d.p.) (1) NB: If the only answer given is 18.75/-18.75 award 4 marks. If the answer given is 18.7, 18.8 or 19 award 3 marks.	(4)

Question Number	Answer	Mark
2 (d)	Knowledge 1, Application 2, Analysis 1 Knowledge: 1 mark for understanding Boston matrix e.g. • A method used to analyse the product portfolio of a business. Application: up to 2 marks for contextualised examples with reference to Beaverbrooks e.g. • It could categorise jewellery to help make investment and marketing decisions. • It could help identify which products are dogs or problem children such as gold jewellery and branded jewellery. • It could help the jeweller identify their stars such as diamonds and Swiss watches. Analysis: 1 mark for explaining the above e.g. • This could help Beaverbrooks to spend less on marketing of dogs such as gold jewellery/invest in stars such as diamonds.	(4)

Question Number	Indicative content	Mark
2(e)	Knowledge 2, Application 2, Analysis 2, Evaluation 2 - Supply is the amount that producers are willing and able to produce at a given price. - New technology could mean that it is faster to make silver earrings with machines. - The price of silver increases resulting in an increase in cost of jewellery production. <i>Potential Counterbalance</i> - New technology may be expensive to introduce and not all suppliers could afford it so supply may not increase significantly. - Beaverbrooks may already have a large stock of silver so there would not be an immediate effect on the supply of silver jewellery.	(8)

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–5	Accurate knowledge and understanding. Applied accurately to the business and its context. Chains of reasoning are presented, showing cause(s) and/or effect(s) but may be assertions or incomplete. An attempt at an assessment is presented that is unbalanced, and unlikely to show the significance of competing arguments.
Level 3	6–8	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Logical chains of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors leading to a supported judgement.

Question Number	Indicative content	Mark
2(f)	Knowledge 2, Application 2, Analysis 3, Evaluation 3 • A decentralised organisational structure allows branches to take more control/make their own decisions. • Beaverbrook's store managers could stock jewellery that meets the needs of local customers. • Branch managers could deal with issues in store rather than passing them on to head office therefore saving time. <i>Potential Counterbalance</i> • Different decisions could be made in each store leading to a lack of brand consistency • Some managers may not want the additional responsibility and become stressed. <i>Potential Judgement</i> • Beaverbrooks could become more market orientated by keeping up with local demand/trends therefore increasing sales. • Poor decisions by one manager could have a negative impact on Beaverbrooks' brand and impact sales.	(10)

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–4	Elements of knowledge and understanding, which are applied to the business example. Chains of reasoning are presented, but may be assertions or incomplete. A generic or superficial assessment is presented.
Level 3	5–6	Accurate and thorough knowledge and understanding, supported by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and qualitative information, though unlikely to show the significance of competing arguments.
Level 4	7–10	Accurate and thorough knowledge and understanding, supported by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). Assessment is balanced and well contextualised, using quantitative and qualitative information, and shows an awareness of competing arguments/factors leading to a supported judgement.

Question Number	Indicative content	Mark
3	Knowledge 4, Application 4, Analysis 6, Evaluation 6 Competition: • Tails.com have established competitors with large market shares such as Mars Masterfoods with 45% and Nestle Purina Pet Care with 32%. They have the ability to spend on TV advertising/customers may prefer to buy recognised brands such as Bakers Complete. • The existing dog foods like Purina are suitable for all dogs so customers do not have to worry about choosing the right one and may prefer to stick to dog food that they know their dog likes rather than risk changing. • Customers may see Tails.com as an expensive option and stick to cheaper mass market brands such as Pedigree that have lower unit costs due to economies of scale. External economic influences: • If VAT increases, dog food may become more expensive so customers may look for the cheapest option like supermarket own brands. • If more people become unemployed they may see keeping a dog as a luxury and decide not to get one therefore reducing demand for dog food. • Inflation could mean that people have less real income/spending power and therefore buy cheaper/lower quality dog food. <i>Potential Recommendation</i> • Tails.com has a USP that customers may prefer over generic dog foods that are not tailored to their dog's needs. Therefore, sales should not be affected by businesses such as Mars/Nestlé. • If dog owners' real income falls, they may still be willing to purchase Tails.com's tailor-made dog food because it may improve the health of dogs. This may lead to a long-term reduction in vet bills, saving dog owners money in the future.	(20)

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–4	Isolated elements of knowledge and understanding. Weak or no relevant application of business examples. An argument may be attempted, but will be generic and fail to connect cause(s) and/or consequence(s)/effect(s).
Level 2	5–8	Elements of knowledge and understanding, which are applied to the business example. Arguments and chains of reasoning are presented, but connections between cause(s) and/or consequence(s)/ effect(s) are incomplete. Attempts to address the question. A comparison or judgement may be attempted, but it will not successfully show an awareness of the key features of business
Level 3	9–14	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Uses developed chains of reasoning, so that cause(s) and/or consequence(s)/effect(s) are complete, showing an understanding of the question. Arguments are well developed. Quantitative or qualitative information is introduced in an attempt to support judgements, a partial awareness of the validity and/or significance of competing arguments and may lead to a conclusion.
Level 4	15–20	Accurate and thorough knowledge and understanding, supported throughout by use of relevant and effective use of the business behaviour/context. Uses well-developed and logical, coherent chains of reasoning, showing a range of cause(s) and/or effect(s). Arguments are fully developed. Quantitative and/or qualitative information is/are used well to support judgements. A full awareness of the validity and significance of competing arguments/factors, leading to balanced comparisons, judgements and an effective conclusion that proposes a solution and/or recommendation(s).

