



Mark Scheme (Results)

October 2020

Pearson Edexcel GCE AS Level
In Business (8BS0)
Paper 1: Marketing and people

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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: up to 2 marks for, business to business marketing, eg: businesses that promote the sale of products/services (1) to other businesses for use in their operations (1)	(2)

Question Number	Answer	Mark
1 (b)	Knowledge 2 Knowledge/understanding: up to 2 marks for, sole trader, eg: a business that that is owned by one person (1) who has unlimited liability (1)	(2)

Question Number	Answer	Mark
1 (c)	Knowledge 1, Application 2, Analysis 1 Knowledge/understanding: 1 mark for showing an understanding of market orientation, eg: • business products/services are based around the needs and wants of the customer. Application: up to 2 marks for suggesting how Hydra Creative is market orientated, eg: • by providing SEO services that businesses are looking for (1) • Hydra Creative has responded to customer feedback about how it promotes itself (1) Analysis: 1 mark is available for explaining the consequences, eg: • this could lead to more sales for Hydra Creative because it is offering services that its customers need.	(4)

Question Number	Answer	Mark
1 (d)	Knowledge 1, Application 2, Analysis 1 Knowledge/understanding: 1 mark for showing an understanding of an extension strategy, eg: • a method used to lengthen the life/sales of a product/service. Application: up to 2 marks for contextualised examples, eg: • Hydra Creative may have to offer more modern options for its business stationery and packaging (1) • Hydra Creative may have to update its web design to offer more interactive elements, such as virtual assistants (1) Analysis: 1 mark is available for explaining the consequences, eg: • Hydra Creative may be able to increase/maintain its sales (1) • Hydra Creative may be less likely to fall into the decline stages of the product life cycle (1)	(4)

Question Number	Indicative content		Mark
1 (e)	Knowledge 2, Application 2, Analysis 2, Evaluation 2 - Ryan may find it difficult to delegate tasks to some of the other 18 team members as the business gets too big for him to handle all the orders. - Ryan may find it difficult to trust other people to do some tasks that he previously did himself such as talking to clients or developing websites, moving from a centralised organisational structure to decentralised. - Ryan may find it difficult to change his leadership style to laissez faire as he has more employees who work in a creative environment and need the freedom to do their job. <i>Potential counterbalance</i> - Ryan may only need to delegate minor tasks so that he can oversee all the work produced. - A centralised structure may still work as the team of 18 is still small. - Ryan may not have the confidence in his new employees yet and therefore prefer to maintain control.		(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 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 • Hydra Creative can raise finance more easily as a private limited company by selling shares. • As it uses B2B marketing its customers may take them more seriously as a Ltd. • The business has limited liability, which reduces the risk of losing personal possessions for Ryan and Gemma. <i>Potential counterbalance</i> • Profits may have to be shared between the shareholders whereas Ryan could have kept all the profits as a sole trader. • New shareholders have a say in decision making, which may cause conflict. • New shares can only be sold privately and with the agreement of both existing shareholders so the ability to raise finance could be limited. <i>Potential judgement</i> • It depends on whether friends and family are interested in buying shares in Hydra Creative when Ryan and Gemma want to raise more finance.	(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 throughout by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and/or qualitative information, though unlikely to show the significance of competing arguments.
Level 4	7-10	Accurate and thorough knowledge and understanding, supported throughout 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, wide ranging and well contextualised, using quantitative and/or 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: up to 2 marks for, entrepreneurial motives, eg: • more income/profit maximisation (1) • ethical/social (1) • independence (1)	(2)

Question Number	Answer	Mark
2 (b)	Knowledge 2 Knowledge/understanding: up to 2 marks for, sponsorship, eg: • a company giving a product or money (1) to support another business or person (1)	(2)

Question Number	Answer	Mark
2 (c)	Knowledge 1, Application 2, Analysis 1 Knowledge/understanding: 1 mark for showing an understanding of opportunity cost, eg: - the next best alternative forgone when making a decision. Application: up to 2 marks for contextualised examples, eg: - Zack quit university to start his business forfeiting a degree (1) - starting a healthy snack business could mean he doesn't receive a regular income (1) Analysis: 1 mark is available for explaining the consequences, eg: - not having a degree might limit his career options in the future (1) - he may not be able to afford to pay his rent or buy things he wants that he could have done if he had a job with a salary (1)	(4)

Question Number	Answer	Mark
2 (d)	Knowledge 2, Application 1, Analysis 1 Quantitative skills assessed: QS3: construct and interpret a range of standard graphical forms Knowledge: up to 2 marks for: • correctly constructing supply and demand curves (1) • correctly labelling axes, price and quantity (1) Application: 1 mark for: • correctly interpreting the shift in the supply curve to the left (1) Analysis: 1 mark for: • showing the original and new equilibrium and consequences on the quantity and price axes (1)	(4)

Question Number	Indicative content		Mark
2 (e)	Knowledge 2, Application 2, Analysis 2, Evaluation 2 • If a celebrity such as Beyonce was seen eating the coconut snacks this could make them more popular and increase demand. • If research showed that coconut was fattening then people might choose other alternatives therefore reducing demand. • As coconut snacks are becoming more popular other competitors might enter the market so demand for Ape Snacks could reduce. <i>Potential counterbalance</i> • Some people may not like the taste of coconut so will not be influenced by celebrities eating the snacks. • There is lots of conflicting information about health foods so people may ignore it if they enjoy eating Ape Snacks. • Ape Snacks could have already established a good reputation and brand loyalty so new competitors may not be able to compete.		(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 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 • Social trends include concerns over resource depletion, waste minimisation, recycling and ethical sourcing. • Healthy eating and reducing sugar intake is a current social trend that Ape Snacks may need to consider when creating recipes for its snacks, i.e. function • Reducing the use of plastic is important to people so Ape Snacks may need to consider the material it makes its packaging out of, switching to paper or card instead of plastic, i.e. aesthetics • Being environmentally friendly/ethical is becoming more important to shoppers so sourcing the coconut ethically could increase the cost of manufacture. <i>Potential counterbalance</i> • Customers may be more concerned with how the product tastes rather than how much sugar it contains. • Because it is a food product, keeping it fresh and of a high quality may not be possible in a paper packet. • Ethical sourcing could provide a USP so Ape Snacks could increase price meaning cost is not an important factor. <i>Potential judgement</i> • Social trends change rapidly and food is a dynamic market, so it is important for Ape Snacks to achieve customer loyalty by offering new products regularly to meet the changing needs and wants in the snack market.	(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 throughout by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and/or qualitative information, though unlikely to show the significance of competing arguments.
Level 4	7–10	Accurate and thorough knowledge and understanding, supported throughout 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/or 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 Increased costs • Jamie's Italian has made a £9.9m loss, this could in part be because of increase costs of rent, which is high for high street outlets. Jamie may need to negotiate lower rent or move restaurants to cheaper locations. • Increased food costs may mean that Jamie's Italian has lower gross profit on menu items, which could be reduced by switching to cheaper suppliers. • By closing more of his Italian restaurants this could further reduce fixed costs making it easier for the remaining business as a whole to survive. Adapting to change • The casual dining market is dynamic and customers want to try new things so it is important that Jamie's Italian keeps updating its menu to reflect this. • Veganism is a growing trend and customers are looking for restaurants that meet these needs, which Jamie's Italian is not known for. This presents an opportunity for Jamie to adapt his menus in order to regain customers. • Jamie's Italian has lots of direct competition such as Ask Italian, Prezzo, Zizzi and Pizza Express as well as indirect competition such as Byron the burger chain, JD Wetherspoon and Nando's, so it is important that they stay ahead by adapting to the changing needs of customers. <i>Potential recommendation</i> • The rising cost of rent and ingredients could have affected all the restaurant chains, but some are still profitable. Therefore, by changing suppliers and negotiating costs, Jamie could prevent further business failure. • The casual dining market is dynamic as customer tastes and preferences are constantly changing. So, keeping up to date with current trends and meeting customer needs is the most important factor to maintain sales and preventing further business failure.	(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 and/or consequences.
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 causes and/or consequences 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 behaviour or business situation.
Level 3	9–14	Accurate knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Uses developed chains of reasoning, so that causes and/or consequences are complete, showing an understanding of the question. Arguments are developed. Quantitative and/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 relevant and effective use of the business behaviour/context. Uses well-developed and logical, coherent chains of reasoning, showing a range of cause 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 recommendations.

