



GCSE MARKING SCHEME

SUMMER 2024

**GCSE
BUSINESS - UNIT 2
3510U20-1**

About this marking scheme

The purpose of this marking scheme is to provide teachers, learners, and other interested parties, with an understanding of the assessment criteria used to assess this specific assessment.

This marking scheme reflects the criteria by which this assessment was marked in a live series and was finalised following detailed discussion at an examiners' conference. A team of qualified examiners were trained specifically in the application of this marking scheme. The aim of the conference was to ensure that the marking scheme was interpreted and applied in the same way by all examiners. It may not be possible, or appropriate, to capture every variation that a candidate may present in their responses within this marking scheme. However, during the training conference, examiners were guided in using their professional judgement to credit alternative valid responses as instructed by the document, and through reviewing exemplar responses.

Without the benefit of participation in the examiners' conference, teachers, learners and other users, may have different views on certain matters of detail or interpretation. Therefore, it is strongly recommended that this marking scheme is used alongside other guidance, such as published exemplar materials or Guidance for Teaching. This marking scheme is final and will not be changed, unless in the event that a clear error is identified, as it reflects the criteria used to assess candidate responses during the live series.

Question	Answer	Mark
1. (a) (i)	Assuming there were 18 000 tickets available for sale in 2023, calculate the percentage of tickets that were sold. AO2: 2 marks Award 1 mark for selecting the correct data. 15 253 and 18 000 Award 1 mark for correct answer. $\frac{15\,253}{18\,000} \times 100 = 84.7$ accept 84.74 or 84.73888889 (any correctly rounded answer) Note: if only 84.7 appears then award 2 marks. % sign not needed for 2 marks. Apply OFR if the incorrect figures are used but calculate a percentage.	2
(ii)	Using the average cost of a ticket, calculate the revenue earned from ticket sales in 2023. AO2: 1 mark Award 1 mark for correct answer. $\text{£}195 \times 15253 = \text{£}2\,974\,335$ Note: if only 2 974 335 appears then award 1 mark.	1

Question	Answer	Mark
(b)	Explain why it was important that PR Partnership carried out market research before it set up the festival. AO1: 1 mark AO2: 1 mark AO3: 1 mark Award 1 mark for identification of a reason why market research is important. Award 1 mark for applying the explanation to PR Partnership. Award 1 mark for explanation of a reason why market research is important. Indicative content: To be able to select the correct pricing strategy for the event – £195 - if there are other festivals at the same time then prices need to be competitive or lower to attract customers to a new festival / too low then reduces revenue. Understand target market / segmentation - to select bands / music / ethics / catering / age (children) – the choices must reflect the wants of the target market to increase ticket sales / increase revenue / increase profits / increase customer loyalty / the festival will make losses if not enough tickets are sold. To ensure there is demand for the event - reference to ticket sale chart e.g. 15253- putting on a festival without demand would lead to a loss / low ticket sales. To estimate expected numbers of customers - reference to ticket sale chart e.g. 15253 / 18000 tickets available - so that they can provide adequate parking and camping facilities. To choose the location of the festival site – any siting factor e.g. accommodation / size of land / suppliers / grants etc – to ensure the festival is viable / enough footfall / link to the siting factor. To know about competitors – specific example of how PR festival is different e.g. ethics / increased popularity of music festival in the UK – impact on ticket sales. To estimate costs to run – currently £2 million / financed by only 4 partners – could decide if they wanted to invest or not. Credit any other valid explanation.	3

Question	Answer	Mark
(c)	Describe why StagingUK Ltd employs some of its workers on zero-hour contracts AO1: 1 mark AO2: 1 mark Award 1 mark for identifying a reason for zero-hour contracts. Award 1 mark for applying to StagingUK. Indicative content: Zero-hour contracts mean that workers are only paid for the work they do / work when the business needs them / no guaranteed hours / workers have flexibility over when they work. Staff are only needed to set up and take away the stage / Staff will only be needed the days of festivals / StagingUK will have changing demand depending on events (festivals) / Can motivate workers who choose which events they work at. Credit other valid suggestions.	2
(d)	Explain the conflict between ethics and profit for a business. AO1: 2 marks AO3: 2 marks Award 1 mark for each valid point identified (max 2 marks). Award 1 mark for each development / explanation made (max 2 marks). Indicative content: Ethical suppliers (Fairtrade) / training staff / paying national living wage – increases costs / more expensive. Fewer choice of suppliers / products harder to find. Being ethical attracts more customers / there could be no conflict. Reduces profits / create losses. Increased sales / greater profits. Businesses offering ethical products may have smaller profit margins. To attract an ethical supplier a business may reduce its profit margin. Leads to increased prices - reduces the number of customers / lower sales. Credit other valid suggestions.	4

1. (e)	Discuss the factors that were important when selecting a site for the PowysRocks festival. [8]		
Band	AO1	AO2	AO3
	2	3	3
3	There are no Band 3 marks for this assessment objective 2 marks are awarded as for Band 2	3 marks Excellent application to PowysRocks, music festival and the case study. There is excellent reference to the data.	3 marks An excellent discussion on the factors that are important to PowysRocks when choosing a site. Writing is very well structured using accurate grammar, punctuation and spelling. A well-reasoned and balanced discussion.
2	2 marks Good knowledge and understanding of the factors influencing the choosing of a site. Some use of specialist vocabulary.	2 marks Good application to PowysRocks, music festival and the case study. There is good reference to the data.	2 marks A good discussion on the factors that are important to PowysRocks when choosing a site. An attempt to base the discussion around PowysRocks. Writing is well structured using good grammar, punctuation and spelling. A reasoned discussion.
1	1 mark Limited knowledge and understanding of factors influencing the choosing of a site. Attempts to use specialist vocabulary.	1 mark Limited application to PowysRocks, music festival or the case study. The response is mostly generic with brief application to the data.	1 mark Limited discussion on the factors that are important when choosing a site. Generic discussion.
0	0 marks No knowledge or understanding of factors influencing the choosing of a site.	0 marks No reference or application to PowysRocks, music festival or the case study.	0 marks No discussion on the factors that are important when choosing a site.

Indicative content:

Accessibility for customers / festival goers – need to be able to get to the festival by road – many will drive with lots of camping equipment – if roads are too small then there will be traffic problems – delays in getting to the festival – causing complaints from customers and local residents. Nearby hotels for those not camping. Nearby train station to help non-drivers – buses taking people from the train station. Help for those getting to the site daily from hotels, B&Bs and self-catering accommodation – needs to have suitable times to get to and from the site – late night etc.

Accessibility for musicians / acts / attractions – need to bring in music equipment – so may need big vehicles – roads need to be suitable size – large number of facilities to set up e.g. fairground. Musicians may be performing then leaving to go to another event so need to be in and out quickly.

Accessibility for workers – most are local – so no real issues.

Size of site – needs car parks – campsites – 5 stages – fairground – cinema – food stalls - enough room for 18 000 people – must be large – music from one stage not being heard at another - not too big so it is too difficult to get around the site.

Power Supply – will be using large amounts of energy – needs to be reliable – power cuts would cause big problems – damage reputation.

Cost – cost to use the land should be low to make a profit - other large costs due to paying many staff / music acts - Ticket prices need to cover the costs.

Grant for local council – may have influenced the location as the local government may have insisted the festival was held in a certain location.

Other factors – needs to be flat for camping / stages – have good footpaths – running water for sanitary purposes / toilets / showers.

Credit other valid points.

1. (f)	Evaluate the most suitable sources of finance for PR Partnership for the 2024 PowysRocks festival. [10]		
Band	AO1	AO2	AO3
	3	3	4
3	3 marks Excellent knowledge and understanding of advantages and disadvantages of the different sources of finance. Specialist vocabulary is used with accuracy.	3 marks Excellent application of the advantages and disadvantages of the different sources of finance to PowysRocks. There is clear and direct reference to PowysRocks, / PR Partnership and music festival.	4 marks An excellent evaluation of the different sources of finance available to PR Partnership. Writing is very well structured using accurate grammar, punctuation and spelling. Well-reasoned and balanced discussion with a clear line of argument. Clear judgements are made with supporting statements.
2	2 marks Good knowledge and understanding of the different sources of finance to available to PowysRocks.	2 marks Good application of the advantages and disadvantages of different sources of finance to PowysRocks / PR Partnership. Information from the data is used in development.	2-3 marks Good evaluation of the different sources of finance available to PR partnership. Writing is generally well structured using reasonably accurate grammar, punctuation and spelling. The analysis may be unbalanced and focus on either the advantages or disadvantages of the sources of finance available to PowysRocks. Appropriate advice may be given in a conclusion.
1	1 mark Limited knowledge and/or understanding of the characteristics of the sources of finance. Characteristics are identified rather than understood. Limited or no use of specialist vocabulary.	1 mark Limited application of the advantages or disadvantages of the sources of finance available for PR partnership. The response is mostly generic with brief application to PowysRocks / PR Partnership.	1 mark Limited analysis on how PR partnership should or should not finance their business, which may be one-sided. Writing shows limited evidence of structure but with some errors in grammar, punctuation and spelling. The evaluation lacks detail and superficial comments are made with little development. Advice may be given but it is not soundly justified. Unsupported conclusions are made.
0	0 marks No knowledge or understanding of the different sources of finance.	0 marks No reference is made to PowysRocks / PR Partnership.	0 marks No valid analysis and advice is given.

Indicative content

Answers could include:

PR Partnership could use profits / savings / reserves – they are an established and successful business, with profits of £590 000 in 2023. It is likely that they will have some savings they can use from previous festivals / or might not as they part fund each festival with the profits from the previous years. It requires no interest or repayments. However, PR Partnership are unlikely to have the required amount to pay for the whole cost of the festival.

PR Partnership could get a bank loan which they should have access to due to their growing size. The money becomes immediately available and they can spread payments / instalments. However, interest has to be paid on the loan, meaning they pay back more than they borrowed. Also, some form of collateral may be required to secure the loan. This may put the business at risk in the future. The payback may be longer than a year, even though they will have further costs to pay the following year which mean it may not be suitable.

PR Partnership could invite additional partners into the business or become a LTD and could sell shares which will raise money and without interest payments. However, there will be a loss of control which could impact on decision making and the profits will be distributed through dividends to shareholders. The amount raised will also depend on the value the investors place on the business. As a LTD shareholders would be friends and family which may reduce the likelihood of finding an investors / however, it is a festival that may have publicity and therefore some people may be keen to invest.

PR Partnership may sell some of its assets if the assets are no longer required such as equipment. This could raise some money to go towards the cost of building more homes. However, most assets are likely to be essential to the business. As a growing business they may have outgrown some of the assets and may need to upgrade them.

PR Partnership could lease equipment and still have access to essential equipment. Leasing allows new equipment to be used, latest equipment might help produce higher quality sound or customer experience. However, rental payments will be required which could negatively affect costs and lead to less profits. Equipment will need to be kept for the term of the lease, returning equipment early will cost the business more. Only need the equipment for a few weeks a year so maybe this would be a good option.

PR Partnership could use hire purchase. This is useful for purchasing equipment and can be obtained quickly. However, interest rates are usually high, and the property is not owned by the business until the last payment has been made. Items can be legally repossessed if the business falls behind with repayments.

PR Partnership could access Government (Council Grants) due to the economic boost it provides to the local area. Often, they are grants which do not have to be repaid. However, they tend to be small amounts that last only for a relatively short period of time. They are hard to get and there are restrictions / specific criteria to comply with.

Credit any other valid points.

Question	Answer	Mark
2. (a)	State two reasons why businesses grow. AO1: 2 marks Award 1 mark for each correct answer Indicative content: Economies of Scale Diversify / spread risk / new markets Increase profits Reduce competition / be more competitive Improve market share. Satisfaction	2
(b)	Describe what methods of production Wren is likely to use in the manufacture of its range of kitchens. AO1: 2 marks Award 1 mark for each suitable method of production. (max 2 marks). Job Mass (Flow) / Batch AO2: 2 marks Award 1 mark for each development of why the method suggested is suitable. Indicative content: (Job) Infinity Plus because customised products / Infinity Plus because there is a wide variety of different options for these kitchens e.g. colours / Infinity Plus as there is 9 weeks wait. (Mass) Vogue range because they make many items / available immediately (Batch) Vogue Range comes in a range of styles and colours. Credit other valid suggestions.	4

2. (c)	Select either the sales, marketing or finance function of a business. For the functional area you have selected, explain the relationship between the functional area of a business and its supply chain. [6]
Band	AO3
	6 marks
3	5-6 marks An excellent explanation of the relationship between the selected functional area and its supply chain. Clear and developed explanations. Writing is very well structured using accurate grammar, punctuation and spelling.
2	3-4 marks A good explanation of the relationship between the selected functional area and its supply chain. Attempt to make developed points. Writing is generally well structured using reasonably accurate grammar, punctuation and spelling.
1	1-2 marks A limited explanation of the relationship between the selected functional area and its supply chain. Writing shows limited evidence of structure but with some errors in grammar, punctuation and spelling. Lacks detail and superficial comments are made with little development.
0	0 marks No explanation is given.

Indicative content:**Sales**

Sales – Must ensure that the business can offer what they are selling - must have the raw materials / stock - before making the product – if not enough then customers are delayed - getting their product – customer complaints - possible refunds – reduced profits or – if in stock – customers receive their products on time – increased customer satisfaction – improved reputation – more sales.

Sales – Must ensure the logistic managers know where products are going – when they are needed – in what quantities – to ensure satisfied customers. Need to notify them quickly and accurately – so mistakes are not made.

Sales - Excess stock may lead to damage in storage – wasting materials – so sales staff can try to offload these products to customers – reducing waste and storage costs.

Marketing

Marketing – market research - must ensure that the products being supplied meet customer demands – this will increase orders – Ordering the wrong products would lead to wasted stock / capital being invested in the wrong items – increasing (storage) costs.

Marketing – Must ensure the logistic managers know where products are going – when they are needed – in what quantities – to ensure satisfied customers. Need to notify them quickly and accurately – so mistakes are not made.

Marketing – may need to promote / set new prices on particular items or offer sales promotions – to encourage sales and reduce the chances of unused stock – this will reduce stock that is written-off.

Finance

Finance – Ensure that suppliers are paid on time so stock is not delayed in being transported – may speed up process if trade credit is used, as the business has a good reputation for paying suppliers on time - may negotiate on price with suppliers – be aware of profit margins / cost relative to selling – be aware of budgets / maximum costs.

Finance – Ensure transport costs are paid – accurate understanding of delivery costs – customers may be charged for delivery so needs to cover costs – negotiate lower costs.

Finance – Ensure that storage costs are sustainable – create cash flows to predict the future financial position of the business – look at ways to reduce warehousing costs.

Credit any other valid explanation.

Question	Answer	Mark
(d)	Explain how Wren has used new technology to improve customer experience when buying a kitchen. AO2 :1 mark AO3 :1 mark Award 1 mark for selecting appropriate new technology from the resource. Indicative content: 3D design / virtual tour / kitchens designed on computers / Software (CAD) Award 1 mark for explaining how this new technology will improve customer experience. Indicative content: Customers get an excellent idea of how the finished kitchen will look. Allow them to spot errors before the kitchen is made. To reduce the possibility of a problem with their kitchen. Can change features that the customer is unhappy with. Customers can view the kitchen whilst waiting for delivery / installation / help decide which design to choose. Credit any other valid explanation.	2
(e)	Assess one benefit to a business of recruiting internally. AO3: 2 marks Award 1 mark for limited assessment of the benefit. Award 2 marks for developed assessment of the benefit. Indicative content: Workers have experience of working for the business – reduces training costs / less time spent training / already trained. Advertising costs are lower - staff noticeboards / internal e-mail can attract a suitable candidate. Motivates workers who are looking for a promotion - often get excellent staff performance from staff keen for new opportunities – reduces staff turnover – improving the performance of the business. Less risk – as candidates are known to the business so unlikely to be unsuitable. Speeds up recruitment process – some stages are not needed e.g. references. Credit any other valid assessment.	2

Question	Answer	Mark
(f)	Describe what the data in Figure 3 shows about the quality of Ikea and Wren kitchens AO2: 2 marks Award 1 mark for each valid description for Ikea and Wren. Indicative content: Ikea Ikea kitchens scored the third lowest score (69%) in the lab test / Which / Independent Customers rated Ikea the highest (90%) Wren Wren kitchens scored third highest in the lab tests / Which / Independent (78%) Customer rated Wren as second lowest (65%) Credit any other valid point.	2

2. (g)	Discuss how Wren might adapt its marketing mix in response to a dynamic and competitive market. [12]		
Band	AO1	AO2	AO3
	3	4	5
3	3 marks Excellent understanding of at least 3 key elements of the marketing mix. Specialist vocabulary is used with accuracy.	4 marks Excellent application of the data. There is clear, correct and direct reference to the quantitative and qualitative data on Wren Kitchens. Relevant data is used to support discussion.	4-5 marks Excellent discussion of how Wren might adapt its marketing mix. Well-reasoned and balanced discussion using the data with a good idea of changes that could be made to the marketing mix. The advantages and disadvantages of the suggestions are considered. Information from the data is clearly used to support the discussion. Clear advice is given with supporting statements.
2	2 marks Good understanding of at least 2 key elements of the marketing mix. Some attempt to use specialist vocabulary.	2-3 marks Good application of the data. Reference is made to the quantitative and qualitative data on Wren Kitchens. Some data is used to support discussion.	2-3 marks Good discussion of how Wren might adapt its marketing mix. Unbalanced discussion, only the advantages or disadvantages are discussed. An attempt is made to use the information and context to support the discussion. Advice given with some attempt to support the evaluation.
1	1 mark Limited knowledge and/or understanding of at least 1 key element of the marketing mix. Limited or no use of specialist vocabulary.	1 mark Limited application of the data. The advice given is mostly generic with brief application to Wren Kitchens. There is limited use of the quantitative or qualitative data.	1 mark Limited discussion of how Wren might adapt its marketing mix. Discussion is limited and will only focus on the advantages and disadvantages of suggestions. Unsupported assumptions made with little reference to the data. Brief unsupported advice is given.
0	0 marks No knowledge or understanding of the marketing mix.	0 marks There is no application to Wren Kitchens.	0 marks No valid evaluation or advice is given.

Indicative content

Price: Wren Kitchens are amongst the most expensive. It is £1537 more expensive than the average kitchen. It is £4089 more expensive than the cheapest kitchen. It is the 2nd most expensive kitchen. In a competitive market, this is likely to lead to a reduction in sales against competitors. This would suggest that prices should be dropped. Reducing the price would make the product more appealing for many customers. This may encourage sales and therefore greater revenue by attracting the customers away from other brands such as B&Q. The disadvantage of this is that more sales will need to be made to keep stop revenue from falling. If sales don't increase, then revenue and profits will suffer. It also might suggest a fall in the quality of the kitchens which may lead customers to avoid buying Wren kitchens.

Place: Wren have only 107 showrooms in the UK. This is compared to over 300 for B&Q. In fact, Wren have the second lowest number of stores of the selected kitchen suppliers. By being less visible or more difficult for customers to get to then sales will not reach their maximum. By increasing the number of stores then the business can attract more customers from over the UK, increasing sales. Often customers will be attracted to local stores so that if there are problems in the future then they can easily speak to a member of staff to sort the issue out. The problem of opening more stores is the increase in costs. Stores for Wren kitchens are large areas and therefore rent is likely to be high. There is also the problem of staff wages, which will add extra costs to the business.

Could potentially do on-line sales only, due to improvement in computer software. This reduces the staff costs and the need for a paid designer. This could reduce the cost of providing the kitchen and may enable Wren to reduce prices.

Wren could consider selling directly to building companies so that their standard range could be fitted in new builds.

Product: Wren offer a range of products to suit a number of different needs. This means they should attract a large number of customers who will be able to select a suitable product for them. The advantage of this is that customers that have limited budgets or need the products quickly can buy from Wren as well as those with large budgets and the ability to wait for custom made products. Having custom-made products increases the options available to customers and will attract customers who want an individually designed kitchen. The quality of the kitchens may have a negative impact on the reputation of the business. Whilst Which considered them to be very good, customer reviews were less satisfactory. If bad reviews appear online then potential customers may go elsewhere, reducing sales and profits.

Packaging of kitchen components is important as damaged goods would increase costs and damage reputation.

Promotions: TV advertising is the most common for Wren. This is likely to be seen by many customers, increasing customer awareness of the brand. TV allows customers to see some examples of the kitchens available and may attract customers. Social media is used which is free and can target those that follow the company. This is likely to lead to good targeting promotion and has a possibility of increasing sales. The problem with advertising is the cost, particularly TV. Maybe using cheaper forms of adverting could help. For example, leaflets could include promotional offers and information such as a map showing the reader how to get to the showroom. These are low cost and can be effective at raising awareness in the local area. With only 107 stores across the UK, it is likely that many people that see the advert will be unlikely to use a Wren store due to the distance from their house. This could be considered as a poor investment. The kitchen is in the premium price range and, therefore, promotion should be targeted at the higher income groups - B and C perhaps.

Wren could use further promotions such as competitions to win a free kitchen or renovation (#wrenovation). People may buy products or promote the product through social media if they had a chance to win a prize. The cost of the prize might be low if it is something the company can produce themselves e.g. a free kitchen.

Credit other valid answers and arguments.