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Mark Scheme (Results)

Summer 2024

Pearson Edexcel GCSE

In Business (1BS0)

Paper 02 Building a business

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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.
- Mark schemes will indicate within the table where, and which strands of QWC, are being assessed. The strands are as follows:
 - i) ensure that text is legible and that spelling, punctuation and grammar are accurate so that meaning is clear*
 - ii) select and use a form and style of writing appropriate to purpose and to complex subject matter*
 - iii) organise information clearly and coherently, using specialist vocabulary when appropriate.*

Section A

Question number	Answer	Mark
1(a)	<p>The only correct answer is A – Aesthetics</p> <p>B is not correct because it is not an element of the design mix</p> <p>C is not correct because it is not an element of the design mix</p> <p>D is not correct because it is not an element of the design mix</p>	(1)

Question number	Answer	Mark
1(b)	<p>The only correct answer is A – A group of countries that trade freely between themselves</p> <p>B is not correct because it is unrelated to a trade bloc</p> <p>C is not correct because a trade bloc is not a tariff</p> <p>D is not correct because a trade bloc is not a tariff</p>	(1)

Question number	Answer	Mark
1(c)	<p>Award 1 mark for identification of a reason, plus 2 further marks for explaining this reason up to a total of 3 marks.</p> <p>It may attract more customers (1). This is because there is more likely to be a product that suits different consumer needs (1). Therefore, the business will be able to make more sales (1).</p> <p>This may make it harder for other firms to find a gap in the market (1). Therefore, this prevents the market becoming competitive (1). This allows the business to maintain its market share (1).</p> <p>Accept any other appropriate response. Answers that list more than one reason with no explanation will be awarded a maximum of 1 mark.</p>	(3)

Question number	Answer	Mark
1(d)	<p>Award 1 mark for identification of an advantage, plus 2 further marks for explaining this advantage, up to a total of 3 marks.</p> <p>The business can hold less stock (1). Therefore, the business does not have to incur the costs of warehousing stock (1). As a result, it will have better net cash-flow (1).</p> <p>The business will be better placed to match stock with demand (1). Therefore, it will not be left with excess stock (1). Thus, it may not have to sell this stock off at a substantial discount (1).</p> <p>Accept any other appropriate response. Answers that list more than one advantage with no explanation will be awarded a maximum of 1 mark.</p>	(3)

Question number	Answer	Mark
2(a)	<p>The only correct answers are A – Application form and B – Curriculum vitae (CV)</p> <p>C is not correct because this would be produced by a business not a job applicant</p> <p>D is not correct because this is not linked to the recruitment process</p> <p>E is not correct because this would be produced by the business not a job applicant</p>	(2)

Question number	Answer	Mark
2(b)	<p>The only correct answers are A – Customer engagement and D – Product knowledge</p> <p>B is not correct because it is not a stage of the sales process</p> <p>C is not correct because it is not a stage of the sales process</p> <p>E is not correct because it is not a stage of the sales process</p>	(2)

Question number	Answer	Additional guidance	Mark
2(c)	<p>Substitution into correct formula:</p> $((£500\,000 \div 5) \div £200\,000) \times 100 \text{ (1)}$ <p>Answer: 50% (1)</p>	Award full marks for correct numerical answer without working.	(2)

Question number	Answer	Mark
2(d)	<p>Award 1 mark for a method, plus 2 further marks for explaining this method up to a total of 3 marks.</p> <p>The business could train its employees better (1). Therefore, they will be more likely to be able to spot faults in a product (1). As a result, products are less likely to break after being sold (1).</p> <p>The business could use quality assurance (1). Therefore, every single worker has a responsibility to ensure that the product is made correctly (1). As a result, it is less likely that faulty products will leave the production line (1).</p> <p>Accept any other appropriate response. Answers that list more than one method with no explanation will be awarded a maximum of 1 mark.</p>	(3)

Question number	Answer	Mark
2(e)	<p>Award 1 mark for identification of a disadvantage, plus 2 further marks for explaining this disadvantage up to a total of 3 marks.</p> <p>One manager may be responsible for many sub-ordinates (1). As a result, they have too much work to do (1). Therefore, costly mistakes may be made (1).</p> <p>Employees may not have self-discipline (1). Therefore, they may exploit the lack of supervision (1). Therefore, productivity may fall (1).</p> <p>Accept any other appropriate disadvantage. Answers that list more than one disadvantage with no explanation will be awarded a maximum of 1 mark.</p>	(3)

Question number	Answer	Mark
3(a)	<p>The only correct answer is A – Place</p> <p>A is not correct because it does not relate to distribution</p> <p>B is not correct because it does not relate to distribution</p> <p>C is not correct because it does not relate to distribution</p>	(1)

Question number	Answer	Additional guidance	Mark
3(b)	<p>Substitution into correct formula:</p> <p>Day 28 – Day 10 (1)</p> <p>Answer: 18 days (1)</p>	Award full marks for correct numerical answer without working.	(2)

Question number	Answer	Mark
3(c)	<p>Award 1 mark for identification of a reason, plus 2 further marks for explaining this reason, up to a total of 3 marks.</p> <p>So that the product becomes associated with a particular event or personality (1). This may enhance the brand of the product (1). Therefore, the business may be able to charge a higher price (1).</p> <p>It gives the product greater levels of awareness (1). This means that more customers may be tempted to try the product (1). Therefore, sales of the product may increase (1).</p> <p>Accept any other appropriate response. Answers that list more than one reason with no explanation will be awarded a maximum of 1 mark.</p>	(3)

Question number	Answer	Mark
3(d)	<p>Award 1 mark for identification of a disadvantage, plus 2 further marks for explaining this disadvantage up to a total of 3 marks.</p> <p>It can create communication difficulties (1). This is because teams of people are not in a physical office environment at the same time (1). Therefore, the business may experience a decrease in employee motivation (1).</p> <p>Purchasing computer equipment and broadband access for employees may be expensive (1). This may increase the costs for a business (1). This may then lead to a fall in profit (1).</p> <p>Accept any other appropriate response. Answers that list more than one disadvantage with no explanation will be awarded a maximum of 1 mark.</p>	(3)

Question number	Indicative content		Mark
3(e)	<ul style="list-style-type: none"> • It may reduce pressure group activity (AO1b). • It may add value to the business since the business can now charge a higher price for its products (AO1b). • Therefore, the business will avoid negative media coverage. This may enhance the brand of the business (AO3a). • As a result, net profit margins may rise if the extra price charged exceed the additional costs of improving their environmental responsibility (AO3a). 		(6)
Level	Mark	Descriptor	
	0	No rewardable material.	
Level 1	1-2	<ul style="list-style-type: none"> • Demonstrates elements of knowledge and understanding of business concepts and issues, with limited business terminology used (AO1b). • Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3a). 	
Level 2	3-4	<ul style="list-style-type: none"> • Demonstrates mostly accurate knowledge and understanding of business concepts and issues, including appropriate use of business terminology in places (AO1b). • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3a). 	
Level 3	5-6	<ul style="list-style-type: none"> • Demonstrates accurate knowledge and understanding of business concepts and issues throughout, including appropriate use of business terminology (AO1b). • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3a). 	

Section B

Question number	Answer	Mark
4(a)	<p>Award up to 2 marks for linked points outlining a method of internal growth that <i>Popeyes</i> could use.</p> <p>Introducing new menu items (1). This will encourage more people to choose <i>Popeyes</i> over Burger King (1).</p> <p>Opening up more branches (1). This gives people in other towns and cities the ability to try their fried chicken (1).</p> <p>Award any other valid answer. To award 2 marks there must linked development and evidence of application.</p>	(2)

Question number	Indicative content	Mark
4(b)	<ul style="list-style-type: none"> It allows Louisiana style chicken to stand out in a crowded fast-food market (AO2). It may discourage other fried chicken firms from opening new branches close to a <i>Popeyes</i> location (AO2). As a result, more customers may choose <i>Popeyes</i> over their rivals. This may increase market share, allowing greater revenues to be generated (AO3a). Therefore, with less competition, <i>Popeyes</i> can charge higher prices and as a result, increase its profit margins (AO3a). 	(6)

Level	Mark	Descriptor
		No rewardable material.
Level 1	1–2	<ul style="list-style-type: none"> Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3a).
Level 2	3–4	<ul style="list-style-type: none"> Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3a).
Level 3	5–6	<ul style="list-style-type: none"> Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3a).

Question number	Answer	Additional guidance	Mark
5(a)	Substitution into correct formula: $(£6.50 + £6.25 + £1.00 + £3.50 + £2.75) \div 5$ (1) Answer: £4 (1)	Award full marks for correct numerical answer without working.	(2)

Question number	Answer	Additional guidance	Mark
5(b)	Substitution into correct formula: $£6.25 \div (£6.50 + £6.25 + £1.00 + £3.50 + £2.75) \times 100$ (1) Answer: 31.25% (1)	Award full marks for correct numerical answer without working.	(2)

Question number	Indicative content		Mark
5(c)	<ul style="list-style-type: none"> <i>Popeyes</i> may have to reorganise its kitchens and move equipment like fryers to allow its chefs to work faster (AO2). The business may have to re-train its workers to improve their speed in preparing and cooking chicken (AO2). This may mean that productivity falls in the short-term which increases the amount of time customers may have to wait. This may discourage customers from making repeat purchases in the future (AO3a). This may result in some staff leaving <i>Popeyes</i> since they may feel that they are being asked to do more work for no extra pay. This may cause demotivation amongst the remaining workers and leave the restaurant short-staffed (AO3a). 		(6)
Level	Mark	Descriptor	
	0	No rewardable material.	
Level 1	1–2	<ul style="list-style-type: none"> Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3a). 	
Level 2	3–4	<ul style="list-style-type: none"> Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3a). 	
Level 3	5–6	<ul style="list-style-type: none"> Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3a). 	

Question number	Answer	Mark
6(a)	<p>Award 1 mark for stating one example of stock that <i>Popeyes</i> is likely to purchase from a supplier.</p> <p>Chicken (1) Cooking oil (1) Coca-Cola (1)</p> <p>To award 1 mark there must be evidence of application.</p>	(1)

Question number	Answer	Mark
6(b)	<p>Award up to 2 marks for linked points outlining a benefit to <i>Popeyes</i> from having a good relationship with its suppliers.</p> <p><i>Popeyes</i> may be able to secure faster delivery from its suppliers (1). Therefore, they will never run out of stock of cooking oil or chicken (1).</p> <p>The fast-food business could negotiate cheaper prices for chicken (1). This would reduce the variable costs of the business (1).</p> <p>Award any other valid answer. To award 2 marks there must linked development and evidence of application.</p>	(2)

Question number	Indicative content	Mark
6(c)	<ul style="list-style-type: none"> This gives managers at <i>Popeyes</i> the ability to minimise costs since they only need to pay chefs and servers a wage during busy times such as lunch and can send them home later in the afternoon when it is quiet (AO2). This provides <i>Popeyes</i> employees with a set amount of income that they would earn each week making it easier to attract staff to the fast-food restaurants (AO2). Therefore, the cost of preparing and making chicken will fall, since <i>Popeyes</i> will be able to match the number of workers to the times when it is busy or quiet in the restaurant. As a result, the profit made by each restaurant may increase (AO3a). This may allow <i>Popeyes</i> to be able to cope with periods of high demand. Thus, each restaurant may have reduced wait times and a more professional service. This may encourage repeat custom, allowing profits to rise (AO3a). However, trained workers like chefs may resent only working for part of the day and may choose to work for other fast-food restaurants that offer more security regarding pay and conditions. Therefore, <i>Popeyes</i> may struggle to recruit enough high-quality staff for its restaurants. This may increase wait times and reduce revenues and profit (AO3b). However, the impact on profit will depend on whether the extra costs of employing workers full-time is offset by the improved competitiveness of the restaurant, and it may lead to higher prices compared to rivals in a competitive fast-food market (AO3b). 	(9)

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-3	<ul style="list-style-type: none"> Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3a). Makes a judgement, providing a simple justification based on limited evaluation of business information and issues relevant to the choice made (AO3b).
Level 2	4-6	<ul style="list-style-type: none"> Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3a). Makes a judgement, providing a justification based on sound evaluation of business information and issues relevant to the choice made (AO3b).
Level 3	7-9	<ul style="list-style-type: none"> Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3a). Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made (AO3b).

Section C

Question number	Answer	Mark
7(a)	<p>Award one mark for giving one non-financial method to motivate employees in a business.</p> <p>Job rotation (1) Job enrichment (1) Autonomy (1)</p> <p>Award 1 mark for any non-financial method that is reasonable. Do not award a mark for increased wages/salaries/remuneration, commission, fringe benefits and promotion.</p>	(1)

Question number	Answer	Mark
7(b)	Showcase	(1)

Question number	Answer	Mark
7(c)	<p>Award up to 2 marks for linked points outlining likely responsibility for a manager of a <i>Cineworld</i> cinema. Award a maximum of 1 mark if points are not linked.</p> <p>The manager may have to lead teams of ice cream and ticket salespeople (1). This may ensure that they do their job properly (1).</p> <p>The manager may have to decide which films go on which screens (1). This may allow popular movies to be shown in auditoriums with more seats (1).</p> <p>Award any other valid answer. To award 2 marks there must linked development and evidence of application.</p>	(2)

Question number	Indicative content	Mark
7(d)	<ul style="list-style-type: none"> • Selling assets involves selling cinemas for cash to allow <i>Cineworld</i> to cover its loan repayments on £2.3bn of debt (AO2). • <i>Cineworld</i> is a public limited company so it could sell large numbers of new shares to raise cash to cover its loan repayments on its cinemas (AO2). • This should raise cash, especially if the cinemas are in popular locations such as city centres where other cinema or leisure groups may be interested in purchasing these assets for large sums of cash (AO3a). • This may work since existing shareholders have seen the <i>Cineworld</i> share price fall considerably and if no new shares are purchased it is likely that the company will fail. Therefore, they may be willing to purchase additional shares to protect their original investment, giving <i>Cineworld</i> enough cash to survive until there is an increase in cinema demand (AO3a). • However, cinemas are normally large buildings that may have limited alternative uses and with fewer people visiting cinemas since the global pandemic, it may well be that not enough cash is generated to cover the loan repayment <i>Cineworld</i> must make. Therefore, selling assets may not provide sufficient cash, since it is dependent on the market value of the properties (AO3b). • However, <i>Cineworld</i> will have to issue a large number of new shares which will significantly reduce the percentage ownership of the existing shareholders. Some existing or new shareholders may be unwilling to purchase the new shares due to the financial position of the company. Therefore, the success of this option depends on how confident investors are about the future of the company (AO3b). 	(9)

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-3	<ul style="list-style-type: none"> • Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). • Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3a). • Makes a judgement, providing a simple justification based on limited evaluation of business information and issues relevant to the choice made (AO3b).
Level 2	4-6	<ul style="list-style-type: none"> • Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3a). • Makes a judgement, providing a justification based on sound evaluation of business information and issues relevant to the choice made (AO3b).
Level 3	7-9	<ul style="list-style-type: none"> • Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3a). • Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made (AO3b).

Question number	Indicative content	Mark
7(e)	<ul style="list-style-type: none"> • Lower prices means that a potential cinema goer now spends a smaller percentage of their income on a trip to the cinema (AO1b). • Price is just one of the factors that a customer considers when purchasing a service such as a cinema ticket (AO1b). • Therefore, watching a movie in a multi-screen cinema becomes more attractive compared to watching it at home on a streaming service such as Netflix. This may increase demand for cinema seats (AO2). • If the quality of the movies shown by <i>Cineworld</i> is poor, then lower prices will not encourage more people to visit. People may also still have health concerns about being so close to other people and this may discourage them from visiting <i>Cineworld's</i> cinemas despite the lower prices (AO2). • As more people visit the cinema, <i>Cineworld</i> will generate a higher contribution from ticket sales and also make an additional contribution from the sale of other products such as popcorn and ice cream. This should help to pay off the fixed costs of the cinema, allowing it to move past its break even point and return to profit (AO3a). • Therefore, lower prices may reduce revenues, rather than increase them, leading to an increased loss rather than a return to profit. This is because other elements in the marketing mix may be more important, such as product, and these factors are the ones that ultimately generate customer demand for a cinema trip (AO3a). • However, during the global pandemic people got used to paying for and watching streaming services such as Apple TV and Netflix. Therefore, they may have lost the habit of visiting cinemas. Therefore, lowering prices may not stimulate enough extra demand and the increase in customers may not offset the reduction in prices, increasing <i>Cineworld's</i> losses rather than moving the company back towards profit (AO3b). • However, in the long-term lower prices may encourage people back to the cinema, once health concerns have subsided and the large movie studios start to release blockbuster movies that cannot be seen on streaming services. It ultimately depends on whether <i>Cineworld</i> can survive long enough for that to happen (AO3b). 	(12)

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-4	<ul style="list-style-type: none"> • Demonstrates elements of knowledge and understanding of business concepts and issues, with limited business terminology used (AO1b). • Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). • Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3a). • Draws a conclusion, supported by generic assertions from limited evaluation of business information and issues (AO3b).
Level 2	5-8	<ul style="list-style-type: none"> • Demonstrates mostly accurate knowledge and understanding of business concepts and issues, including appropriate use of business terminology in places (AO1b). • Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3a) • Draws a conclusion based on sound evaluation of business information and issues (AO3b).
Level 3	9-12	<ul style="list-style-type: none"> • Demonstrates accurate knowledge and understanding of business concepts and issues throughout, including appropriate use of business terminology (AO1b). • Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3a). • Draws a valid and well-reasoned conclusion based on a thorough evaluation of business information and issues (AO3b).

