



EXAM PAPERS PRACTICE

Boost your performance and confidence with these topic-based exam questions

Practice questions created by actual examiners and assessment experts

Detailed mark scheme

Suitable for all boards

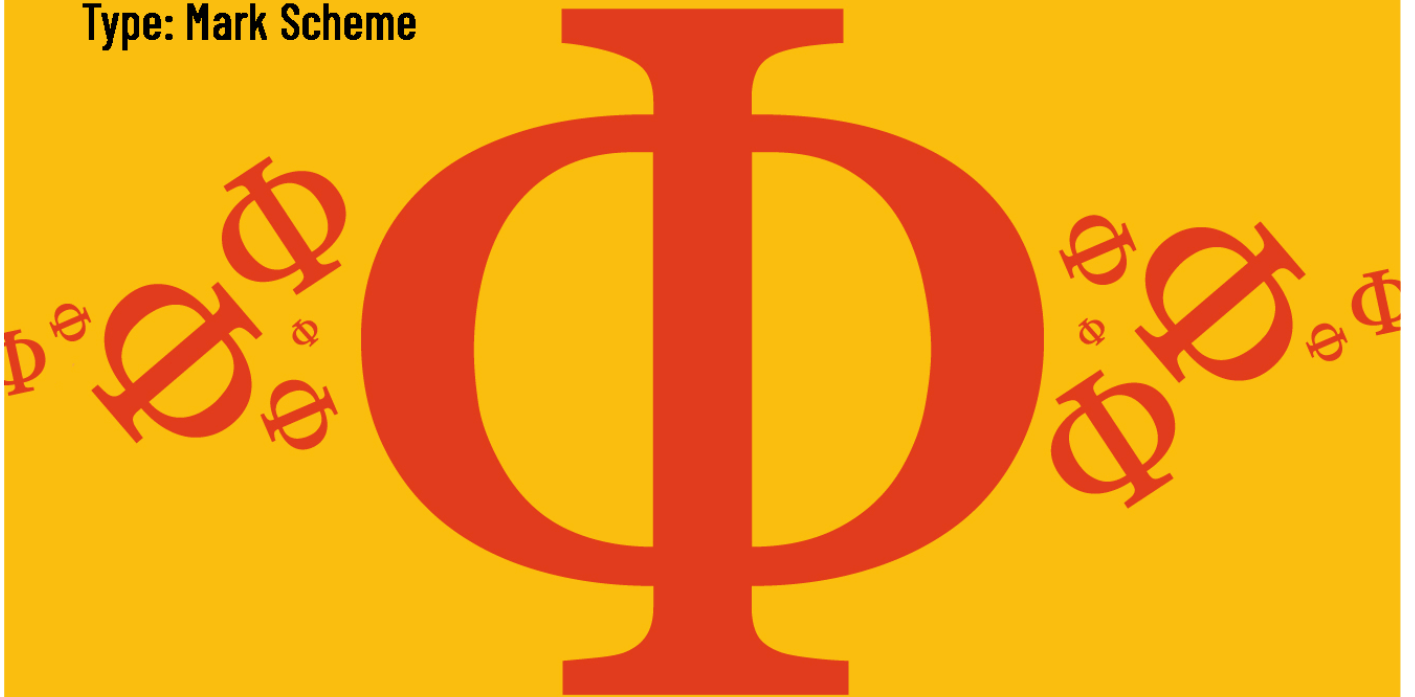
Designed to test your ability and thoroughly prepare you

Level: Pearson Edexcel Level 1/Level 2 GCSE (9-1) in Business (1BS0)

Subject: Business (1BS0)

Topic: GCSE Edexcel Business

Type: Mark Scheme



Business Edexcel GCSE

To be used for all exam preparation for 2025+

Business

GCSE

Key skills

Mark Scheme

Question 1

A business could differentiate its product by improving its design [1] to make it more visually appealing to customers [1] and stand out from other brands [1]

Examiner tips

- The model answer is an example. Your answer may be different
- This response is rewarded 3 marks as it makes a **valid point** which is **fully developed** with a short chain of reasoning

Alternative ways to answer

- Add extra features to the product → make the product more attractive → which will catch customers' attention
- Promote the product → improve brand recognition → encourage customers to switch from other brands

Guidance

- 'Explain' requires you to make a valid **point** (1 mark) and then provide a short **chain of reasoning** (2 marks) to back up the point
- **No application** is needed
- A list with more than one method and no explanations scores one mark

Question 2

It allows managers to reallocate resources such as promotional budgets and production resources [1] to other products that are profitable [1], helping to ensure their continued success [1]

Examiner tips

- The model answer is an example. Your answer may be different
- This response is rewarded 3 marks as it makes a **valid point** which is **fully developed** with a short chain of reasoning

Alternative ways to answer

- Can concentrate on products at the growth stage → which are more likely to have a longer maturity phase → may gain a larger market share
- Withdrawal should reduce business losses → decline phase products are unlikely to be profitable → greater retained profit to invest in new products

Guidance

- 'Explain' requires you to make a valid **point** (1 mark) and then provide a short **chain of reasoning** (2 marks) to back up the point
- **No application** is needed
- A list with more than one benefit and no explanations scores one mark

Question 3

Improving the aesthetic element of the design mix makes a product more visually appealing to customers [1] which may mean that they choose to buy it instead of a rival product [1], leading to increased market share [1]

Examiner tips

- The model answer is an example. Your answer may be different
- This response is rewarded 3 marks as it makes a **valid point** which is **fully developed** with a short chain of reasoning

Alternative ways to answer

- Product appears more attractive compared to rivals → may gain a unique selling point → allowing the business to charge a premium price
- Adds value to the product → generates a larger profit margin → more retained profit to reinvest in new products

Guidance

- 'Explain' requires you to make a valid **point** (1 mark) and then provide a short **chain of reasoning** (2 marks) to back up the point
- **No application** is needed
- A list with more than one benefit and no explanations scores one mark

Question 4

Differentiation may involve significant spending on promotional activities [1] to make customers aware of the ways in which the product differs from rivals [1] which would increase a businesses fixed costs

Examiner tips

- The model answer is an example. Your answer may be different
- This response is rewarded 3 marks as it makes a **valid point** which is **fully developed** with a short chain of reasoning

Alternative ways to answer

- Differentiation may require more expensive raw materials or components → variable costs increase → profit per product sold may decrease
- Involves expensive research and product development → increases cash outflows → poor cash flow

Guidance

- 'Explain' requires you to make a valid **point** (1 mark) and then provide a short **chain of reasoning** (2 marks) to back up the point
- **No application** is needed
- A list with more than one drawback and no explanations scores one mark

Question 5

The aesthetic element of the design mix makes a product visually appealing to customers [1] so they are inclined to choose to purchase it instead of a rival product [1], leading to increased sales revenue [1]

Examiner tips

- The model answer is an example. Your answer may be different
- This response is rewarded 3 marks as it makes a **valid point** which is **fully developed** with a short chain of reasoning

Alternative ways to answer

- Makes the product look more attractive → customers may choose the product over rivals → increases market share
- Source of differentiation → rival businesses may struggle to enter the market → may be able to charge a premium price

Guidance

- 'Explain' requires you to make a valid **point** (1 mark) and then provide a short **chain of reasoning** (2 marks) to back up the point
- **No application** is needed
- A list with more than one reason and no explanations scores one mark

Question 6

Businesses that spend a lot of money on advertising can benefit from high levels of brand awareness which could lead to customers choosing its brands over competitors' because they are frequently reminded about it through the mass media. This would be likely to lead to increased market share and the opportunity to become a price leader, which, in turn, would lead to greater profits.

However, although it can reach large numbers of potential customers, carrying out extensive advertising is likely to be very expensive. Using mass media such as television or newspapers will require large promotional budgets which only the largest businesses will be able to afford without affecting the budgets of other functional areas. If a business that spends large amounts on advertising fails to deliver a product that lives up to customer expectations because research and development has been underfunded, it will have been a waste of money and would lead to a poor reputation for the business which could affect future sales.

Examiner tips

- This is a model answer which would score 6 marks
- Appropriate **business terminology** is used throughout with two distinct and valid points that show accurate **knowledge and understanding**
- Both points have been fully developed with logical **chains of analysis**

Alternative ways to answer

- Greater brand awareness → differentiates product/service from rivals → increased market share
- Expensive → mass media channels require large marketing budgets → reduces budgets available for other business functions

Guidance

- This is a 'Level of response' answer where the examiner judges how well you have displayed the key skills of **knowledge** and **analysis**
- 'Discuss' questions **do not require you to apply** your answer to a specific business context
- At least **two valid impacts** must be analysed to gain 5-6 marks

Question 7

KFC would have had to make changes to its product range **[Point]** as a result of the supply issues in 2018. It normally sells a wide range of fried chicken products **[Application]** but this range may have had to be temporarily reduced so that it was able to meet the needs of most of its customers. Focusing on selling the more popular items, including those with the greatest profit margins, would have helped KFC to avoid losing more revenue than necessary and would have meant fewer customers moving their spending to rivals such as Burger King **[Analysis]**.

Temporarily changing the place element of the marketing mix by closing some of its restaurants **[Point]** would have meant that many customers would need to travel further to visit a KFC and, in such a competitive market, this would have been very damaging for sales. When looking for a quick lunch **[Application]** customers often choose the most convenient retailer and having to travel would put many off. Regaining these lost customers when the supply chain is restored would probably involve significant spending on promotion which, given lower sales, may be difficult to afford **[Analysis]**.

Examiner tips

- Each paragraph contains a specific point, followed by application and analysis
- Both points have been fully developed with **logical** and **applied chains of analysis** that are focused on the question
- The model answer is **well-balanced**, considered one positive and one negative impact on the business

Alternative ways to answer

- Promotion → social media campaign required to swiftly communicate supply issues with customers → additional promotional costs → increase in costs
- Price temporarily lowered → attract customers lost due to supply issues → regain market share lost to rivals such as Burger King → continued business success

Guidance

- This is a 'Level of response' answer where the examiner judges how well you have displayed the key skills of **knowledge, application and analysis**
- In this case, when asked to '**analyse the impact**' you should consider one negative and one positive impact
- For each point use the **Point + Application + Analysis** structure to gain 5-6 marks
- The response must be focused throughout on *KFC*

Question 8

If a product is being launched into a competitive market a suitable pricing strategy would be penetration pricing [1] where it is sold at a lower price than rivals [1], helping to gain market share quickly and increase the chance of success [1]

Examiner tips

- The model answer is an example. Your answer may be different
- This response is rewarded 3 marks because it makes a **valid point** which is **fully developed** with a short chain of reasoning which is awarded a further two marks

Alternative ways to answer

- Cost plus → ensures costs are covered → reduces risk of making a loss
- Price skimming → appropriate for innovative products → can maximise profits before competitors enter the market

Guidance

- 'Explain' requires you to make a valid **point** (1 mark) and then provide a short **chain of reasoning** (2 marks) to back up the point
- **No application** is needed
- A list with more than one method and no explanations scores one mark

Question 9

Balancing cost and appearance with a product's function [1] will mean that a product is more likely to receive positive reviews in specialist media [1], which can lead to increased sales from customers who carry out extensive research before making a purchase [1]

Examiner tips

- The model answer is an example. Your answer may be different
- This response is rewarded 3 marks as it makes a **valid point** which is **fully developed** with a short chain of reasoning

Alternative ways to answer

- Balancing function and aesthetics with cost → customers feel that they have achieved value for money → more likely to buy the product again
- Balancing function and cost with appearance → customers are attracted to a design that fulfill its needs at an appropriate price → more likely to leave positive reviews and recommend to others

Guidance

- 'Explain' requires you to make a valid **point** (1 mark) and then provide a short **chain of reasoning** (2 marks) to back up the point
- **No application** is needed
- A list with more than one benefit and no explanations scores one mark

Question 10

Sponsoring high profile sports events can help a relatively unknown brand achieve improved recognition as its logo or business name will appear repeatedly throughout the event, on merchandise and on official publications. This is likely to have a positive impact on the volume of sales during the event and may also help to improve sales in the longer term as customers continue to associate the brand with sporting success.

Businesses that sponsor large sporting events usually receive benefits such as free tickets, hospitality and discounted merchandise which can be shared with staff as 'perks'. This can improve the motivation of staff who may work harder to stand a chance of receiving these benefits and, in turn, this can both improve productivity as well as support the recruitment process as potential new employees are attracted to these fringe benefits.

Examiner tips

- This is a model answer which would score 6 marks
- Appropriate **business terminology** is used throughout with two distinct and valid points that show accurate **knowledge and understanding**
- Both points have been fully developed with logical and distinct **chains of analysis** that draw upon knowledge from across the course

Alternative ways to answer

- Brand exposure → associated with sports events that are watched by large audiences → attract new customers
- Can focus on specific target markets → customers who are focused on particular sports or events → effective use of promotional budget

Guidance

- This is a 'Level of response' answer where the examiner judges how well you have displayed the key skills of **knowledge** and **analysis**

- 'Discuss' questions **do not require you to apply** your answer to a specific business context
- At least **two valid benefits** must be analysed to gain 5-6 marks

Question 11

If a business gets 'place' right its products will become more accessible to customers [1] which will help its products gain market share against rivals whose products are more difficult to source [1], and lead to higher sales revenue and the potential to maximise profit [1]

Examiner tips

- The model answer is an example. Your answer may be different
- This response is rewarded 3 marks as it makes a **valid point** which is **fully developed** with a short chain of reasoning

Alternative ways to answer

- Customers can access products → if products are available to purchase in convenient locations → avoid losing revenue to rivals
- Customer service is provided at the place of sale → can provide advice and guidance → increases the possibility of upselling

Guidance

- 'Explain' requires you to make a valid **point** (1 mark) and then provide a short **chain of reasoning** (2 marks) to back up the point
- **No application** is needed
- A list with more than one reason and no explanations scores one mark



Question 12

EXAM PAPERS PRACTICE

*Reducing the price of its Model 3 EV will mean that Tesla is now competing with brands and models of vehicles that are aimed at the budget segment of the market **[Point]**. With little experience beyond the more luxury end of the market, Tesla may struggle to understand the needs of customers and the car may lack the features that competitors like Nissan **[Application]**, more used to developing vehicles on a tighter budget, regularly include in their vehicles. Whilst owning a premium Tesla-branded vehicle is likely to be appealing, failing to meet the expectations of such a large target market is very risky as it is likely to deter customers from buying a higher-spec Tesla in the future when they can afford to trade up **[Analysis]**.*

Selling the Model 3 at a lower price is likely to be a big media story that provides Tesla with good publicity [Point]. This may mean that the business has less of a need to pay for expensive promotional activity national newspapers and specialist car publications will be keen to report on the 30% reduction in price [Application]. Reducing promotional spending will provide further funds for market research and product development which would help Tesla to understand its new target market more thoroughly and help to ensure that the Model 3 continues to enjoy success as the vehicle meets customer needs [Analysis].

Examiner tips

- Each paragraph contains a specific point, followed by application and analysis
- Both points have been fully developed with **logical** and **applied chains of analysis** that are focused on the question
- The model answer is **well-balanced**, considered one benefit and one drawback to *Tesla* that are both fully focused on the context and developed into strong chains of analysis

Alternative ways to answer

- Lower sales revenue per vehicle → added value is lower if costs remain the same → lower profit per Model 3 car sold → lower total profit if sales volume does not increase
- Increased volume of sales → as more customers can afford the Model 3 → market share growth → as customers switch from cheaper brands

Guidance

- This is a 'Level of response' answer where the examiner judges how well you have displayed the key skills of **knowledge**, **application** and **analysis**
- *In this case you should consider one positive impact and one negative impact*
- For each impact use the **Point + Application + Analysis** structure to gain 5-6 marks
- The response must be focused throughout on *Tesla*