



EXAM PAPERS PRACTICE

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Detailed mark scheme

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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

Job production is often labour intensive [1] which means that salary costs will be high as a proportion of total costs [1] limiting the amount of profit the business can make [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 quality may be difficult to monitor → made by different workers and unlikely to be identical → increased customer complaints
- Slower production method than batch or flow → productivity may be lower → cost of producing each unit may rise

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 2

Producing a high quality product can help a business develop a good reputation [1] which may make the launch of new products by the business less risky [1] because customers are likely to have confidence in the brand [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

- Method of differentiation → which may attract more customers → increasing market share
- Able to charge higher prices → increases the difference between revenue and cost → profit margin on each product increases

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 advantage and no explanations scores one mark

Question 3

Having a good relationship with suppliers means that a business may have improved cash flow [1] because it is more likely to be offered trade credit facilities [1] which would mean that it could receive raw materials or components immediately and pay for them after they have been used in production and finished goods sold [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

- Suppliers may give the business discounts on raw materials → lower variable costs per unit → increased profit made on each item
- Suppliers become more reliable → supplies are more likely to arrive on time → can successfully operate a just in time stock control system

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

Poor customer service may lead to an increased number of complaints made to the business [1] which are likely to take time to resolve to customers' satisfaction [1] and distract managers from making key day to day business decisions [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

- Dissatisfied customers → unlikely to make repeat purchases or recommend to others → market share of the business may fall
- Damage to the brand → cannot charge a premium price → profit margins likely to fall

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 disadvantage and no explanations scores one mark

Question 5

A benefit of having a post-sales service is that it allows customers to return or exchange items with ease [1] which increases their satisfaction with the business [1] and makes it more likely that they will recommend it to other potential customers [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 product expertise after their purchase → increases customer satisfaction → likely to lead to loyalty and repeat sales
- Gather informal feedback on customer experience of using the product → can be used for staff training → improved customer service

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

Poor customer service could lead to increased labour turnover **[Point]** as staff, tired of dealing with complaints, would be likely to look for a similar type of work with one of KFC's many competitors such as Burger King **[Application]**. This would increase recruitment and training costs which would, in turn, increase fixed costs and impact profitability and, in addition, take up valuable management time which could be better used making sure restaurants' daily operations are running smoothly **[Analysis]** to avoid any further customer complaints.

Poor customer service such as long waits and untidy eating areas would also be likely to lead to negative online customer reviews **[Point]** which are often used by customers when selecting a place to eat **[Application]**. In such a competitive market such reviews could prompt customers to choose one of the many other fast food outlets which would reduce KFC's revenue and lead to a fall in market share and a loss of competitive advantage **[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 two contrasting negative impacts on the business

Alternative ways to answer

- Long waits for food to be prepared → customers may switch to rivals such as *Burger King* → reduces revenue → loss of market share → reduces *KFC's* competitive advantage
- Damages *KFC* brand reputation → reduces *KFC's* ability to charge premium prices for its products → profit margins on each item falls → lower retained profits

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 two negative aspects*
- For each aspect use the **Point + Application + Analysis** structure to gain 5-6 marks
- The response must be focused throughout on *KFC*

Question 7

Poor supplier reliability such as late or incomplete deliveries could mean that KFC is unable to fulfill customers' fried chicken orders [Point] [Application]. This would reduce sales volume and revenue or, if supplies are purchased from an alternative supplier at a higher price, increase costs. In both cases profit levels would be likely to fall, affecting KFC's ability to compete with its powerful rivals [Analysis].

Poor supplier reliability may also affect the quality of ingredients received by KFC into its restaurants [Point] which are known for providing good-value and consistency [Application]. If customers receive poor quality food as a result they are likely to make complaints which would take managers' time to resolve and may require KFC staff to prepare replacements. This would reduce the efficacy of managers and reduce team members' output, making it difficult to keep up with demand at busy times such as weekend lunchtimes [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 two contrasting negative impacts on the business

Alternative ways to answer

- Deliveries not received → KFC may run out of chicken at busy times such as Saturday lunchtime → disappointed consumers needs are no longer being met → may switch to other fast food outlets such as Burger King → reduces revenue
- Late deliveries → KFC may have to restrict menu options → items like boneless boxes may not be available → staff members not working to their full potential → higher unit costs → reduces profitability

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 two negative points*
- For each point use the **Point + Application + Analysis** structure to gain 5-6 marks
- The response must be focused throughout on KFC

Question 8

Using just in time production means that the business relies upon suppliers to deliver raw materials and components at the exact time they are needed in production. This can be risky, especially for businesses that experience surges in demand, as it relies on suppliers being able to fulfill short-notice orders. Should suppliers be unable to do so, the business would be unable to manufacture goods and, as well as missing out on increased sales, it would incur wage costs for staff who are idle. This would negatively impact the businesses cash flow and, if sustained, could risk its survival.

Developing and maintaining close relationships with suppliers is likely to take lots of trust, time and effort between managers and may require some form of overlap between IT systems to ensure that orders can be placed quickly. The business and its suppliers will need to be prepared to make significant investments in both time and capital equipment to make sure the system runs as smoothly as possible to avoid running out of stock or receiving incorrect components and both parties need to trust that they are entering into a long-term arrangement to make these investments worthwhile.

Examiner tips

- This is a model answer which would be awarded 6 marks because it contains all the parts outlined below
 - 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**
- This response considers **relationships with suppliers** and develops it in two different ways

Alternative ways to answer

- Late deliveries → may run out of stock → unable to continue production → lack of output to meet customer demand
- Bulk-buying economies benefits lost → average variable cost of raw materials increases → profit margins may fall

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
- In this case you should consider **one** disadvantage and **develop it in two different ways**

Question 9

Flow production is usually a capital-intensive manufacturing process [Point] with part-finished cars moving along an automated production line [Application] and small numbers of workers overseeing robotic assembly, minimising salary costs and ensuring consistency of the quality of output. The lack of opportunity for human error means that Tesla vehicles are more likely to meet customer expectations and it should maintain its reputation for high quality [Analysis].

In addition, the production lines can be run 24/7 with short 'down' periods for maintenance [Point] which means that large volumes of Model 3 cars [Application] can be produced. This means that Tesla is likely to be able to keep up with increasing demand for electric vehicles and maximise its revenue during this period of market growth, providing an opportunity to increase retained profit to invest in new models [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 two benefits to the business, **both developed from the point** that flow production is capital intensive

Alternative ways to answer

- Able to produce large numbers of Model 3 cars → can satisfy demand the growing market for electric cars → generate increased sales revenue
- Efficient production method → average cost of producing the Model 3 should fall → allows *Tesla* to reduce the price to \$35 000 and still make a profit

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 aspect and develop it in two different ways*
- For each aspect use the **Point + Application + Analysis** structure to gain 5-6 marks
- The response must be focused throughout on *Tesla*

Question 10

Implementing a quality assurance system is likely to require cultural change [1] to engage all workers in the business embracing their responsibility for quality [1] which can be difficult and time consuming to achieve [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

- Employee training is likely to be needed → because workers at each stage of the production process are responsible for checking their own work → increased business costs
- Lower output levels → because employees will now need to check every stage in the production of the product → could be very time consuming

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 11

Using technology in production can free up staff [1] so that they can focus on checking that products meet quality standards [1] which should reduce the chances of defective products being sold to customers [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

Alternative ways to answer

- Consistency → likely to be improved by the use of technology rather than people → less wastage
- Programmed to detect defects → quality checking by staff no longer required → lower wage costs

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 impact and no explanations scores one mark

Question 12

Holding buffer stock can allow a business to take advantage of bulk buying discounts [1] that will lower the direct costs of production [1] and, in turn, increase the profit per unit [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

- Unpredicted surges in demand can be met → able to meet needs of customers → good reputation
- Damaged goods can be replaced → without disruption to production → improved quality of output

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 impact and no explanations scores one mark



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