

Edexcel GCSE

Business

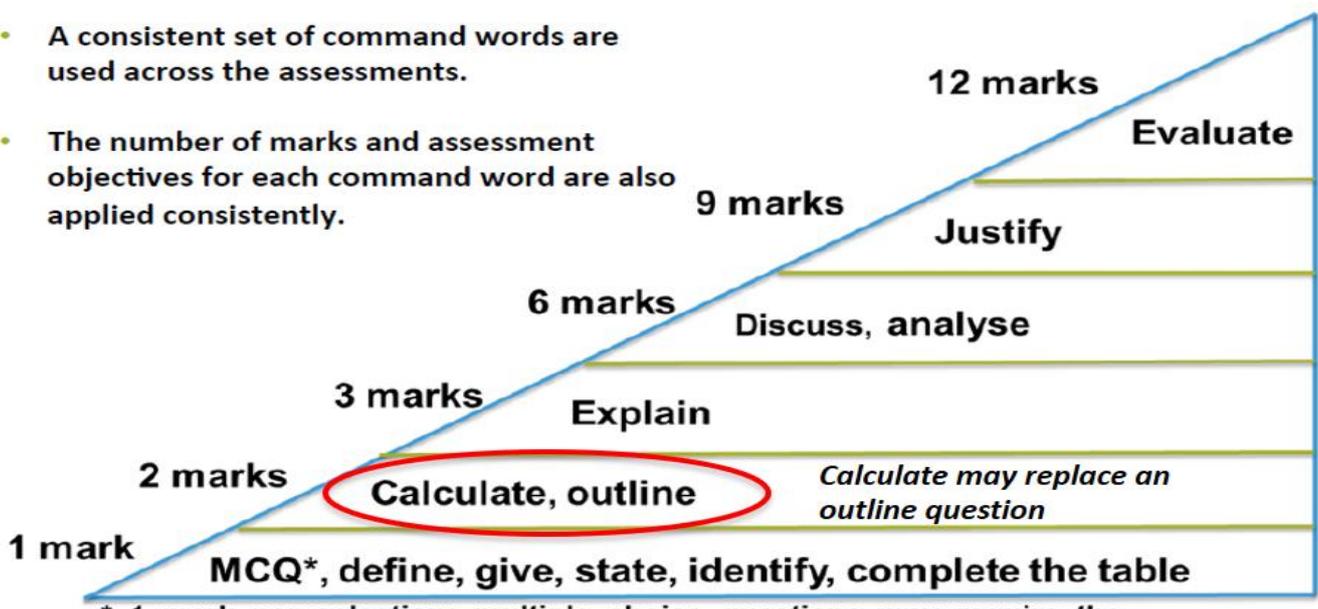
Understanding

&

Planning

Exam Questions

- A consistent set of command words are used across the assessments.
- The number of marks and assessment objectives for each command word are also applied consistently.



1 Mark Questions

State

- ❖ The answer should only be one sentence, but it must refer to the question or case study, example:

Question:

State **one** risk that Sally faces in starting this business.

(1)

Answer:

Sally may face financial risks as she is giving up her current paid employment (1 mark).

DO NOT write a lengthy sentence!

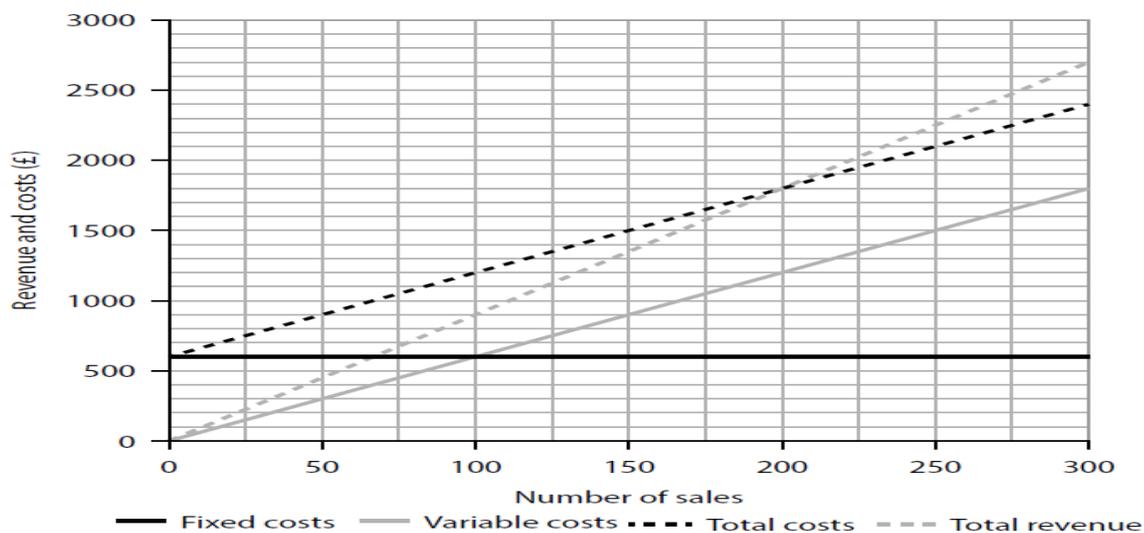
Identify

- ❖ This type of question will require you to look at a chart / graph and pick out a certain piece of information, example:

Question:

Identify the total number of sales that Neil and Sue will need to break even.

(1)



Answer:

200

1 and 2 Mark Questions

Multiple Choice

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

Which **one** of the following is an example of a variable cost?

Select **one** answer:

(1)

- A** Rent
- B** Raw materials
- C** Insurance
- D** Advertising

(b) Which **two** of the following are examples of services?

Select **two** answers:

(2)

- A** Train journey
- B** Magazine
- C** Headphones
- D** Haircut
- E** Mobile phone

Complete the table

❖ Ensure the figures are clear and are entered in the appropriate box(es)

Read the question carefully; if two figures are asked for then ensure you give two figures, 1 mark per answer, example:

(c) Complete the table with the **two** missing figures.

(2)

	August (£)	September (£)
Receipts	17 400	21 770
Raw materials	8 050	9 340
Fixed costs	2 120	2 340
Total payments	10 170	(ii)
Net cash flow	(i)	10 090
Opening balance	5 300	12 530
Closing balance	12 530	22 620

2 Mark Questions

Calculate

- ❖ This type of question is found in all 3 sections of the exam.
1 Mark for technique, 1 mark for correct answer. **NO MARKS FOR FORMULA.**
ANSWER MUST BE ON THE ANSWER LINE FOR THE MARK.

(b) Using the information below calculate the closing balance for the business. You are advised to show your workings.

Opening balance: £38,560
Cash inflows: £119,430
Cash outflows: £98,120

(2)

£.....

Outline

- ❖ This type of question is found in Sections B and C.
- For 2 marks you need to make one point, develop it while referring to the question / case study.
 - Use of 1 connective to explain the point - how why
 - A list of points with no development will only score 1 mark
 - **Key connectives:** which means.....because.....therefore.....

Question:

Outline **one** reason why being an e-tailer gives Amazon an advantage over Argos.

(2)

Answer:

E-tailing means that Amazon can reach a global market (1), therefore increasing its chances of being able to sell a large range of household goods (1).

3 Mark Questions

Explain

- ❖ This type of question is found in Section A
 - Award 1 mark for identification of a reason, plus 2 further marks for explaining this reason, up to a total of 3 marks.
 - A list of points with no development will only score 1 mark
 - Use business terminology
 - Use of 2 connectives to explain the point
 - Key connectives: which means....because...this leads to.....

Question:

Explain **one** reason why an entrepreneur would produce a business plan.

(3)

Answer:

The entrepreneur will be able to provide information for the bank when applying for a loan (1). The bank will be able to see important information about how the business will operate (1), and can therefore make a judgement about the ability of the business to repay the loan (1).

6 Mark Questions

Discuss

- ❖ This type of question is found in Sections A and B.
- Develop your answer while referring to the question / case study.
- 1 point made with 4 connectives OR 2 points - one with 3 connectives and one with 2 connectives
- Use business terminology
- Your answer will be given a mark and a level
- Key connectives...however...therefore.....is important because.....is more/less important because.....is most important because...the consequence of this...

Question:

(e) Discuss what a small business owner should consider when deciding upon the location for their business.

(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).

Answer:

A small business owner should consider proximity to target market (1) and the amount of competition in the area (1)(level 1). This increases the likelihood of being visible to potential customers (1) so the business can attract more passing trade (1)(level 2). This might impact on the pricing strategy (1) of the business as they may have to charge lower prices to be competitive (1)(level 3).

Analyse

- ❖ Two "Analyse" questions will be found in the paper, only in Section B
- A variety of "Analyse" questions will be found in the exams e.g. "Analyse the impact...", "Analyse the benefit...", "Analyse the drawback..."
- Do not give definitions, this is wasting time!
- Develop your answer while referring to the case study, ideally the points should be taken from the extract
- 1 point made with 4 connectives OR 2 points - one with 3 connectives and one with 2 connectives
- Use business terminology
- Your answer should demonstrate a logical chain of reasoning / argument, referring to the case study throughout
- Your answer will be given a mark and a level
- Key connectives...however...therefore.....is important because.....is more/less important because.....is most important because...the consequence of this...

Question:

(b) Analyse the impact on *Meringue* of allowing customers to order their food online in advance.

(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).

Answer:

Ordering in advance allows customers to spend less time queuing in the shop(1) as they will not need to wait for the food to be prepared (1)(level 1). As customers are not having to queue for as long as before, the chance of getting negative TripAdvisor reviews, such as in Figure 2, is reduced (1). As the slow service appears to be the only negative aspect, so by addressing this, the owners are helping to meet the needs of their customers (1)(level 2) and will gain repeat purchase as a result (1). This improves the convenience for customers, who are unhappy at the time it can take to queue to pay (1)(level 3).

9 Mark Question

Justify

- ❖ Two "justify" question - 1 in section B and one in C
- ❖ Justify will ALWAYS have two options to choose from
- Your answer should demonstrate a logical chain of reasoning / argument, referring to the case study throughout
- Do not give definitions, this is wasting time!
- Your answer will be given a mark and a level
- Make a decision at the start as to which option you believe is the best for the business in its current situation (keep this in mind)
- Use business terminology
- Key connectives...however...therefore.....is important because.....is more/less important because.....is most important because...the consequence of this...

Structure your answer as follows:

Paragraph 1: Give a mini judgement, one sentence is sufficient.

"Name the business" should go with the option of.....

Paragraph 2: Identify a positive of the option you have chosen, explain with connectives referring to the case study.

The option of would be good for "name the business" because..... This option could have the positive effects such as..... therefore leading to..... for "name the business". It could result in because.....

Paragraph 3: Identify a negative of the other option, explain with connectives referring to the case study.

The other option ofcould have a negative effect "name the business" because..... Therefore, this could lead to for "name the business". If this did occur "name the business" wouldThis possibly result in meaning "name the business".

Paragraph 4: Justify why your option is the best and why, remember to use key connective (however...therefore.....is important because.....is more/less important because.....is most important because...the consequence of this...)

The best option for "name the business" is to If "name the business" go with option it could lead to..... In the short term, it could lead to which has many positive impacts such as..... In the long term, it could result in and..... The option of..... for "name the business" is better than because..... Therefore "name the business" should go with.....

Example of question and marking grid:

Neil and Sue are considering two options to reduce the amount they need to sell to break even.

Option 1: Increasing average prices by 10%

Option 2: Reducing the cost of ingredients by using a cheaper supplier

(d) Justify which **one** of these two options Neil and Sue should choose.

(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).

12 Mark Question

Evaluate

- ❖ One question found in Section C
- ❖ Follow the same instructions and structure as you would for the 9 mark “justify” question
- ❖ The difference in this type of question is that there are no options given, you have to make a decision about the choices the business makes and evaluate (positives and negatives)

Example of question and marking grid:

(e) Evaluate whether Sally’s business idea is likely to be a success. You should use the information provided as well as your knowledge of business.

(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).