

GCSE Business

How to tackle the exam effectively



Structure of the GCSE (9-1) in Business

	Content overview	Assessment overview
Theme 1: Investigating small business	• Enterprise and entrepreneurship • Spotting a business opportunity • Putting a business idea into practice • Making the business effective • Understanding external influences on business	Written examination: • 1 hour and 30 minutes • 50% of the qualification • 90 marks
Theme 2: Building a business	• Growing the business • Making marketing decisions • Making operational decisions • Making financial decisions • Making human resource decisions	Written examination: • 1 hour and 30 minutes • 50% of the qualification • 90 marks



Structure of each GCSE Paper

- Each paper has **three sections**:
 - Section A = 35 marks (all non-contextualised)
 - Section B = 30 marks (Case-Studies using real world business contexts)
 - Section C = 25 marks (Case-Studies using real world business contexts)
- **Ramped questions** increasingly challenge students as they move through the paper.
- **Carefully defined taxonomy** of command words will be consistently used.



Structure of each paper in GCSE

(9-1) Business

Section A: 35 marks	Section B: 30 marks	Section C: 25 marks
No business context.	Questions are based on a business context.	Questions are based on a business context.
Multiple-Choice (MCQ) and short answer questions.	Short and longer answer questions.	Short and longer answer questions.
Students may be asked to calculate.	Students may be asked to calculate.	Students may be asked to calculate.
Section ends with a 6 mark question.	2 x 6 mark questions. 1 x 9 mark question.	1 x 9 mark question. 1 x 12 mark question.
Taxonomy: MCQ Explain one Complete the table Calculate Discuss	Taxonomy: Identify/State Outline Calculate Analyse Justify	Taxonomy: Define/Give (Paper 2 only) Identify/State Outline/Calculate Justify Evaluate



Grading scale for the GCSE (9-1) in Business

New grading structure	Current grading structure	
9	A*	In 2018, an A* was placed at 72/90
8		
7	A	In 2018, an A was placed at 63/90
6	B	In 2018, a B was placed at 54/90
5		
4	C	In 2018, a C was placed at 46/90
3	D	In 2018, a D was placed at 39/90
2	E	
1	F	
	G	
U	U	

GOOD PASS (DfE)
5 and above = top of C and above

AWARDING
4 and above = bottom of C and above

These thresholds are skewed by performance in 5BS01 and 5BS02.

The thresholds used in 2019 will be driven purely by statistics.

‘Give’ questions

- Always **worth 1 mark**.
- Designed to test ‘**Knowledge in Isolation**’ (AO1a).
- A ‘**points-based**’ mark scheme is used.
- Will only appear in **Paper 2, Section C**.
- They only exist to balance the Assessment Objectives across the two papers.

Give **one** type of social media that a business could use to interact with its customers.

(1)

Question number	Answer	Mark
7(a)	Award 1 mark for a type of social media. Facebook (1) Instagram (1) Snapchat (1) Twitter (1) Pinterest (1) Award any other appropriate type of social media that a business could use.	(1) AO1a

The mark is awarded for simple 'Knowledge in Isolation' (AO1a). In this case, stating a type of social media.

'Give' questions require the demonstration of a simple piece of knowledge.

‘Define’ questions

- Always **worth 1 mark**.
- Designed to test ‘**Knowledge in isolation**’ (AO1a).
- A ‘**points-based**’ mark scheme is used.
- Will only appear in **Paper 2, Section C**.
- They only exist to balance the Assessment Objectives across the two papers.

7 (a) Define the term **public limited company**.

(1)

A company where shares are traded
on a stock exchange

Question number	Answer	Mark
7(a)	Award one mark for a correct definition of public limited company. This is a company whose shares are traded on a stock exchange (1).	(1) AO1a

The mark is awarded for simple 'Knowledge in Isolation' (AO1a). In this case, stating a definition of a key term from the specification.

'Define' questions require the demonstration of a simple piece of knowledge.

‘State’ questions

- Always **worth 1 mark**.
- Designed to test **‘Application’** (AO2).
- A **‘points-based’** mark scheme is used.
- Will only appear in **Sections B and C**.
- **Without evidence of application**, zero marks will be awarded.

7 (a) State **one** example of a fixed cost that *Good and Proper Tea* needs to pay.

(1)

rent of the shop

7 (a) State **one** example of a fixed cost that *Good and Proper Tea* needs to pay.

(1)

Emilie's salary

Question number	Answer	Mark
7(a)	Award one mark for stating one fixed cost that <i>Good and Proper Tea</i> will need to pay. Insurance on the van (1). Rent on a parking space (1). Emilie's salary (1). Accept any other appropriate response. Do not accept fixed costs that would not be appropriate for <i>Good and Proper Tea</i>.	(1) AO2

The mark is awarded for application (AO2), therefore a mark cannot be awarded for a generic response demonstrating 'Knowledge in Isolation' (AO1a).

Notice how the response must contain evidence of application to score 1 mark.

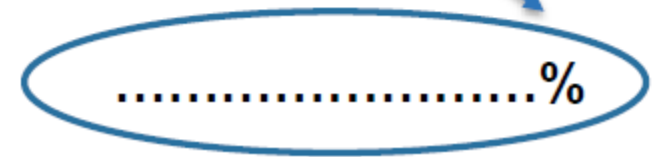
‘Calculate’ questions

- Always **worth 2 marks**.
- Designed to test ‘**Application**’ (AO2).
- A ‘**points-based**’ mark scheme is used.
- ‘Calculate’ questions can appear in **Sections A, B and C**.
- **No marks** are awarded for stating the formula.
- All ‘Calculate’ questions will have an answer template similar to the following slide.
- If students provide multiple answers, **the only answer that counts is the one written on the line provided** (as highlighted on the following slide).
- Where applicable, answers should be given to **two decimal places (2.d.p.)**
- Quantitative skills make up **10%** of the available marks across the qualification.

- (a) Using the information in Table 2, calculate, to 2 decimal places the value of total payments as a percentage of receipts (cash). You are advised to show your workings.

There is no need to worry about 'units'. These will always be provided on the answer line.

This is where we expect candidates to place their final answer.



- 5 A retailer selling *Frog Bikes* bicycles has the following financial information for the month of April.

	April
Opening cash balance	£3 500
Receipts (cash)	£1 200
Sales (due in cash in 60 days)	£1 100
Total payments	£700

Table 2

- (a) Using the information in Table 2, calculate, to 2 decimal places the value of total payments as a percentage of receipts (cash). You are advised to show your workings.

(2)

$$\frac{700}{1200} \times 100 = 58.33\%$$

58.33 %

Question number	Answer	Additional guidance	Mark
5(a)	Substitution into correct formula: $(£700 \div £1\,200) \times 100$ (1) Answer 58.33% (1)	Award full marks for correct numerical answer without working.	(2) AO2

If the candidate gives an answer of 58.3% or 58%, 1 mark would be awarded.

Both of the marks are for application (AO2), therefore a mark cannot be awarded for stating a formula.

‘Explain one’ questions

- Always **worth 3 marks**.
- Designed to test ‘**Knowledge in Isolation**’ and ‘**Understanding**’ (AO1a and AO1b).
- A ‘**points-based**’ mark scheme is used.
- ‘Explain one’ questions will only appear in **Section A**.
- There will always be **six ‘Explain’ questions** in each paper.
- Thus, **18/90 marks** on each paper come from this question style.
- Candidates need to provide **two** linked strands that logically follow on from the identification of **one** impact/ method/ benefit/ drawback/ reason etc.

One point with two linked strands of explanation.
Connectives are key.

Therefore
As a result
Leading to
Because

(c) Explain **one** benefit to a small business of carrying out market research.

(3)

One benefit to a small business of carrying out market research is that they can tailor their products to fit the needs of consumers. ^(B) As a result, their products will be more desirable ⁽¹⁾ therefore allowing the business to add value to their products. ⁽²⁾ 43 words

They will be able to tailor products to meet customer needs. Therefore, the products are more desirable, leading to increased sales. 21 words – Half the words, half the time, same marks!

‘Outline one’ questions

- Always **worth 2 marks**.
- Designed to test ‘**Application**’ (AO2).
- A ‘**points-based**’ mark scheme is used.
- ‘Outline’ questions will only appear in **Sections B and C**.
- Inter-changeable with ‘Calculate’ questions since they both solely test ‘**Application**’ (AO2).
- Candidates need to provide one linked strand following on from the identification of the impact/ method/ benefit etc. Within the answer **there must be evidence of context** to score both of the marks.

One point with one strand of explanation.

Context is key and must be in both sections of the answer.

4 (a) Outline **one** market segment that *Frog Bikes* targets with its products.

(2)

The company's business *Frog Bikes* targets children and teenagers with their bicycles. MS this is because they have various safety precautions to protect children ¹ e.g. chain guard.

Question number	Answer	Mark
4(a)	Award up to 2 marks for linked points outlining a suitable market segment for <i>Frog Bikes</i>. Award a maximum of 1 mark if points are not linked. Parents of young children (1) are a market segment because the bikes produced by <i>Frog Bikes</i> are designed specifically for children (1). Children (1) are a market segment because the bikes produced by <i>Frog Bikes</i> are designed specifically for children (1). Do not accept market segments that would not be appropriate for <i>Frog Bikes</i>. For example, pensioners.	(2) A02

This is an example of one way to answer the question. Candidates are encouraged to provide logical development in their response and provide context.

One mark is for the identification of a market segment that could apply to Frog Bikes (AO2), and the remaining mark (AO2) is for the logical development of that market segment in context.

‘Discuss’ questions

- Always worth 6 marks
- Last question on section A on both papers
- You need:
- 2 points with three strands of explanation per point.
- Connectives are key.
 - Therefore
 - As a result
 - Leading to
 - Because

Note – 5 linked strands of explanation are required across the two points to get top marks.

If the questions asks about the benefit, only discuss the benefit no balance is required.

(e) Discuss the benefit to a business of using e-commerce.

A business using e-commerce as their sales platform means that they have a larger market to sell to as opposed to a 'bricks and mortar' store. Therefore the business will have larger economies of scale. As a result ATC falls, thus increasing profit margins per item.

Another benefit of a business using E-commerce as their sales platform is that there is no need for a high street location. Therefore, fixed costs are lower. Therefore less contribution is required to break even so margin of safety increases

	Level 0	Level 1	Level 2	Level 3
Understanding (AO1b)				✓
Analysis (AO3a)				✓
Overall Level				✓
Marks Awarded (6)	6 marks			

‘Analyse’ questions

- Always worth 6 marks
- Two of these on each paper – always in section B – context is key
- You need:
- 2 points with three strands of explanation per point.
- Connectives are key.
 - Therefore
 - As a result
 - Leading to
 - Because

Three marks for
analysis and three
marks for context

Note – 5 linked strands of explanation are required across the two points to get top marks for analysis. Context has to be in all aspects of the answer to gain full marks. If the question asks about the benefit, only discuss the benefit no balance is required.

- (c) Analyse the impact on *Frog Bikes* of the legislation it has to comply with when producing and selling its bikes.

(6)

The legislation will mean that the bicycle business will have an increased average variable cost 1M for each vehicle as they must be fitted with a chain guard. This will decrease the total profit made from the children bicycles 1 therefore the retained ~~for~~ profit decrease 2 which may be used to expand their business to make cycling gear and helmets. The safety checks as part of the legislation means that total payments will increase 2M this will mean therefore this will reduce the cash flow of Terry and Shelly's children bicycle business 3 and therefore there is a higher chance of insolvency 4.

	Level 0	Level 1	Level 2	Level 3
Application (AO2)				✓
Analysis (AO3a)			✓	
Overall Level				✓
Marks Awarded (6)	5 marks			

‘Justify’ questions

- Always worth 9 marks
- Two of these on each paper – one in section B and one in section C – context is key
- You need:
- 2 points with three strands of explanation per point.
- Connectives are key.
 - Therefore
 - As a result
 - Leading to
 - Because
- Evaluation – It depends on, the most important reason

Three marks for analysis
Three marks for context
Three marks for evaluation

Note – 5 linked strands of explanation are required across the two points to get top marks for analysis. Context has to be in all aspects of the answer to gain full marks.

‘Justify’ questions

The structure

- Select one option and say which you are picking in sentence one.
- Paragraph one – One point with three strands of explanation covering why your option is the best one (context in every point).
- Paragraph two – ‘However’ – One reason it may not work with three strands of linked explanation (context in every paragraph)
- Paragraph 3 – ‘In conclusion’ The most important reason this is the best option is.... However it depends on....

Zoella Beauty is considering two options to develop the marketing mix of its beauty product line:

Option 1: Increase promotion of the brand.

Option 2: Reduce prices to compete with rival products.

(d) Justify which one of these two options Zoella Beauty should choose.

- Zoella Beauty should choose option 1. (P) I think that increasing the level of promotion will be most effective given that the **type of market segment for Zoella's products is mainly younger girls/teenagers** and those **interested in fashion** (**explanation strand 1**). These segments are **likely to use social media and websites such as YouTube**, where Zoella Beauty operate (**explanation strand 2**). As a result of this, promotion of products, **such as perfume and lipsticks**, on these platforms will be widely seen by the target audience (**explanation strand 3**). This is likely to lead to increased sales, **especially as promotion using social media will probably be shared and seen by even more teenage girls** (**explanation strand 4**). For Zoella Beauty this will lead to higher revenue and potentially higher profit margins (**explanation strand 5**).
- However, a problem with promotion is that rivals will be doing the same. **Lush and Boots both target teenagers** with their own promotion of beauty products, so there is a risk for Zoella in that it needs to stand out. This means that if its promotion does not help it to stand out, then the costs of the promotion might not be covered by higher sales of its products such as perfume. As a result of this profits may fall.
- Option 1 is better because of the type of customers. **Young, fashion-conscious girls will want to have the latest thing**, irrespective of the price. As promotion using social media is likely to be less costly than other methods, the impact on Zoella Beauty will be greater than reducing price.

	Level 0	Level 1	Level 2	Level 3
Application (AO2)				✓
Analysis (AO3a)				✓
Evaluation (AO3b)				✓
Overall Level				✓
Marks Awarded (9)	9 marks			

‘Evaluate’ questions

- Always worth 12 marks
- Last question on the paper
- You need:
- Definition to start
- Paragraph 1 – Positive point with 3 linked strands of explanation
- Paragraph 2 – Negative point/limitation with 3 linked strands of explanation
- Paragraph 3 – Evaluation – It depends on, the most important reason is, an alternative could be...

Three marks for understanding
Three marks for analysis
Three marks for context
Three marks for evaluation

Note – 5 linked strands of explanation are required across the two points to get top marks for analysis. Context has to be in all aspects of the answer to gain full marks

Using your knowledge of business, evaluate the importance of function within *GoPro's* design mix. The Design Mix includes function, cost and aesthetics. Go Pro's **helmet and drone based cameras** are very high-quality since they are both **waterproof and shock proof**. This is to be expected after '**very large amounts of capital had been invested in the products**' (Extract Paragraph 3). This would suggest that the 'function' element of the design mix is important in the **action camera** market that GoPro operate in.

The 'function' element of the design mix is critical to the success of the GoPro **camera** range (P). This is because the ability for the consumer to **record their successes whilst undertaking a range of extreme sports such as base-jumping** will be highly important since it is unlikely that the consumer will do that particular **trick or activity** again in precisely the same way ever again (explanation strand 1). Therefore, the consumer needs to rely on a **camera and its image stabilisation software** to capture the activity precisely so that the end user can **show the video to friends and family or post the video on YouTube** (explanation strand 2). Therefore, the ability of the **camera** to operate or function well in an **extreme sports environment** is the primary USP of the camera (explanation strand 3). This USP allows GoPro to differentiate its **cameras from cheaper competitors such as Xiaomi** (explanation strand 4). As a result, GoPro can now charge a premium for its technology-based products (explanation strand 5).

However, with new competitors such as **Xiaomi** entering the market, the market is becoming more competitive. These new competitors are able to produce similar **cameras** to that of GoPro at a much lower price. This has caused GoPro to lose market share and profitability causing the **share price to fall to \$8.54**. Therefore, perhaps the critical element within the design mix is changing and now 'cost' is becoming a much more important factor relative to 'function'. With lower average total costs a **camera** manufacturer can charge lower prices and if the 'function' element of the design mix is reasonably comparable, the consumer will enjoy better value for money. Therefore, GoPro should not make as many sales as the market becomes less niche and starts to attract the occasional **sports enthusiast** in a broader market.

To conclude, the degree to which 'function' is important in the design mix ultimately depends on the way the market for **lifestyle cameras** is changing. If the market widens into more of a mass market with occasional users of **action cameras** purchasing, consumers will become more heavily focused on price. Therefore, 'cost' should become a much more important element within the design mix. This will be reinforced if lower-priced competitors such as **Xiaomi** continue to enter the market. As long as these new competitors have a product which is reasonably comparable to that of GoPro in terms of quality, but at a much lower price, GoPro will be forced to increasingly focus on 'cost' and 'function' will decline in importance.

Summary

- Calculations – 2 decimal places, final answer on the line, no formula needed
- Outline – one point, one strand of explanation all in context
- Explain – One point with two strands of explanation – use connectives
- Discuss – Two point with three strands of explanation per point – no context – no balance
- Analyse – Two points with three strands of explanation per point in context
- Justify – Pick an option – One point in favour with three linked strands. One point against the same option with three linked strands, conclusion
- Evaluate – Same as justify! Definition at start...More detailed conclusion