



Mark scheme (Results)

Extra Assessment Material

Pearson Edexcel International Advanced
Subsidiary in Business (WBS11)

Unit 1: Marketing and people

Question	Answer	Mark
1(a)	<p style="text-align: center;">Knowledge 2</p> <p>Up to 2 marks for defining the term 'product innovation', e.g.</p> <ul style="list-style-type: none"> • The development/creation of products (1) not previously available (1). <p>NB reward any other suitable alternative. Do not award marks for examples.</p>	(2)

Question	Answer	Mark
1(b)	<p style="text-align: center;">Knowledge 1, Application 2, Analysis 1</p> <p>Quantitative skills assessed: QS1 Calculate, use and understand ratios, averages and fractions</p> <p>Knowledge 1 mark for identifying a suitable formula e.g.</p> <ul style="list-style-type: none"> • Yearly sales x fraction (1) <p>Application Up to 2 marks for selecting the correct data:</p> <ul style="list-style-type: none"> • $5.4m \times 0.25 = 1.35 m$ (1) • $5.8 m \times 0.25 = 1.45 m$ (1) <p>Analysis 1 mark for calculating the total sales</p> <ul style="list-style-type: none"> • $1.35 m + 1.45 m = 2.80 m$ (1) <p>NB: If no working is shown, award marks as follows:</p> <ul style="list-style-type: none"> • If the answer given is 2.8m award 4 marks. • If the answer given is 2.8 award 3 marks. 	(4)



Question	Answer	Mark
1(c)	<p>Knowledge 2, Application 2, Analysis 2</p> <p>Knowledge Up to 2 marks for defining price elasticity of demand, e.g.</p> <ul style="list-style-type: none">• The responsiveness of quantity demanded (1) to a change in price (1). <p>OR</p> <p>For giving two factors, e.g.</p> <ul style="list-style-type: none">• Degree of brand loyalty (1).• Number of substitutes in the market (1). <p>Application Up to 2 marks for answers contextualised to <i>Nissan</i>, e.g.</p> <ul style="list-style-type: none">• <i>Nissan</i> may have customers who are loyal to their Infiniti brand which is known for its performance (1).• <i>Nissan</i> face competition from many global brands such as <i>Toyota</i> and <i>Honda</i> who have higher market share (1). <p>Analysis Up to 2 marks for reasons/causes/consequences for <i>Nissan</i>, e.g.</p> <ul style="list-style-type: none">• Brand loyalty will encourage repeat purchases even if the price increases, resulting in more price inelastic demand (1).• This may lead to consumers buying less expensive vehicles from competitors if the price of <i>Nissan</i> vehicles increases resulting in more price elastic demand (1).	(6)

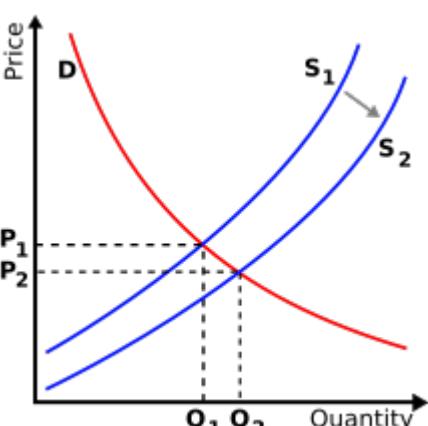
Question	Indicative content
1(d)	<p>Indicative content guidance</p> <p>Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited.</p> <p>Knowledge, Application, Analysis, Evaluation – indicative content</p> <ul style="list-style-type: none"> Customer satisfaction measures how products or services supplied by a company meet customer expectation. The recall of the cars may cause concern to customers who fear that the cars are not safe to drive, reducing customer satisfaction. The reputation and brand image of the <i>Nissan</i> brand may be damaged causing customers to be dissatisfied with their purchase. The 1.2 million cars would have to be returned to the factory which means some customers may be without a car for a period of time causing inconvenience for customers. However, if <i>Nissan</i> dealt with the recall efficiently and communicated well with customers it may not have an adverse effect of customer satisfaction. There is no evidence to suggest that there were problems with the quality of the cars that were recalled and therefore customer satisfaction may not be reduced. The problem affected Japanese factories/cars only and may not have had any effect on the satisfaction in other countries where the cars were sold.
Level	
Mark	Descriptor
0	No rewardable material.
Level 1	1–2 Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–5 Accurate knowledge and understanding. Applied accurately to the business and its context. Chains of reasoning are presented, showing cause(s) and/or effect(s) but may be assertions or incomplete. An attempt at an assessment is presented that is unbalanced and unlikely to show the significance of competing arguments.
Level 3	6–8 Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Logical chains of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors.

Question	Indicative content	
1(e)	<p>Indicative content guidance</p> <p>Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited.</p> <p>Knowledge, Application, Analysis, Evaluation – indicative content</p> <ul style="list-style-type: none"> • Waste minimisation is an approach to cut out/reduce waste in the production/design process. • <i>Nissan</i>'s Green Programme aims to minimise waste in product design, developing fuel efficient cars, reducing the emission from cars which pollute the air and using material that can be recycled. • <i>Nissan</i> should save money if waste minimisation is done efficiently and costs are reduced, which may lead to lower prices and higher demand for <i>Nissan</i> cars. • The ethical approach to the environment such as reducing the gas emissions may attract ethically minded customers. • Producing cars with material that can be recycled will give <i>Nissan</i> a good reputation in the industry which may increase sales. The USP may also allow <i>Nissan</i> to charge a higher price. • However, developing new processes and using different materials may be time-consuming and costly to <i>Nissan</i> which may have an impact on profitability. This may deter shareholders from investing in the business. • If <i>Nissan</i> increases prices to maintain profitability they may lose sales and market share to their rivals. • Consumers may not be aware of the Green programme and may be more concerned with the price of the car than the materials used/impact on the environment. 	
Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–4	Elements of knowledge and understanding, which are applied to the business example. Chains of reasoning are presented, but may be assertions or incomplete. A generic or superficial assessment is presented.
Level 3	5–7	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s).

		An attempt at an assessment is presented, using quantitative and/or qualitative information, though unlikely to show the significance of competing arguments.
Level 4	8-10	<p>Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context.</p> <p>A coherent and logical chain of reasoning, showing cause(s) and/or effect(s).</p> <p>Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information and shows an awareness of competing arguments/factors, leading to a supported judgement.</p>



Question	Answer	Mark
2(a)	<p>Knowledge 2</p> <p>Up to 2 marks for defining the term 'brand' e.g.</p> <ul style="list-style-type: none">• A name, design, symbol, or logo (1) that differentiates a business or product from its competitors (1). <p>NB reward any other suitable alternative. Do not award marks for examples.</p>	(2)

Question	Answer	Mark
2(b)	<p>Knowledge 1, Application 2, Analysis 1</p> <p>Quantitative skills assessed: QS3: construct and interpret a range of standard graphical forms.</p> <p>Knowledge 1 mark for correctly constructing a supply and demand diagram with correctly labelled axes as 'price' and 'quantity' (1).</p> <p>Application Up to 2 marks for:</p> <ul style="list-style-type: none">• Showing supply and demand curves with original equilibrium on the axes (1).• Shifting the supply curve to the right (1). <p>Analysis 1 mark for showing the new equilibrium and its effect on price (decreasing) and quantity supplied (increasing) on the axes (1).</p>  <p>The graph illustrates a supply and demand model. The vertical axis is labeled 'Price' and the horizontal axis is labeled 'Quantity'. A downward-sloping demand curve is labeled 'D'. Two upward-sloping supply curves are shown, labeled S_1 and S_2, with S_2 to the right of S_1. The initial equilibrium is at the intersection of D and S_1, marked by dashed lines to P_1 on the vertical axis and Q_1 on the horizontal axis. The new equilibrium is at the intersection of D and S_2, marked by dashed lines to P_2 on the vertical axis and Q_2 on the horizontal axis. The shift from S_1 to S_2 represents an increase in supply, leading to a lower price ($P_2 < P_1$) and a higher quantity ($Q_2 > Q_1$).</p>	(4)



Question	Answer	Mark
2(c)	<p>Knowledge 2, Application 2, Analysis 2</p> <p>Knowledge Up to 2 marks for defining differentiation, e.g.</p> <ul style="list-style-type: none">• A feature of a product or service that distinguishes it (1) from its competitors (1) <p>OR</p> <p>For stating up to two advantages of differentiation, e.g.</p> <ul style="list-style-type: none">• Attracts more customers (1)• Ability to charge premium prices (1) <p>Application Up to 2 marks for answers contextualised to <i>ANTA</i> e.g.</p> <ul style="list-style-type: none">• <i>ANTA</i> uses science and technology to develop innovative and high performance sports shoes and clothing (1).• The USP of <i>ANTA</i>'s A-Fresh range is that it releases fragrances during exercise (1). <p>Analysis Up to 2 marks for reasons/causes/consequences for sportswear brands, e.g.</p> <ul style="list-style-type: none">• This may increase sales for <i>ANTA</i> and enable them to grow, increasing market share (1).• This may lead to higher levels of revenue and profitability for <i>ANTA</i> (1).	(6)

Question	Indicative content	
2(d)	Indicative content guidance	
		<p>Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited.</p>
		<p>Knowledge, Application, Analysis, Evaluation – indicative content</p>
		<p>Quantitative skills assessed:</p>
		<p>QS9 Interpret, apply and analyse information in written, graphical and numerical forms</p>
		<ul style="list-style-type: none"> Market share is the percentage of an industry or market's total sales earned by a particular company over a specified time period. In 2016, <i>ANTA</i> had over 10% of market share in the sportswear market compared to 16.5% for <i>Adidas</i> and 18% for <i>Nike</i>. Increasing market share is important to <i>ANTA</i> because it is a measure of the consumers' preference over other brands such as <i>New Balance</i>. Increased market share is likely to mean more sales for <i>ANTA</i>. Increased market share is important to <i>ANTA</i> as shown by its 25% increase in revenue in 2017. <i>ANTA</i>'s market share is an indicator of how well it is performing in relation to its competitors. An increase in its share may attract new investors to help <i>ANTA</i> to grow/develop new sportswear ranges. Higher market share may put <i>ANTA</i> at a competitive advantage. Companies with higher market share have increased buying power and may benefit from economies of scale which may allow <i>ANTA</i> to possibly reduce its prices/or increase profitability. However, it may be very difficult to take market share from leaders <i>Nike</i> and <i>Adidas</i> in the short term who are well established brands with significant market share. Smaller brands like <i>ANTA</i> are 'spending more on advertising and promotions to compete with the leading brands' who have more market share. This could increase <i>ANTA</i>'s costs and reduce its profitability. Other objectives may be more important to <i>ANTA</i> such as the innovation of new products.
Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–2	<p>Isolated elements of knowledge and understanding – recall based.</p> <p>Weak or no relevant application to business examples.</p> <p>Generic assertions may be presented.</p>
Level 2	3–5	Accurate knowledge and understanding.

		<p>Applied accurately to the business and its context.</p> <p>Chains of reasoning are presented, showing cause(s) and/or effect(s) but may be assertions or incomplete.</p> <p>An attempt at an assessment is presented that is unbalanced, and unlikely to show the significance of competing arguments.</p>
Level 3	6–8	<p>Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context.</p> <p>Logical chains of reasoning, showing cause(s) and/or effect(s).</p> <p>Assessment is balanced, well contextualised, using quantitative and/or qualitative information and shows an awareness of competing arguments/factors.</p>

Question	Indicative content			
2(e)	Indicative content guidance			
<p>Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited.</p>				
<p>Knowledge, Application, Analysis, Evaluation – indicative content</p>				
		<ul style="list-style-type: none"> • Sponsorship is a form of marketing in which a payment is made by a company/or goods supplied by a company, for the right to be associated with a person or event. • ANTA sponsors the Chinese Olympic team, American basketball and boxing on television. In 2016 ANTA signed a sponsorship agreement with boxer Manny Pacquiao. • Athletes wearing ANTA clothing at the Olympics in Beijing may strengthen the brand image of ANTA and help increase market share. • Sponsorship of boxing matches and other events will provide advertising for the company and may increase awareness of ANTA sportswear, leading to increased sales revenue. • Sponsoring the Chinese Olympic team may help increase sales not only in China but around the world, as the Olympics reaches global audiences. • However, sponsorship is costly and so could reduce profit margins for ANTA or result in an increase in prices to customers, which may be a problem in this competitive market. • This form of promotion makes it difficult to target specific customers as it is provided to a mass audience. It is also difficult to measure the results of mass media promotion. • If a sponsored athlete receives bad publicity this may affect the reputation and image of ANTA. 		
Level	Mark	Descriptor		
	0	No rewardable material.		
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.		
Level 2	3–4	Elements of knowledge and understanding, which are applied to the business example. Chains of reasoning are presented but may be assertions or incomplete. A generic or superficial assessment is presented.		

Level 3	5–7	<p>Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context.</p> <p>Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s).</p> <p>An attempt at an assessment is presented, using quantitative and/or qualitative information, though unlikely to show the significance of competing arguments.</p>
Level 4	8–10	<p>Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context.</p> <p>A coherent and logical chain of reasoning, showing cause(s) and/or effect(s).</p> <p>Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors, leading to a supported judgement.</p>

Question	Indicative content	
3	Indicative content guidance Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited	
Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-4	Isolated elements of knowledge and understanding.

		Weak or no relevant application of business examples. An argument may be attempted, but will be generic and fail to connect causes and/or consequences.
Level 2	5–8	Elements of knowledge and understanding, which are applied to the business example. Arguments and chains of reasoning are presented but connections between causes and/or consequences are incomplete. Attempts to address the question. A comparison or judgement may be attempted but it will not successfully show an awareness of the key features of business behaviour or business situation.
Level 3	9–14	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Uses developed chains of reasoning, so that causes and/or consequences are complete, showing an understanding of the question. Arguments are well developed. Quantitative and/or qualitative information is introduced in an attempt to support judgements, a partial awareness of the validity and/or significance of competing arguments and may lead to a conclusion.
Level 4	15–20	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Uses well-developed and logical, coherent chains of reasoning, showing a range of cause and/or effect(s). Arguments are fully developed. Quantitative and/or qualitative information is/are used well to support judgements. A full awareness of the validity and significance of competing arguments/factors, leading to balanced comparisons, judgements and an effective conclusion that proposes a solution and/or recommendations.