



Mark Scheme (Results)

Summer 2022

Pearson Edexcel International Advanced Level
In Business (WBS11) Paper 01
Unit 1: Marketing and people

Question Number	Define the term 'consumer income'. Answer	Mark
1(a)	<p>Knowledge 2</p> <p>Up to 2 marks for defining the term 'consumer income' e.g.</p> <ul style="list-style-type: none"> • The money earned/received (1) from work/investments (1). 	(2)

Question Number	Using this data, calculate the total demand for <i>Vietjet Air</i> seats each day. You are advised to show your working. Answer	Mark
1(b)	<p>Knowledge 1, Application 2, Analysis 1</p> <p>Quantitative skills assessed:</p> <p>QS1 Calculate, use and understand ratios, averages and fractions</p> <p>Knowledge 1 mark for identifying a suitable formula for likely demand:</p> <ul style="list-style-type: none"> • Number of seats available per day x average percentage of seats sold (1) <p>Application Up to 2 marks for selecting the correct data</p> <ul style="list-style-type: none"> • $80 \times 240 \times 3 \text{ flights (1)} \times 88\% (1)$ <p>Analysis 1 mark for calculating the likely daily demand</p> <ul style="list-style-type: none"> • 50,688 seats (1) <p>NB: If no working is shown award marks as below: If answer given is 50,688 seats, award 4 marks. If answer given is 50,688 award, 3 marks.</p>	(4)

Question Number	Analyse two entrepreneurial motives Nguyen Thi Phuong Thao may have had when starting <i>Vietjet Air</i> .	Mark
1(c)	<p>Answer</p> <p>Knowledge 2, Application 2, Analysis 2</p> <p>Knowledge Up to 2 marks for defining entrepreneurial motive, e.g.</p> <ul style="list-style-type: none"> • Factors that drive (1) a person to start a business (1) <p>OR</p> <p>For giving two factors that may have motivated Nguyen e.g.</p> <ul style="list-style-type: none"> • Financial gain (1) Personal success (1) <p>Application Up to 2 marks for answers contextualised the factors, e.g.</p> <ul style="list-style-type: none"> • Nguyen may have seen opportunities in the expanding airline market in Vietnam (1) • Nguyen grew up in a country with few successful and dominant females in business (1) <p>Analysis Up to 2 marks for reasons/causes/consequences of the motives e.g.</p> <ul style="list-style-type: none"> • Nguyen may have seen the increase in income/tourism as a means of building the business to increase her own wealth (1) • This may have led Nguyen to work long hours growing the business to prove her capabilities and success. (1) 	(6)

Question Number	<p><i>Vietjet Air</i> faces increased competition from new airline businesses in Vietnam. Discuss how increased competition may affect airline passengers in Vietnam.</p> <p>Indicative content</p>
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"> • Competition is the rivalry among sellers trying to achieve goals such as increasing profits, market share, and sales volume • <i>Vietjet Air, Bamboo and Jetstart Pacific</i> will increase the number of available flights, so consumers are likely to benefit from more flight times and a choice of carriers • Competition should encourage businesses to improve the quality of the airline services. Consumers may see an improvement in on-board services • When firms compete, consumers often get the best possible prices. The airlines may compete on price and new consumers may benefit from reduced flight tickets • However, as a market leader <i>Vietjet Air</i> is known for its low prices and the new airlines may compete primarily on price. This may impact the quality of the services provided • The increase in the number of airlines may cause further congestion in and around airports and long queuing times for services such as airport security for all consumers • The costs associated with airlines are high. It may be that, in the long term, smaller airlines such as <i>Bamboo</i> may find it difficult to compete with larger airlines. The smaller airlines may be forced out of the market leaving larger airlines the option of increasing prices

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 Number	<p>Assess the benefits to a business, such as <i>Vietjet Air</i>, of offering performance-related pay to its employees.</p> <p>Indicative content</p>
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"> • Performance-related pay is a financial reward to employees whose work is considered to have reached a required standard • A bonus is paid if employees reach or exceed the agreed standard/objectives/targets • If <i>Vietjet Air</i> offers a bonus for performance this may attract pilots who are motivated by financial rewards. This will be of benefit to <i>Vietjet Air</i> as pilots are a scarce resource and essential to the growth and operation of the business • It gives employees an incentive to work harder to meet agreed objectives and gain the bonus. This may improve the efficiency and productivity at <i>Vietjet Air</i> to help them compete effectively in the growing airline market • There is a shortage of engineers who may switch jobs for better rewards. The prospect of a bonus every six months may help <i>Vietjet Air</i> retain its employees and reduce recruitment costs • However, financial incentives, will be costly to <i>Vietjet Air</i>. It aims to keep costs low and giving bonuses every six months will add to costs. This may result in increased prices of the flight tickets, affecting demand • Rewarding employees individually may do little to encourage teamwork. <i>Vietjet Air</i> requires good team work to offer a high level of customer service • The bonus is not a guaranteed payment, and some pilots may not be attracted by this benefit. This benefit may not be enough to attract some employees • Other incentives, both financial and non-financial, may be more important to the airline employees

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	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). 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.

Question Number	Define the term 'unique selling point' (USP). Answer	Mark
2(a)	<p>Knowledge 2</p> <p>Up to 2 marks for defining the term 'unique selling point' e.g.</p> <ul style="list-style-type: none"> • Any factor that differentiates a product (1) from a competitor's product (1) 	(2)

Question Number	Using this data, calculate the percentage change in sales of <i>GoPro cameras</i> . You are advised to show your working Answer	Mark
2(b)	<p>Knowledge 1, Application 2, Analysis 1</p> <p>Quantitative skills assessed: QS2: calculate, use and understand percentages and percentage changes</p> <p>Knowledge 1 mark for identifying a suitable formula e.g.</p> <ul style="list-style-type: none"> • $YED = \% \text{ change in quantity demanded} / \% \text{ change in income}$ (1) <p>Application Up to 2 marks for selecting the correct data: $0.6 (1) \times 5\% (1)$.</p> <p>Analysis 1 mark for calculating the change in quantity demanded</p> <ul style="list-style-type: none"> • $0.6 \times 5\% = 3\% (1)$. <p>NB: If no working is shown, award marks as follows:</p> <ul style="list-style-type: none"> • If the answer given is 3%, award 4 marks. • If the answer given is 3, award 3 marks. 	(4)

Question Number	Analyse two benefits that a business, such as <i>GoPro</i> , may gain from the use of social media.	Mark
2(c)	<p>Answer</p> <p>Knowledge 2, Application 2, Analysis 2</p> <p>Knowledge Up to 2 marks for defining social media, e.g.</p> <ul style="list-style-type: none"> • websites and applications (1) that enable users to participate in social networking. (1) <p>OR</p> <p>For stating 2 benefits of using social media, e.g.</p> <ul style="list-style-type: none"> • Builds brand awareness (1) • Gain valuable insights into consumer behaviour (1) <p>Application Up to 2 marks for answers contextualised to <i>GoPro</i> e.g.</p> <ul style="list-style-type: none"> • Users of <i>GoPro</i> cameras share experiences on YouTube and other social media sites (1) • Using sites such as Instagram, <i>GoPro</i> can monitor the sports and competitions the cameras are being used in (1) <p>Analysis Up to 2 marks for reasons/causes/consequences for <i>GoPro</i> e.g.</p> <ul style="list-style-type: none"> • This is likely to increase brand loyalty leading to increased demand for <i>GoPro</i> cameras and increased profitability (1) • <i>GoPro</i> can use the videos and feedback posted on Instagram to improve its products or promotional strategies (1) 	(6)

Question Number	Discuss the positive impact of ethical sourcing on a business such as <i>GoPro</i> Indicative content
2(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"> • Ethical sourcing is when a business buys materials/products that are produced using fair working conditions and/or with no negative impact on the environment • <i>GoPro</i> expects its suppliers to treat its employees fairly and provide a safe working environment. This may provide good publicity and enhance the reputation of <i>GoPro</i> leading to an increase in its sales of cameras • The ethical conduct may attract new investors who are ethically minded, which will help to continue to grow the business and compete with businesses such as <i>Sony</i> • However, sourcing ethically can be costly. Suppliers paying fair wages for example may push up the cost of the camera parts. • It is important that the <i>GoPro</i> cameras remain competitive with <i>Sony</i> and <i>DJI</i>. If the cameras become too expensive more people will revert to taking videos on smartphones rather than buying a specific camera • It is debateable whether consumers are concerned with ethical sourcing or whether they are more concerned with the performance or price of goods • Consumers may not even be aware of the ethical stance of the business when they make a decision about buying a product

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	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 Number	<p>Assess the benefits of using a product orientation approach for a business such as <i>GoPro</i>.</p> <p>Indicative content</p>
2(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"> • Product orientation is where the business develops products based on what it is good at producing, rather than researching the market to find out what a consumer wants • A market orientation approach means a business researches the market and reacts to customer feedback • One advantage is <i>GoPro</i> can save time and money by not researching customer opinions. This keeps costs lower which may lead to a lower price for the cameras • <i>GoPro</i> was the first to create and sell the new technology. Collecting consumer opinions on a new product/technology may not have yielded significant insights from consumers • Some products are argued to create a need or want in the customer, especially products with a very high technological content like the cameras • However, new competitors such as <i>Sony</i> have put more pressure on <i>GoPro</i> to react to consumer wants and become more market orientated • Market research identified new groups of people to sell to such as firefighters and parents. Therefore, consumer research is important to the growth of the business • In the short term, a product orientation approach is likely to have given <i>GoPro</i> first mover advantage and helped to establish the brand • However, as competitors entered the market and consumers became more knowledgeable about the technology, a market orientation approach is a safer approach for <i>GoPro</i>

Level	Mark	Descriptor
	0	No rewardable material.
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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	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). 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.

Question Number	Evaluate the extent to which a democratic leadership style is the most appropriate for the <i>Virgin Group</i> .
Indicative content	Indicative content guidance
3	<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"> • Democratic leadership is a type of leadership style in which members of the group take a participative role in the decision-making process. Group members are encouraged to share ideas and communication is two way • There are several leadership styles including autocratic, democratic, paternalistic and laissez-faire • The <i>Virgin Group</i> is diverse with many different businesses and requires a wide range of skills and expertise. A democratic style of leadership should encourage more viewpoints. Drawing on a wider pool of experience and opinion may have helped the business make better decisions about its products and services • Allowing participation of team members encourages more efficient problem solving. Branson alone is unlikely to be able to solve the problems of its many businesses • Branson uses encouragement and praise in his leadership style which is likely to motivate employees. If the employee ideas are listened to, then they are likely to be more committed to the business • Democratic leadership helps to build team relationships. Branson encourages teamwork which should increase morale and job satisfaction, resulting in higher productivity for the <i>Virgin Group</i> • However, decision making takes more time under a democratic leadership style. When any of the businesses were in trouble, such as <i>Virgin Cola</i>, it may have been more appropriate for Branson to take an autocratic leadership style. An autocratic style may have led to quick and decisive actions taken on a failing business within the <i>Virgin Group</i> • If Branson consults team members on all major decisions this may delay important decisions being made. This may have led to losing competitive advantage and the failure of some of the businesses • A democratic leadership style does not guarantee the best possible solution. Experts in space travel are likely to be best able to make decisions on technologically advanced projects. Perhaps a more laissez-faire style of leadership may be needed for such businesses

- Richard Branson is a successful entrepreneur and perhaps a paternalistic approach is required as he is likely to have gained a wide knowledge base of many sectors and may be more suited to making the final decisions
- Democratic leadership may be effective when starting new ventures or where workers are motivated and enjoy teamwork.
- However, this style of leadership may not be ideal for all situations especially where there is lack the knowledge or experience to make effective decisions
- It is likely that a combination of styles is required depending on the type of business and the employee skills and needs

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–4	<p>Isolated elements of knowledge and understanding.</p> <p>Weak or no relevant application of business examples.</p> <p>An argument may be attempted, but will be generic and fail to connect causes and/or consequences.</p>
Level 2	5–8	<p>Elements of knowledge and understanding, which are applied to the business example.</p> <p>Arguments and chains of reasoning are presented, but connections between causes and/or consequences are incomplete. Attempts to address the question.</p> <p>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.</p>
Level 3	9–14	<p>Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context.</p> <p>Uses developed chains of reasoning, so that causes and/or consequences are complete, showing an understanding of the question.</p> <p>Arguments are well developed.</p> <p>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.</p>
Level 4	15–20	<p>Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context.</p> <p>Uses well-developed and logical, coherent chains of reasoning, showing a range of cause and/or effect(s).</p> <p>Arguments are fully developed.</p> <p>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.</p>