

Examiners' Report  
June 2016

GCSE Applied Business 5AB02 01

## Edexcel and BTEC Qualifications

Edexcel and BTEC qualifications come from Pearson, the UK's largest awarding body. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information visit our qualifications websites at [www.edexcel.com](http://www.edexcel.com) or [www.btec.co.uk](http://www.btec.co.uk).

Alternatively, you can get in touch with us using the details on our contact us page at [www.edexcel.com/contactus](http://www.edexcel.com/contactus).

## ResultsPlus

### Giving you insight to inform next steps

ResultsPlus is Pearson's free online service giving instant and detailed analysis of your students' exam results.

- See students' scores for every exam question.
- Understand how your students' performance compares with class and national averages.
- Identify potential topics, skills and types of question where students may need to develop their learning further.

For more information on ResultsPlus, or to log in, visit [www.edexcel.com/resultsplus](http://www.edexcel.com/resultsplus). Your exams officer will be able to set up your ResultsPlus account in minutes via Edexcel Online.

### Pearson: helping people progress, everywhere

Pearson aspires to be the world's leading learning company. Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your students at: [www.pearson.com/uk](http://www.pearson.com/uk).

June 2016

Publications Code 5AB02\_01\_1606\_ER

All the material in this publication is copyright  
© Pearson Education Ltd 2016

## Introduction

This was the tenth paper to be sat for the Applied Business qualification (single award).

This paper was previously available in January and June each year, but since being made linear is now only available in the June series. The paper was based on Slide and Glide Hovercraft (SGH), owned as a partnership. The scenario proved accessible to candidates. It contained text and an image. The purpose of the scenario is to help candidates appreciate the context within which they are applying their answers. Basing questions on the given situation still seems to present difficulty for candidates.

Centres should realise that candidates are not expected to memorise scenario information, because of its introductory purpose – key information will be provided in question stems. However, the advice remains to ensure that candidates re-visit this scenario several times during the examination, to re-familiarise themselves with it. This kind of specific application will remain a key theme of this paper, and centres are therefore once again encouraged to work closely with their candidates to ensure they cope with this particular challenge. To date the papers have covered a variety of businesses – a drum store, a cake factory, a cinema, a theme park, a hotel, a jeweller, a self-employed photographer, an entertainment company and this series a company providing hovercraft experiences.

Centres are encouraged to look at a variety of businesses and ownership types with their candidates and to practice answering questions in context.

The paper contained questions from all specification areas. There were six questions in total. The paper was designed to assess candidates across the full GCSE ability range and achieved this, proving to be accessible to all. Quality of Written Communication was assessed in question 6 and this was indicated by an asterisk (\*6).

Centres are also advised to look at the command verbs at the beginning of each question as many candidates are losing marks through their lack of understanding of these words. For example, 'explain' in question 2(a) required candidates to explain the purpose of a balance sheet (statement of financial position).

To get these marks the answer should be developed. Many candidates are submitting a list of bullet points without further development or giving a variety of purposes, which cannot gain full marks.

The 60 minutes seemed sufficient. There were very few gaps and these appeared to be due more to lack of knowledge than lack of time. The paper differentiated well, and all questions were answered as expected with no major misinterpretations. Most problems were found in question 3(a) where candidates had misread the question. Rather than outlining how SGH would use its debit card to pay this invoice, they outlined why a debit card would be used.

Most centres seem to have taken full account of advice given to ensure as far as possible that candidates answer question parts in the space allocated. Where this was not so – for example, due to deleting a wrong answer in the answer line section – most candidates indicated the location of the corrected answer on the paper (e.g. 'see next page' or 'my answer is on the last blank page'). This practice is once again strongly encouraged. A very large number of candidates wrote a great deal for question 6 and therefore needed extra sheets. Candidates should practice writing more concise answers to this extended question, as the twenty lines available should be more than adequate for their answer.

There were a few occurrences of candidates writing in heavy felt-tip pens that transferred onto the reverse of the paper or in pencil that was difficult to read. Centres should clearly instruct candidates to read the rubric at the front of the paper that advises them to use black ink or a ballpoint pen.

### Question 1 (b)

Many candidates found it difficult to correctly calculate the Working Capital figure by selecting and adding the two current assets and then subtracting the one current liability. Candidates should practice selecting data and using the given data in formulas, as what should have been a simple substitution of figures proved difficult for many candidates.

Many candidates found it difficult to correctly calculate the Working Capital figure by selecting and adding the two current assets and then subtracting the one current liability.

1 (a) In the table below, identify whether each item listed is a:

- current asset
- fixed asset
- current liability
- long-term liability.

(6)

**Assets and Liabilities for SGH**

Items	£	Current asset	Fixed asset	Current liability	Long-term liability
Hovercraft	80 000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Money in bank	6 000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Bank loan	12 000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Equipment used for repairs	2 000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Debts owed by SGH to suppliers	1 400	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Blank DVDs	280	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Adem has given you the following formula.

$$\text{Working Capital (Net current assets)} = \text{Current assets} - \text{Current liabilities}$$

(b) Using the information from your answer to 1(a) and the formula given above, calculate the Working Capital (Net current assets) for *SGH*.

(2)

Space for your workings

$$\begin{array}{r} 6000 \\ 200 \\ \hline 280 \end{array} - 1400 = 5080$$

Working Capital (Net current assets) = £ 5080



**ResultsPlus**  
Examiner Comments

Centres would be advised to allow candidates to practice selecting data and using given data in formulas, as what should have been a simple substitution of figures proved difficult for many candidates.



**ResultsPlus**  
Examiner Tip

Use the formula given – current liabilities need to be subtracted not added.

## Question 2 (a)

Many candidates found it difficult to explain the purpose of a balance sheet. This document was frequently confused with either a profit and loss account or a cash flow forecast. A common issue was also not making one point and then a linked point to develop their answer further, but instead listing two separate purposes that cannot gain full marks. Candidates should be encouraged to focus on the command verb in the question stem, and when asked to 'explain' they should develop one point fully, rather than stating a range of points in their answer. The question clearly differentiated between candidates with many of the most able candidates able to gain full marks, as their answers usually focused on the purpose of the balance sheet showing 'assets and liabilities' and how this linked into the calculation of working capital and the ability to pay the businesses debts, showing good knowledge and understanding.

2 (a) Explain the purpose of SGH's balance sheet (statement of financial position).

(3)

The balance sheet gives a snapshot of the business at any given time. It shows what the business owns and owes and also how liquid they are



**ResultsPlus**  
Examiner Comments

The candidate is awarded 3 marks.



**ResultsPlus**  
Examiner Tip

If the command is 'explain' for 3 marks be sure to have three linked points to gain full marks.

2 (a) Explain the purpose of SGH's balance sheet (statement of financial position).

(3)

A balance sheet is a financial document used by businesses to show their assets against their liabilities. A balance sheet is a snapshot taken at a certain time. It can tell the business how much they are spending against what they owe and whether they have enough assets to pay their debts off. The sheet should balance.



**ResultsPlus**  
Examiner Comments

A well written answer – 3 marks awarded.

## Question 2 (b)

Most candidates were able to give one point relating to the classification of a fixed asset. This was usually related to the DVD recording equipment lasting more than 12 months, taking time to turn into cash, or being used within the business and not sold. Many candidates struggled to gain a second mark. Some candidates wrongly stated that fixed assets 'would never need to be replaced' or 'would last forever'.

The DVD recording equipment is a fixed asset of SGH.

(b) Outline why the DVD recording equipment is classified as a fixed asset.

(2)

DVD recording equipment is classed as an ~~are~~ fixed asset because they owe it for more than one year. A fixed asset is something that can't be turned into cash quickly and something the business keeps for more than a year.



**ResultsPlus**  
Examiner Comments

A clear answer that is awarded the full two marks.

The candidate has correctly identified that a fixed asset cannot be turned onto cash quickly (1) and is something the business keeps for more than one year (1).

The DVD recording equipment is a fixed asset of SGH.

(b) Outline why the DVD recording equipment is classified as a fixed asset.

(2)

The business will use it for longer than 1 year and will not sell it as part of the business operation.



**ResultsPlus**  
Examiner Comments

The answer scores the full two marks.

## Question 2 (c)

The vast majority of candidates were able to correctly give two examples of start-up costs and to access full marks on this question.

When Adem and Sirin started *SGH* they identified and listed the following costs:

- purchase of hovercraft
- monthly internet listing fee
- instructors' wages
- purchase of van
- purchase of helmets
- payment for fuel.

(c) Give **two** examples of a start-up cost for *SGH* from the list above.

(2)

1 hovercraft

2 Van



**ResultsPlus**  
Examiner Comments

Although the candidate has written only the item and not 'purchase of...' the two items are correct, and two marks can be awarded.

(2)

1 Purchase OF hovercraft.

2 Purchase OF Van.



**ResultsPlus**  
Examiner Comments

Two marks awarded for two correct responses.



## Question 2 (d)

The vast majority of candidates were able to correctly give two examples of running costs and to access full marks on this question.

(d) Give **two** examples of a running cost for *SGH* from the list above.

(2)

1. Payment for fuel
2. Instructors' wages



**ResultsPlus**  
Examiner Comments

Two marks awarded for two correct responses.

### Question 3 (a)

Many candidates were able to access full marks on this question, giving a range of ways a debit card could be used for paying the supplier. Most common answers related to visiting the supplier and using their 'chip and pin' device to provide payment. Many other candidates correctly focused on the option of paying via 'phone' or 'online' in their answers. However, large numbers of candidates did not answer the question asked and explained the benefits of using a Debit Card which could not be credited e.g. 'it transfers money immediately into the suppliers account' and 'it is quicker than completing a cheque so they get it faster'.

3 SGH has received an invoice for £236 from Pit Stop Garage, which services the hovercraft. This could be paid using either a credit card or a debit card.

(a) Outline how SGH would use its debit card to pay this invoice.

(2)

They would put the card into the chip and pin machine and then enter their PIN number to authenticate the payment.



**ResultsPlus**  
Examiner Comments

Two marks awarded for a clear outline of how a debit card is used.

(a) Outline how SGH would use its debit card to pay this invoice.

(2)

They would set up a direct debit account with which they can pay the sum of money and they will also be able to use this for any future payments.



**ResultsPlus**  
Examiner Comments

No marks can be awarded as the candidate has not answered the question.



**ResultsPlus**  
Examiner Tip

Be sure to read the question and answer appropriately.

### Question 3 (b)

Candidates frequently struggled to explain two different benefits of paying by credit card rather than by debit card. Most candidates could explain one benefit only, with many focusing on the ability to 'borrow money' from the credit card company and 'pay it back later' in comparison to the use of a debit card which would take funds immediately out the businesses bank account. Some candidates gave vague responses such as faster/quicker/easier with no further development. Candidates should be advised that such statements must be clearly supported. Centres would be advised to help candidates look at a variety of benefits for each of the various payment methods available and how these are more beneficial than the other options available.

(b) Outline **two** benefits to *SGH* of paying the garage by credit card rather than debit card.

(4)

1. If they don't have enough money, they can use the credit card and pay off the following after they make some more money, would put them in a safe position.
2. the use of credit cards can be more handy for the business as the operation takes place instantly without so much hassle.



#### ResultsPlus Examiner Comments

2 marks awarded for the first response.

Although the response is not well written the candidate has identified that they can use a credit card if they do not have enough money (1) and pay after they have made some money (1)

No marks can be awarded for the second response.



#### ResultsPlus Examiner Tip

Be sure answers are clear and focussed.

(b) Outline **two** benefits to *SGH* of paying the garage by credit card rather than debit card.

(4)

1 easier to use

2 quicker to use

9



**ResultsPlus**  
Examiner Comments

Answers such as 'quicker' and 'easier' cannot be credited without further clarification.



**ResultsPlus**  
Examiner Tip

Easier than what? Quicker than what?  
Your answer must be clear.

## Question 4 (a)

Only a few candidates had problems with identifying an appropriate stakeholder (although candidates should be reminded to use appropriate business terminology e.g. 'owners' rather than 'bosses') and then outlining their interest in the financial statements of the business. A variety of applicable stakeholders were chosen by candidates and their interests were generally outlined well. Some candidates however lost marks by identifying shareholders as a stakeholder, even though the scenario clearly states that *SGH* is a partnership and not a Ltd or Plc, and others gave vague reasons that could not be awarded a mark e.g. employees 'wanting to know how the business is doing'.

Sirin has been preparing financial statements for *SGH*. She has asked you to outline why these are of interest to the stakeholders of *SGH*.

4 (a) Complete the table below.

(i) Identify **three** stakeholders of *SGH*.

(3)

(ii) Outline the interest each has in *SGH*'s financial statements.

(3)

Stakeholder	Interest in <i>SGH</i> 's financial statements
Owner	They will want to see the profits and know how much money they are making
Customer	They want the business to succeed because they buy from there and they may have to look elsewhere
Shareholder	They will want to see how much money the business is making because otherwise they may have to remove their share



## ResultsPlus

**Examiner Comments**

The candidate has clearly identified 2 stakeholders 'owner' (1) and 'Customer' (1). Giving a total of 2 marks for Q4(i). No mark is awarded for shareholder as it is described in the scenario as a partnership business. For Q4(ii) the candidate has scored a total of 2 marks; they have correctly outlined the customer interest as they 'buy from there and they may have to look elsewhere' e.g. They wish them to continue to provide goods and services (1). Owner 'will want to see the profits' (1).



## ResultsPlus

**Examiner Tip**


Be sure to look at the type of business as described in the scenario.

### Question 4 (b)

Many candidates were able to access full marks on this question, showing clear understanding of the calculations required and filling out the invoice correctly. The main weakness identified was using the previous invoice number and the date of the required booking rather than today's date as required. Candidates need also to be aware that a discount would be deducted from the goods total as this was a common error. In addition, a major weakness was the inability to round their calculations to the nearest full pence. Candidates should be reminded that the end column for pence requires two figures, e.g. whether that is .00 or .50. Some put numerous digits in the pence column which is not awardable as this would not be acceptable in a professional business accounting document.

(b) Using the information given in the email, complete the invoice below. It has been started for you.

(8)

<b>Invoice Number:</b> 76413	<b>Slide and Glide Hovercraft (SGH)</b>
<b>Date:</b> 08/09/16	
<b>Invoice to:</b>	
simon Moody	
43 Nautilus Way	
BRIGHTON	
East Sussex	
BN2 5XZ	Oval Circuit Field Road Grangetown GT30 9RW  Tel: 07970029195 VAT Reg No. 6725341

(Source: i4lcocl2/istock)

Number of laps	Cost		Total	
	(£)	(p)	(£)	(p)
Package B: 10-lap experience x 1	60	00	60	00
Extra laps x 5	03	99	19	95
DVD x1	15	00	15	00
<b>Total</b>			94	95
<b>Online booking discount @10%</b>			9	495
<b>Total to Pay</b>			85	455



**ResultsPlus**  
Examiner Comments

5 marks are awarded.

Name and Address (1).

£60.00 (1).

£3.99/£19.95 (1).

£15.00 (1).

£94.95 (1).

0 Marks awarded for Invoice Number and Date as these are incorrect.

0 Marks awarded for 9.495 or 85.465 as an invoice shows money and so would be 2 decimal places not 3 for pence.

Total Marks 5.



**ResultsPlus**  
Examiner Tip

The invoice number follows on from the last one given.

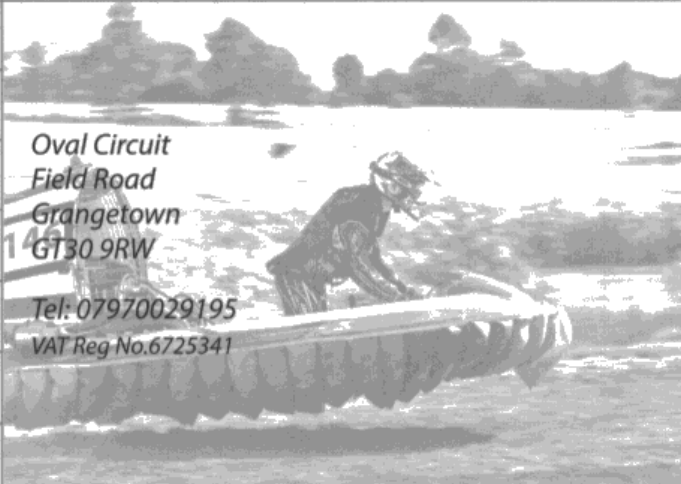
The instruction tells you to use today's date, not the date of the booking.

When using figures for money be sure to have two digits only in the pence column.



(b) Using the information given in the email, complete the invoice below. It has been started for you.

(8)

<b>Invoice Number:</b> 76413	<b>Slide and Glide Hovercraft (SGH)</b>
<b>Date:</b> September 8th 2016	 <p>Oval Circuit Field Road Grangetown GT30 9RW Tel: 07970029195 VAT Reg No.6725341</p>
<b>Invoice to:</b> Adem	

(Source: i4lcocl2/istock)

Number of laps	Cost		Total	
	(£)	(p)	(£)	(p)
Package B: 10-lap experience x 1	60	00	60	00
Extra laps x 5	19	95	29	95
DVD x1	15	00	15	00
		<b>Total</b>	94	95
		<b>Online booking discount @10%</b>	<del>9.495</del>	49
		<b>Total to Pay</b>	85	46

3.99 x 5

94.95 ÷ 100 = 9.495

9.495 x 10 = 9.495 (Total for Question 4 = 14 marks)

9.50 94.95 9.495



**ResultsPlus**  
Examiner Comments

The candidate has lost two marks by not correctly filling in the top part of the invoice.



**ResultsPlus**  
Examiner Tip

Be sure to complete all parts of the invoice correctly.

## Question 5 (a)

Candidates answered the question well and had obviously practised the construction of the financial document, allowing them to access full marks. Candidates who failed to access full marks often had problems with sales coming from two sources and, even though the question clearly labelled them as sales, failed to spot that both the hovercraft experiences and DVDs had to be added together. These candidates entered each on a separate row, and omitted Cost of Sales. Some candidates then inserted 'Cost of Sales' incorrectly in the Expenses section. Some candidates lost marks through simple calculation errors and all candidates are advised to double-check their answers for accuracy. A very small number of candidates lost a mark for entering 'Net Profit/Loss' rather than Net Profit in the bottom row.

Sirin has asked you to help construct a Profit and Loss account (Income Statement) for *SGH* for 2015. She has sent you the following figures:

	£
Sales of hovercraft experiences	120 000
Sales of DVDs	15 000
Wages and salaries	25 000
Servicing of machines	1 500
Rent, rates and insurance	11 100
Cost of sales	19 000

5 (a) Complete the Profit and Loss account (Income Statement) for SGH.

(8)

**Profit and Loss Account (Income Statement) for Slide and Glide Hovercraft (SGH)**

	£	£
Sales		135.000
Cost of Sales		19.000
<b>Gross Profit</b>		<b>116.000</b>
<b>Expenses:</b>		
Wages and Salaries	25.000	
Servicing of machines	1.500	
Rent, rates and insurance	11.100	
<b>Total Expenses:</b>		<b>37.600</b>
Net Profit		<b>78.400</b>



**ResultsPlus**  
Examiner Comments

Full marks are awarded.

### **Question 5 (b)**

Some candidates were able to successfully calculate the Gross Profit Margin, substituting their figures from the Profit and Loss account correctly, and rounding their calculation to the nearest full percentage or decimal point. It was clear however, that many candidates were unable to do this. Centres would be advised that candidates require practice in this financial skill as many struggled with this mathematical aspect and so reduced their marks.

## Question 5 (c)

Candidates often struggled to answer this question accurately. This appears to be due to candidates not reading the question or fully understanding what was being asked. Candidates who were unable to access full marks often failed to consider that *SGH* were considering introducing computerised accounting software to replace their manual system. Many candidates answered as if *SGH* were introducing computers into the business, instead of new software onto their computers. Common wrong answers focused on 'computers breaking' and 'the computer system getting a virus' rather than clearly focussing on the disadvantage of introducing a new computerised accounting software package to replace their current manual system. Furthermore the system is an internal one that is used by a small business, therefore 'hacking' is seen as highly unlikely and not appropriate for this scenario. Candidates who answered the question well focused on the size and type of business involved, often relating their answers to the 'high cost involved for a small business', the 'need to train unskilled staff to operate the system' and 'that a manual system could be more cost effective/suitable in their type of small business'. Some candidates lost marks as they failed to fully develop their answers by making linked points but gave a range of unrelated points that limited their marks.

Sirin is considering introducing computerised accounting software to replace the manual accounting system she has at present.

(c) Explain **one** disadvantage to *SGH* of introducing computerised accounting software.

(3)

A disadvantage is that it would ~~have~~ require staff training to use it efficiently, this would cost the business money; this would affect their profit, the training would also mean that customer service would be neglected as the ~~staff~~ staff are too busy being trained; this would have an effect on their reputation.



Sirin is considering introducing computerised accounting software to replace the manual accounting system she has at present.

(c) Explain **one** disadvantage to *SGH* of introducing computerised accounting software.

(3)

Computerised software is vulnerable to many things, in which case would cause it to be unusable which may cause the business to shut until it works again. It is susceptible to powercuts and similar power outages where it would simply not work. It may also be hacked in which customers data may be lost. ~~Finally, is it~~



**ResultsPlus**  
Examiner Comments

The candidate is referring to computers and hardware rather than software. It is very unlikely a small system such as this would be hacked.



**ResultsPlus**  
Examiner Tip

Be sure to read the question and focus your answer in context.

## Question 6

Answers were varied, but most candidates were able to access at least level 2 on the question. Candidates at this level usually attempted to consider both sides of the argument and come to a conclusion based on their points. There was awareness of different payment methods and although this was not expanded upon by some candidates, many did apply the context. Candidates at the lower level made some attempt and were able to make basic statements. It was pleasing that there seemed to be very few candidates who didn't attempt the question. The more able candidates were able to access level 3, with answers that had well justified and balanced conclusions, showing a greater depth of understanding as to why no longer accepting cheques may be easier for the business but may alienate some customers.

Candidates who performed less well often did so for three reasons.

Firstly, they provided purely generic answers that were not applied to the case study and/or question asked. Some candidates talked generally about the different payment methods. Some candidates wrongly answered the question from the perspective of the customer rather than *SGH* or discussed payment methods that were unrelated to the question asked. Secondly, some candidates still have the misconception that there is no bank charge for payment methods other than cheques and that all cash would be spent and not taken to the bank. Thirdly, many candidates ended with a simple statement but no justification. Any conclusion needs to be justified. Unsupported conclusions cannot be credited. Many candidates concluded with 'I think it would be a good idea not to accept cheques'. This is not a supported conclusion.

Some good responses were found that had excellent application and showed clear development of points based on the context of the case study e.g. '*SGH* should continue to accept cheques as it is the preferred method of payment of many groups who may pre-book and use the hovercraft experience such as school groups or social clubs' and that '*SGH* refusing cheques would be a good option as cheques take time to clear 3-5 days and *SGH* may need increased liquidity from cash and cards particularly in the summer months when they will be busier and hovercrafts could easily break down and need expensive emergency repairs to keep the business operational'.

The Quality of Written Communication (QWC) used by candidates was of variable quality.

Most answers were written in extended prose rather than as bullet points, which is encouraging, and there were some good attempts. Some candidates unfortunately are still showing poor Quality of Written Communication with poor sentence structure, grammar and spelling. More able candidates were able to fluently structure their answers considering both advantages and disadvantages and reaching valid conclusions using full paragraphs.

In addition, more able candidates used good grammar, spelling and business terminology in their responses. All candidates are reminded of the importance of QWC when structuring their answers as this determines the level and the marks that can be awarded.



SGH is considering refusing to accept cheques from customers as payment for the hovercraft experiences and DVDs and only accepting payment by cash or card.

\*6 Evaluate whether this would be a good decision for SGH.

(10)

At first sight,

~~if~~ <sup>if it would seem that</sup> if the business only accepted cash or card payments, they may face a loss in profits. This is because there ~~s~~ customers may feel uncomfortable with carrying around large amounts of cash (because of the risk of theft) or carrying their card around (at a risk that the card could be cloned or used for fraud). So in that respect customers may feel as though payment made by cheque is a safer and more secure method of payment. However, with cheques, as they have to be processed, the money would take 3-5 days to go into SGH's account. This could be an issue for them as if they need an emergency repair on one of their hovercrafts and the money is not yet in their account, they may not be able to pay for the repair. ~~that~~ In busy periods, such as the summer months, this could result in a loss of profit if all the other hovercrafts are occupied.

For the business to accept card payments, they have to have all the correct equipment. This



is quite a hefty cost for an <sup>independent</sup> ~~independent~~ business such as S.G.H., not to mention the charge they have to pay everytime a card transaction is made. Having said this, card payments encourage the customers to make impulse purchases (such as deciding they want ~~to~~ to purchase one of the DVDs), which would increase profits and be beneficial to S.G.H.

On balance, I believe that S.G.H. should decide against refusing payments made by cheques, because if the customer is ~~not~~ using a payment method that they feel is the most comfortable for them, then they are more likely to leave S.G.H. having had a good experience, and would be more likely to return.



**ResultsPlus**  
Examiner Comments

The candidate has written a well balanced answer that is awarded level 3 and 9 marks.



**ResultsPlus**  
Examiner Tip

Where a question asks for evaluation be sure to balance the answer and come to a supported conclusion.

SGH is considering refusing to accept cheques from customers as payment for the hovercraft experiences and DVDs and only accepting payment by cash or card.

\*6 Evaluate whether this would be a good decision for SGH.

(10)

This would be a good decision because you wouldn't have to wait for customers cheques to go into your bank account. ~~Be~~ Because you would be getting cash straight away by hand or by card. But on the other hand this may be a bad decision because some customers may only be able to give cheques at the time.



**ResultsPlus**  
Examiner Comments

This is a level 1 answer that gives a number of points only.



**ResultsPlus**  
Examiner Tip

You need to develop your answer to be awarded marks in the higher bands.

## Paper Summary

Based on their performance on this paper, candidates are offered the following advice:

- Use black ink or ball-point pen. Heavy felt-tip pens transfer onto the reverse of the paper and pencil is difficult to read.
- Read the scenario to ensure that your answers are in context. Re-visit the scenario several times during the examination and re-familiarise yourselves with it.
- Look at the command words at the beginning of each question. Do not submit a list of bullet points without further development when the command word is e.g. 'Explain...'
- Look for the words in bold in the question – e.g. 'Explain one purpose to *SGH*...' means develop one point only, not give a list of purposes.
- Discounts would be deducted from the total.
- Where there are two columns (£ and p) the pence column requires two figures, whether that is e.g. .00 or .50.
- If a question has multiple marks one simple statement cannot gain full marks.
- Answer question parts in the space allocated. If this is not possible, e.g. due to deleting a wrong answer in the answer line section; indicate the location of the corrected answer on the paper (e.g. 'see next page' or 'my answer is on the last blank page').
- Practice writing more concise answers for the final extended question. The twenty lines available should be more than adequate for your answer.

## **Grade Boundaries**

Grade boundaries for this, and all other papers, can be found on the website on this link:

<http://www.edexcel.com/iwantto/Pages/grade-boundaries.aspx>



Ofqual



Llywodraeth Cynulliad Cymru  
Welsh Assembly Government



Pearson Education Limited. Registered company number 872828  
with its registered office at 80 Strand, London WC2R 0RL.