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## Mark Scheme (Results)

Summer 2022

Pearson Edexcel GCE AS Level  
In Business (8BS0)  
Paper 01 Marketing and People

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## General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question Number	Answer	Mark
<b>1(a)</b>	<p style="text-align: center;"><b>Knowledge 2</b></p> <p><b>Knowledge/understanding:</b> of market size, e.g.</p> <ul style="list-style-type: none"> <li>The total amount of sales/customers in a market (1) measured by value/volume (1)</li> </ul>	<b>(2)</b>

Question Number	Answer	Mark
<b>1(b)</b>	<p style="text-align: center;"><b>Knowledge 2</b></p> <p><b>Knowledge/understanding:</b> differentiation, e.g.</p> <ul style="list-style-type: none"> <li>Making the product/service stand out (1) from the competition (1)</li> </ul>	<b>(2)</b>

Question Number	Answer	Mark
<b>1(c)</b>	<p style="text-align: center;"><b>Knowledge 1, Application 3</b></p> <p>Quantitative skills assessed:</p> <p><b>QS1:</b> Calculate, use and understand ratios, averages and fractions</p> <p><b>QS2:</b> Calculate, use and understand percentages and percentage changes</p> <p><b>Knowledge: 1 mark</b> for the formula:</p> <ul style="list-style-type: none"> <li>• <math>(\text{new market sales} - \text{old market sales} \div \text{old market sales}) \times 100</math> (1)</li> </ul> <p><b>Application: up to 3 marks</b> for:</p> <ul style="list-style-type: none"> <li>• Calculate the difference in market sales between 2019 and 2022  <math>= \text{£}6.7\text{bn} - \text{£}5.3\text{bn} = \text{£}1.4\text{bn}</math> (1)</li> <li>• Calculate the market growth  <math>= \text{£}1.4\text{bn} \div \text{£}5.3\text{bn} \times 100</math> (1)</li> <li>• <math>= 26.42\%</math> (1)</li> </ul> <p><b>NB:</b> If the only answer given is 26.42% or 26.42 award 4 marks.  If the answer given is 26.41% or 26.41 or 26.4 award 3 marks.</p>	<b>(4)</b>

Question Number	Answer	Mark
<b>1(d)</b>	<p style="text-align: center;"><b>Knowledge 1, Application 2, Analysis 1</b></p> <p><b>Knowledge/understanding: 1 mark</b> for understanding added value, e.g.</p> <ul style="list-style-type: none"> <li>• Added value - The difference between the selling price and the cost of inputs</li> </ul> <p><b>Application: up to 2 marks</b> for contextualised examples, e.g.</p> <ul style="list-style-type: none"> <li>• Sundried are creating sportswear that is designed to last longer</li> <li>• Sundried’s Eco-Tech fabric biodegrades after 3 years</li> </ul> <p><b>Analysis: 1 mark</b> is available for explaining how value is added, e.g.</p> <ul style="list-style-type: none"> <li>• This could result in customers being willing to pay a higher price for Sundried T-shirts.</li> </ul>	<b>(4)</b>

Question Number	Indicative content	Mark
<b>1(e)</b>	<p><b>Knowledge 2, Application 2, Analysis 2, Evaluation 2</b></p> <ul style="list-style-type: none"> <li>• Pricing strategies are the approach a business takes to setting the price of its product/service e.g. penetration, price skimming, cost plus, competitive, predatory, psychological</li> <li>• Cost plus pricing may be suitable for Sundried as producing sustainable sportswear may incur additional costs to ensure Sundried covers the higher average costs of producing its EcoTech T-shirts</li> <li>• Penetration pricing may be suitable for Sundried because it is a new brand that does not have the popularity of competitors such as Nike and Asics. To encourage customers to try its unique sportswear, such as clothing made from 100% recycled plastic bottles, low prices may need to be used at the start of the product life cycle</li> <li>• Competitive pricing may be most suitable for Sundried because of the high number of competitors in the Sportswear market, including big brands like Nike and Asics, so Sundried may need to align its prices with the more established brands, in order to gain customers</li> </ul> <p><i>Potential counterbalance</i></p> <ul style="list-style-type: none"> <li>• Cost plus pricing may not be suitable as the mark up may not reflect the amount the consumer is willing to pay for sustainable sportswear</li> <li>• Penetration pricing may not be suitable for Sundried products, which are highly differentiated because low prices could give the impression that Sundried's T-shirts are lower quality than Nike or Asics</li> <li>• Sundried may not need to use competitive pricing because they have a unique selling point with their EcoTech fabric. This means Sundried offer something other sportswear brands do not and can therefore charge higher prices.</li> </ul>	<b>(8)</b>

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	3-5	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	Indicative content	Mark
1(f)	<p><b>Knowledge 2, Application 2, Analysis 3, Evaluation 3</b></p> <ul style="list-style-type: none"> <li>• A brand is a name, symbol, logo or slogan that distinguishes a product/service from the competition</li> <li>• Some customers may prefer to buy running shoes from Nike or Asics because the brands are recognisable and well-known in the sportswear market so customers may trust the quality</li> <li>• Established brands can use sponsorship deals with famous athletes, such as Nike’s sponsorship of Serena Williams/Cristiano Ronaldo/Tiger Woods, to gain more publicity which could result in more sales</li> <li>• Having a strong brand can increase distribution potential as retailers, such as Sports Direct, may be willing to stock these popular brands to meet customer demand</li> </ul> <p><i>Potential Counterbalance</i></p> <ul style="list-style-type: none"> <li>• Customers may be more focused on comfort/quality/durability than brand when buying running shoes, so may be willing to try less well-known brands like Sundried if these shoes meet customer needs</li> <li>• Many celebrities support ethical brands and are happy to promote these through their social media pages, in return for free products, so less well-known brands can take advantage of this</li> <li>• Online retail is growing in popularity, so less established brands can increase distribution of sportswear by selling through their own websites, as well as online retailers such as Amazon</li> </ul> <p><i>Potential Judgement</i></p> <ul style="list-style-type: none"> <li>• The importance of a strong brand for sportswear companies depends on whether customers are following fashion trends or looking for the best fitting leggings or most durable T-shirt to wear at the gym</li> <li>• The importance of a strong brand for sportswear companies could depend on customers loyalty to a brand and willingness to try new brands if they have a USP.</li> </ul>	<b>(10)</b>

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	5-6	Accurate and thorough knowledge and understanding, supported by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with 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	7-10	Accurate and thorough knowledge and understanding, supported 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, and well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors leading to a supported judgement.

Question Number	Answer	Mark
<b>2(a)</b>	<p style="text-align: center;"><b>Knowledge 2</b></p> <p><b>Knowledge/understanding:</b> of flexible working, e.g.</p> <ul style="list-style-type: none"> <li>Offering different working hours/location/pattern of working (1) that improve work-life balance/motivation for employees (1)</li> </ul>	<b>(2)</b>

Question Number	Answer	Mark
<b>2(b)</b>	<p style="text-align: center;"><b>Knowledge 2</b></p> <p><b>Knowledge/understanding:</b> of bonus, e.g.</p> <ul style="list-style-type: none"> <li>A sum of money added to an employee's wages/salary (1) as a reward for performance (1)</li> </ul>	<b>(2)</b>

Question Number	Answer	Mark
2 (c)	<p style="text-align: center;"><b>Knowledge 1, Application 2, Analysis 1</b></p> <p><b>Knowledge/understanding: 1 mark</b> for understanding Taylor’s scientific management theory, e.g.</p> <ul style="list-style-type: none"> <li>• Employee pay should be related to the amount of work they do/Money is the most appropriate motivator for employees</li> </ul> <p><b>Application: up to 2 marks</b> for contextualised examples, e.g.</p> <ul style="list-style-type: none"> <li>• Admiral could pay bonuses to its 11,000 employees if they meet their targets</li> <li>• Admiral could pay commission to employees for each insurance policy they sell</li> </ul> <p><b>Analysis: 1 mark</b> is available for explaining a consequence, e.g.</p> <ul style="list-style-type: none"> <li>• This could result in Admiral selling more policies due to employees wanting to earn more.</li> </ul>	<b>(4)</b>

Question Number	Answer	Mark
<b>2(d)</b>	<p style="text-align: center;"><b>Knowledge 1, Application 2, Analysis 1</b></p> <p><b>Knowledge/understanding: 1 mark</b> for understanding employer/employee relations, e.g.</p> <ul style="list-style-type: none"> <li>• The way in which a company’s management and its employees behave towards each other</li> </ul> <p><b>Application: up to 2 marks</b> for contextualised examples, e.g.</p> <ul style="list-style-type: none"> <li>• CEO David provides regular business updates about the business’ performance and new initiatives</li> <li>• Employees can take part in online chats with CEO David</li> </ul> <p><b>Analysis: 1 mark</b> is available for explaining a consequence, e.g.</p> <ul style="list-style-type: none"> <li>• This could lead to employees feeling comfortable discussing any problems they have with management rather than leaving the company.</li> </ul>	<b>(4)</b>

Question Number	Indicative content	Mark
<b>2(e)</b>	<p><b>Knowledge 2, Application 2, Analysis 2, Evaluation 2</b></p> <ul style="list-style-type: none"> <li>• Non-financial techniques include consultation, empowerment, team working, flexible working and job rotation</li> <li>• Admiral offers alternative therapies/gym membership, which could lead to less stressed/healthier employees, therefore reducing sick days/number of employees leaving</li> <li>• Flexible working at Admiral could allow employees to have a better work/life balance by fitting their work hours around other commitments, such as childcare. This could lead to employees being more focused and productive when they are at work</li> </ul> <p><i>Potential Counterbalance</i></p> <ul style="list-style-type: none"> <li>• Some of the 11,000 employees may not value the gym and yoga classes, and therefore not see it as a valid reason to stay with Admiral</li> <li>• Some employees' roles may not be suitable for flexible working, which could lead to demotivation for those who cannot benefit from working from home/flexible hours.</li> </ul>	<b>(8)</b>

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	3–5	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	Indicative content	Mark
2(f)	<p><b>Knowledge 2, Application 2, Analysis 3, Evaluation 3</b></p> <ul style="list-style-type: none"> <li>• Internal recruitment involves selecting employees who already work within the business to fill job vacancies</li> <li>• Admiral encourages employees to experience roles in different departments using its Passport Scheme. This enables existing employees to have a good understanding of the requirements of the job in a different department, when it becomes available</li> <li>• Admiral's company philosophy suggests that it wants to put its employees into roles that they will enjoy because it believes they will do a better job. If Admiral use internal recruitment, management may already have a good understanding of the employee's strengths and be able to put them in the appropriate role</li> </ul> <p><i>Potential Counterbalance</i></p> <ul style="list-style-type: none"> <li>• By relying on internal recruitment, Admiral could miss out on more qualified or experienced employees available from outside the company. These people might bring new ideas or improve productivity/working practices</li> <li>• Admiral might find it difficult to fill vacancies as existing employees may be reluctant to leave their current job role, to apply for a job in another department, which is less enjoyable, such as Complaints</li> </ul> <p><i>Potential Judgement</i></p> <ul style="list-style-type: none"> <li>• The importance of internal recruitment may depend on the role Admiral are trying to fill and the qualifications and experience of existing employees.</li> </ul>	<b>(10)</b>

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	5-6	Accurate and thorough knowledge and understanding, supported by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with 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	7-10	Accurate and thorough knowledge and understanding, supported 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	Indicative content	Mark
3	<p style="text-align: center;"><b>Knowledge 4, Application 4, Analysis 6, Evaluation 6</b></p> <p><b>Innovation</b></p> <ul style="list-style-type: none"> <li>• Innovation is putting new ideas/designs into action</li> <li>• By producing a remote-controlled Hogwarts Express, Hornby could attract Harry Potter fans who were not previously interested in train sets, as well as keep existing customers interested in the Hornby brand. This could lead to increased sales, which could increase profit</li> <li>• By creating new mobile phone controlled Scalextric sets, Hornby could become more attractive to the younger tech-savvy customer who usually play computer games. This could gain Hornby a new segment of customers who may be more willing to pay higher prices for new technology, which could increase the profit made on each set sold</li> <li>• The cost of developing and producing the new toys may be high due to the cost of the technology and paying for the use of the Harry Potter brand. This could make it more difficult to make a profit on each train set</li> </ul> <p><b>Promotional Methods</b></p> <ul style="list-style-type: none"> <li>• Promotion is the way in which a business creates awareness and interest in its product/service</li> <li>• By using social media Hornby could advertise its existing and new products to a younger audience who may be interested in Harry Potter and phone controlled Scalextric. If they like the new toys, they are more likely to share them on their social media and increase awareness, resulting in more sales which could improve profitability</li> <li>• Asking existing customers to post their own memories of Hornby could result in Hornby advertising to each customer’s family and friends as well, allowing them to increase the reach of their promotion which could result in more sales leading to increased profit</li> <li>• Social media is only useful as a promotional method if Hornby are producing toys that appeal to the target market, otherwise social media posts will be ignored or users may hide the ads as they find them to be irrelevant. This could result in promotional costs increasing without a corresponding increase in sales, therefore reducing profits.</li> </ul>	

	<p><i>Potential recommendation</i></p> <ul style="list-style-type: none"> <li>• The development of new toys that are attractive to a younger market is important to gain more sales. The new train set must be relevant to the target market, e.g. Harry Potter fans, who may be more willing to buy the train sets and therefore lead to increased profitability for Hornby</li> <li>• Using social media to promote Hornby's products may be a low-cost marketing method to gain sales from the younger audience it is aiming at, which may therefore lead to increased profitability for Hornby.</li> </ul>		<b>(20)</b>
Level	Mark	Descriptor	
	0	A completely inaccurate response.	
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, s 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 use of relevant and effective use of the business behaviour/context. Uses well-developed and logical, coherent chains of reasoning, showing a range of cause(s) 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 recommendation(s).	

