CAMBRIDGE
INTERNATIONAL EXAMINATIONS

Maridge Com

November 2002

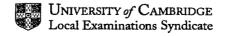
# **INTERNATIONAL GCSE**

MARK SCHEME

MAXIMUM MARK: 100

SYLLABUS/COMPONENT: 0450/04

BUSINESS STUDIES



	IGCSE Examinations - November 200	045	
		Pac	
Q1 (a)	<ul> <li>1 mark for each difference stated.</li> <li>Eg Number of shares</li> <li>- Name Ltd &amp; plc</li> <li>- Ltd cannot sell shares to the public</li> <li>- Publish accounts</li> </ul>	Total = 2 marks	
(b)	<ul> <li>1 mark for each reason with an additional mark for expansion</li> <li>Eg new purpose built factory (efficient layout to new site)</li> <li>- nearer to new market (cheaper transport costs)</li> <li>- no room on existing site (restricted space to introduce new equipment)</li> <li>- skilled labour available in Europe (to use new equipment so no training required)</li> </ul>		
	(3 x 2 marks)	Total = 6 marks	
(c)	Level 1 – state advantage of capital-intensive methods of Production 1 mark Eg more efficient - lower costs - less labour  Level 2 – Explain why it is an advantage 2-4 marks Eg. It is more efficient because more of the product can be produced at a faster rate (2 marks)		
	(2 x 4 marks)	Total = 8 marks	
(d)	<ul> <li>1 mark for each suitable source of finance</li> <li>(i) machinery – e.g. lease, bank loan, rent,</li> <li>(ii) factory building – e.g. mortgage, bank loan, sell shares</li> <li>(iii) stocks of raw materials – e.g. overdraft, trade credit</li> </ul>		
	(3 x 1 mark)	Total = 3 marks	
(e)	Level 1 – simple statements giving reasons why they should either use the same finance or different sources. Up to 3 marks		
	Level 2 – developed argument giving reasons why they should use the same or different sources.		
	4 – 6 marks	Total = 6 marks	

Mark Scheme

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	IGCSE Examinations - November 2002	0450	
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Q2 (a)	Chart-Title - 1 Mark	Syllab. O450 AHACAMHAIABA.COM	
	Axes labeled - 2 Marks	20°C	
_	Accurately drawn - 2 Marks	On	
-	(deduct 1 mark for each error - \$'000 missing is	an error)	
		Total = 5 Marks	
(b) (i)	Current ratio 15000.6000		
(b) (i)	Current ratio – 15000:6000		
	2.5:1 2 marks correct answer.		
	Correct formula but incorrect answer - 1 mark		
	2 marks for avalaining what the ratio shows are liquidity of the		
	2 marks for explaining what the ratio shows e.g. liquidity of the		
	business, if they can pay their short-term debts.	•	
	(2 + 2)	Total = 4 marks	
	(2 · 2)	I VIII — 7 MIII NG	
(ii)	Level 1 – simple statements up to 3 marks		
•	Eg To see the value of the company's assets		
	- To see what the company owes	5 405 415	
	- To see what loans it already has.		
	Level 2.— explained the statements 4-6 marks		
	Eg. – If the company already has several loans then		
	the Bank Manager might be reluctant to lend them		
	any more money as they might f		
	pay it back. (4)	ind it difficult to	
	pay it back. (1)	Total = 6 marks	
		I OMI - O IMMA IN	
(c) (i)	1 mark for each source - newspapers		
. / . /	- government reports		
	- market research agency reports	2	
	- industry magazines	'	
	- company sales reports	Total = 2 marks	
	company sures reports	I Utal - 2 mai ks	
(ii)	1 mark for each source - questionnaires		
<b>、</b> ,	- interviews	4	
	- consumer panels		
	- experiment		
-	•p•	Total = 2 marks	
		Total = 2 marks	

Up to 6 marks for explaining, in detail, how a stated method of primary research might be carried out.

Total = 6 marks

(iii)

(1 x 6marks)

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Q3	Report		May
	6 marks f	or report format - Title	age 1
		- Terms of Reference/To: From:	CON
		- Date	1
		- Introduction	

#### Q3 Report

# 6 marks for report format - Title

- Terms of Reference/To: From:
- Date
- Introduction
- Method/Procedure
- Results/Findings
- Conclusion
- Recommendations

#### 4 marks

for the introduction outlining the problem.

- what methods of production should the company use?
- the business is expanding and it needs to decide how it will finance this

### 24 marks

for discussing the advantages and disadvantages of financing

- the factory building (i)
- the machinery (ii) :
- the stocks of raw materials (iii) (8 marks for each OR these may be transferred for a good answer to a particular source of finance)

## 6 marks

for the conclusion

- 1 3 marks for simple answer.
- 4 6 marks for weighing up the pro's and con's of the alternative courses of action.

# 10 marks

for the recommendations

- 1 3 marks if simple response "He should change into a public limited company"
- 4 7 marks if they have developed their answer into a clear strategy of which forms of finance to use.
- 8-10 marks for a full well explained answer justified using Business Studies Terminology. It must be clear why this type of finance would be the most suitable for D & V Limited. Do not reward a list of strategies - up to 3 marks maximum if no explanation is given.

Total = 50 Marks