Mark Scheme (Results)

Summer 2025

Pearson Edexcel GCSE
In Business (1BS0) Paper 2
Building a business

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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.
- Mark schemes will indicate within the table where, and which strands of QWC, are being assessed. The strands are as follows:

  i) ensure that text is legible and that spelling, punctuation and grammar are accurate so that meaning is clear
  ii) elect and use a form and style of writing appropriate to purpose and to complex subject matter
  iii) organise information clearly and coherently, using specialist vocabulary when appropriate.

Section A

Question number	Answer	Mark
1(a)	**The only correct answer is C – Growth** A is not correct because it is not a stage in the product life cycle B is not correct because it is not a stage in the product life cycle D is not correct because it is not a stage in the product life cycle	**(1) AO1a**

Question number	Answer	Mark
1(b)	**The only correct answer is B – Day 18** A is not correct because this is not the latest date that the buffer stock level is reached C is not correct because this is not the latest date that the buffer stock level is reached D is not correct because this is not the latest date that the buffer stock level is reached	**(1) AO1a**

Question number	Answer	Mark
1(c)	Award 1 mark for identification of a benefit, plus 2 further marks for explaining this benefit up to a total of 3 marks. This may enhance the brand of the business (1). Therefore, customers may be willing to pay a higher price (1). As a result, the profit margin may increase (1). The business may get larger customer demand (1). Thus, its revenues may increase (1). As a result, the business may gain greater market share (1). Accept any other appropriate response. Answers that list more than one benefit with no explanation will be awarded a maximum of 1 mark.	**(3) AO1a=1 AO1b=2**

Question number	Answer	Mark
1(d)	Award 1 mark for identification of an impact, plus 2 further marks for explaining this impact up to a total of 3 marks. The business may have to change its production methods to make them more ethical (1). As a result, the costs of production may rise (1). Therefore, the profit made may fall (1). The brand may be damaged by negative publicity from pressure group action (1). Therefore, the may have incur more marketing costs to repair the damage (1). As a result, the profit per unit may fall (1). Accept any other appropriate response. Answers that list more than one impact with no explanation will be awarded a maximum of 1 mark.	**(3) AO1a=1 AO1b=2**

Question number	Answer	Mark
2(a)	**The only correct answers are A – Accountancy and D – Financial advice** B is not correct because this is a good C is not correct because this is a good E is not correct because this is a good	**(2)** **AO1a**

Question number	Answer	Mark
2(b)	**The only correct answers are B – Post sales service and D – Response to customer feedback** A is not correct because it is not an element of the sales process C is not correct because it is not an element of the sales process E is not correct because it is not an element of the sales process	**(2)** **AO1a**

Question number	Answer	Additional guidance	Mark
2(c)	Substitution into correct formula: ((£3 000 000 ÷ 20 years) ÷ £600 000) x 100 (1) Answer: 25% (1)	Award full marks for correct numerical answer without working.	**(2)** **AO2**

Question number	Answer	Mark
2(d)	Award 1 mark for identification of a benefit, plus 2 further marks for explaining this benefit up to a total of 3 marks. This allows the business to increase the number/decrease the number of hours offered (1). This may allow the business to have more employees available at times of high demand (1). Therefore, customer service may improve (1). Employees may be more motivated (1). This is because flexible hour contracts may allow employees to change their hours to suit childcare and other personal circumstances (1). Therefore, employee loyalty may increase (1). Accept any other appropriate response. Answers that list more than one benefit with no explanation will be awarded a maximum of 1 mark.	**(3)** **AO1a=1** **AO1b=2**

Question number	Answer	Mark
2(e)	Award 1 mark for identification of a benefit, plus 2 further marks for explaining this benefit up to a total of 3 marks. Customers may be encouraged to purchase the product (1). This may encourage a greater level of initial sales (1). Therefore, customers to are more likely to repeat purchase in the future (1). Customers may be encouraged to switch from rival brands (1). Therefore, sales may increase (1). As a result, market share may rise (1). Accept any other appropriate response. Answers that list more than one benefit with no explanation will be awarded a maximum of 1 mark.	**(3)** **AO1a=1** **AO1b=2**

Question number	Answer	Mark
3(a)	**The only correct answer is B – Management of the movement of goods** A is not correct because it is not a definition of the term 'logistics' C is not correct because it is not a definition of the term 'logistics' D is not correct because it is not a definition of the term 'logistics'	**(1)** **AO1a**

Question number	Answer	Additional guidance	Mark
3(b)	Substitution into correct formula: (£180 000 ÷ (£200 000 + £180 000 + £280 000 + £240 000)) x 100 (1) Answer: 20% (1)	Award full marks for correct numerical answer without working.	**(2)** **AO2**

Question number	Answer	Mark
3(c)	Award 1 mark for identification of a reason, plus 2 further marks for explaining this reason, up to a total of 3 marks. Training may increase employee motivation (1). Therefore, employees are less likely to leave the business (1). Thus, reducing the costs of recruiting new employees (1). Employees may now be more skilled (1). As a result, productivity could increase (1). Therefore, the cost of making the product may fall (1). Accept any other appropriate response. Answers that list more than one reason with no explanation will be awarded a maximum of 1 mark.	**(3)** **AO1a=1** **AO1b=2**

Question number	Answer	Mark
3(d)	Award 1 mark for identification of a method, plus 2 further marks for explaining this method up to a total of 3 marks. The business may offer to pay higher levels of wage/salary (1). As a result, existing employees will have a higher level of remuneration (1). Therefore, existing employees have fewer reasons to leave the business (1). The business may offer employees performance reviews (1). Therefore, existing employees may feel like the business cares about their career progression (1). As a result, employees may believe there are more opportunities for promotion (1). Accept any other appropriate response. Answers that list more than one method with no explanation will be awarded a maximum of 1 mark.	**(3)** **AO1a=1** **AO1b=2**

Question number	Indicative content	Mark
3(e)	• Additional tasks may make work become less boring for its employees (AO1b). • The business may have to train workers to do the new tasks that they are not familiar with (AO1b). • Therefore, employee motivation may increase, leading to improvements in productivity and lower unit costs (AO3a). • Therefore, employees will spend time away from producing/providing a good/service. Thus, costs of running the business may increase (AO3a).	**(6)** **AO1b=3** **AO3a=3**

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–2	• Demonstrates elements of knowledge and understanding of business concepts and issues, with limited business terminology used (AO1b). • Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3a).
Level 2	3–4	• Demonstrates mostly accurate knowledge and understanding of business concepts and issues, including appropriate use of business terminology in places (AO1b). • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3a).
Level 3	5–6	• Demonstrates accurate knowledge and understanding of business concepts and issues throughout, including appropriate use of business terminology (AO1b). • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3a).

Section B

Question number	Answer	Mark
4(a)	Award up to 2 marks for linked points outlining a drawback to *Pladis* of focusing on new market segments. Award a maximum of 1 mark if points are not linked. It may be expensive to target new market segments (1). This is because the company may have to develop new types of biscuit (1). The new market segments may be small (1). Therefore, they may not be as profitable as the ones which include white chocolate digestives (1). Award any other valid answer. To award 2 marks there must linked development **and** evidence of application.	**(2)** **AO2**

Question number	Indicative content	Mark
4(b)	• *Pladis* may be able to avoid import tariffs and quotas when selling *McVities* biscuits in a foreign market. This is because the biscuits are now produced in the foreign country and are not produced in the Carlisle factory (AO2). • *Pladis* may be able to reduce the costs of manufacturing its biscuits, such as 'Go Ahead Breaks' (AO2). • As a result, the costs of selling to a foreign market may fall, allowing greater levels of profit to be generated (AO3a). • This is because labour costs may be lower in foreign countries. As a result, total costs may fall allowing a greater profit margin to be achieved (AO3a).	**(6)** **AO2=3** **AO3a=3**

Level	Mark	Descriptor
		No rewardable material.
Level 1	1–2	• Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). • Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3a).
Level 2	3–4	• Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3a).
Level 3	5–6	• Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3a).

Question number	Answer	Additional guidance	Mark
5(a)	Substitution into correct formula: (£755.2 million ÷ £2 544.1 million) x 100 (1) Answer: 29.68% (1)	Award full marks for correct numerical answer without working.	**(2)** **AO2**

Question number	Answer	Additional guidance	Mark
5(b)	Substitution into correct formula: £755.2 million - £ 662.2 million (1) Answer: £93 million (1)	Award full marks for correct numerical answer without working.	**(2)** **AO2**

Question number	Indicative content	Mark
5(c)	• Batch production will not be as efficient compared to flow production because fewer biscuits can be made in the factory in an hour. Therefore, the productivity of baking Hob Nobs may fall (AO2). • The machinery will have to be cleaned between different batches since there should be no white chocolate on a batch of Go Ahead Breaks which are covered in yoghurt (AO2). • Therefore, unit costs may be higher than competitors, which may lead to a lower profit margin (AO3a). • This may increase the amount of time spent producing the product. As a result, there may be less product to sell. Therefore, the business may not be able to satisfy demand. (AO3a).	**(6)** **AO2=3** **AO3a=3**

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–2	• Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). • Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3a).
Level 2	3–4	• Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3a).
Level 3	5–6	• Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3a).

Question number	Answer	Mark
6(a)	Award 1 mark for stating one way that *Pladis* could improve the quality of its products. Use high-quality raw materials such as sugar or flour (1). Purchase new biscuit manufacturing machinery (1). To award 1 mark there **must be** evidence of application.	**(1)** **AO2**

Question number	Answer	Mark
6(b)	Award up to 2 marks for linked points outlining a method of external growth that *Pladis* may use. Award a maximum of 1 mark if points are not linked. By merging with a rival such as Nestlé (1). As a result, revenues may increase (1). By taking over rival biscuit manufacturers (1). Therefore, market share should increase (1). Award any other valid answer. To award 2 marks there must linked development **and** evidence of application.	**(2)** **AO2**

Question number	Indicative content	Mark
6(c)	• By floating on the stock exchange the company should be able to fund the £12 million required for its new enrobing machines (AO2). • *Pladis'* dominant market position, being the second largest biscuit manufacturer by market share, means that it is likely that it will be able to access a bank loan of £12 million to fund the four new batch production lines (AO2). • This is because the business appears to be a dominant biscuit manufacturer with several high-profile brands. Thus, it is likely that any new shares offered for sale on the stock market would be popular, generating sufficient share capital to fund the investment. • As a result, *Pladis* will have to incur interest costs to service the loan. The interest costs will add to the fixed costs of *Pladis*, which may reduce the profit made by the company. • However, by selling shares on the stock market existing *Pladis* shareholders will have their percentage ownership of the company diluted. This may not be an issue because it depends on the number of shares issued as to the size of the dilution effect (AO3b). • However, the interest rate on the bank loans may be small since *Pladis* may represent a low level risk to a bank due to its size and dominance in its market. As a result, the costs of servicing the loan may be relatively small due its large collateral (AO3b).	**(9)** **AO2=3** **AO3a=3** **AO3b=3**

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–3	• Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). • Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3a). • Makes a judgement, providing a simple justification based on limited evaluation of business information and issues relevant to the choice made (AO3b).
Level 2	4-6	• Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3a). • Makes a judgement, providing a justification based on sound evaluation of business information and issues relevant to the choice made (AO3b).
Level 3	7-9	• Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3a). • Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made (AO3b).

Section C

Question number	Answer	Mark
7(a)	Award 1 mark for a document a business may send to an applicant during the recruitment process. Job description (1). Person/Job specification (1) Application form (1). Contract of employment (1) Award any other close interpretation of the documents listed above and documents which may not be listed on the specification such as 'contract of employment' and 'job specification'.	**(1)** **AO1a**

Question number	Answer	Mark
7(b)	Hybrid electric vehicles (EVs)	**(1)** **AO2**

Question number	Answer	Mark
7(c)	Award up to 2 marks for linked points outlining an impact on *Polestar* resulting from globalisation. Award a maximum of 1 mark if points are not linked. *Polestar* may now avoid having to pay tariffs on imported components (1). Therefore, the costs of producing an EV may decrease (1). Consumers of *Polestar* cars may now be faced with lower prices (1). As a result, consumers may be more likely to purchase a *Polestar* car (1). Award any other valid answer. To award 2 marks there must linked development **and** evidence of application.	**(2)** **AO2**

Question number	Indicative content	Mark
7(d)	• *Polestar* is an EV manufacturing company. Technological change is happening rapidly. Thus, it probably does not want to hold stocks of components such as semi-conductors and traction motors that can quickly become out of date and may require expensive storage and insurance (AO2). • Switching to new suppliers may mean that that that the company can reduce the cost of purchasing components such as batteries and traction motors (AO2). • Therefore, holding no stock may reduce *Polestar's* warehousing costs and other stock holding costs. Therefore, *Polestar's* fixed costs would be lower. This would reduce the unit cost of manufacturing an EV (AO3a). • Therefore, the variable costs of producing an EV may fall, allowing the total costs of manufacturing an EV to also fall (AO3a). • However, *Polestar* has benefitted from keeping stocks of some components, due to the disruption in the global supply chain. This has allowed *Polestar* to meet customer demand when rivals have had to cancel or delay the completion of orders. This has allowed Polestar to reduce its costs of running out of stock (AO3b). • However, new suppliers may be unreliable leading to production delays and missed orders. These problems could lead to a significant increase in *Polestar*'s manufacturing costs (AO3b).	**(9)** **AO2=3** **AO3a=3** **AO3b=3**

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–3	• Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). • Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3a). • Makes a judgement, providing a simple justification based on limited evaluation of business information and issues relevant to the choice made (AO3b).
Level 2	4-6	• Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3a). • Makes a judgement, providing a justification based on sound evaluation of business information and issues relevant to the choice made (AO3b).
Level 3	7-9	• Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3a). • Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made (AO3b).

Question number	Indicative content	Mark
7(e)	• Aesthetics is the visual appearance of the product within the design mix (AO1b). • There may be other factors within the design mix which may be more important such as function or cost, as well as other factors outside the design mix such as price and promotion (AO1b). • By improving the look of its EVs, *Polestar* may make its EVs more attractive than rival EVs such as the Tesla Model 3. WhatCar magazine gave the car a 4/5 rating for its interior and external looks (AO2). • Some EV consumers may be more attracted to the functionality of the car, considering it can be driven more than 400 miles between charges (AO2). • Thus, there may be some consumers who want to purchase an attractive looking EV, since their EV will stand out compared to *Polestar*'s rivals. This may differentiate the *Polestar* 2 and thus may generate an increased number of EV sales (AO3a). • Therefore, function may the critical factor in a consumer's choice of an EV, since being able to drive for longer between charges makes the *Polestar* 2 highly attractive for those consumers who may have to drive long distances (AO3a). • However, EVs are an expensive purchase and some consumers may go beyond the aesthetics of a certain brand of EV and may consider functionality and other factors outside of the design mix, such as price and build quality/reliability as more important. This may mean that even though it is an attractive EV visually, other EVs maybe more desirable due to a range of other factors that may influence a car purchase (AO3b). • However, it depends on the consumer. Some consumers may believe that owning a visually attractive EV is much more important compared to other customers who may make more informed and rational decisions based on a wide range of factors that go beyond just aesthetics (AO3b).	**(12)** **AO1b=3** **AO2=3** **AO3a=3** **AO3b=3**

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–4	• Demonstrates elements of knowledge and understanding of business concepts and issues, with limited business terminology used (AO1b). • Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). • Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3a). • Draws a conclusion, supported by generic assertions from limited evaluation of business information and issues (AO3b).
Level 2	5-8	• Demonstrates mostly accurate knowledge and understanding of business concepts and issues, including appropriate use of business terminology in places (AO1b). • Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3a) • Draws a conclusion based on sound evaluation of business information and issues (AO3b).
Level 3	9-12	• Demonstrates accurate knowledge and understanding of business concepts and issues throughout, including appropriate use of business terminology (AO1b). • Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3a). • Draws a valid and well-reasoned conclusion based on a thorough evaluation of business information and issues (AO3b).

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