



MARKING SCHEME

**LEVEL 1 AND LEVEL 2 AWARD IN
RETAIL BUSINESS – UNIT 2
9782/01**

SUMMER 2016

INTRODUCTION

This marking scheme was used by WJEC for the 2016 examination. It was finalised after detailed discussion at examiners' conferences by all the examiners involved in the assessment. The conference was held shortly after the paper was taken so that reference could be made to the full range of candidates' responses, with photocopied scripts forming the basis of discussion. The aim of the conference was to ensure that the marking scheme was interpreted and applied in the same way by all examiners.

It is hoped that this information will be of assistance to centres but it is recognised at the same time that, without the benefit of participation in the examiners' conference, teachers may have different views on certain matters of detail or interpretation.

WJEC regrets that it cannot enter into any discussion or correspondence about this marking scheme.

Question	Answer	Mark
1. (a)(i)	<p>Explain two advantages to Teddy Pinetree of operating as a sole trader. (AC1.1)</p> <p>Up to 4 marks available – 2 x 2 marks. Up to 2 marks for identifying appropriate advantages. Up to 2 additional marks for clear development.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • The owner can enjoy all the profits • The owner has the freedom to make all the decisions • There is no need to consult a partner / team - total control • Easy to start up • Business affairs are private. <p>Any other appropriate advantage.</p>	4
1. (a)(ii)	<p>Explain one disadvantage to Teddy Pinetree of operating this form of ownership. (AC1.2)</p> <p>Up to 2 marks available. Up to 1 mark for an appropriate disadvantage Up to 1 additional mark for clear development.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • Decisions are the owner's responsibility. • An owner's illness could affect the business • Unlimited liability • Can be more difficult to raise capital. <p>Any other appropriate disadvantage.</p>	2
1. (b)	<p>Describe two forms of retailing, other than online and concessions, Teddy Pinetree could have considered. (AC1.1)</p> <p>Up to 4 marks available. Up to 2 marks available for identifying appropriate forms of retailing. Up to 2 marks available for clear development.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • Market stall • Multi-channel e.g. catalogue, phone sales • Hybrid • Temporary store <p>Any other appropriate form of retailing.</p>	4

Question	Answer	Mark
1. (c)	<p>Discuss how the new website might help Woody Toys to increase sales. (AC 3.3)</p> <p>Up to 4 marks available. Up to 2 marks for a basic answer – 1 or 2 suggestions. Up to 2 marks for clear development – including 2 or more suggestions.</p> <p>Indicative Content</p> <ul style="list-style-type: none"> • Increase in target market – worldwide • Attract new customers • Retain present customers • Allows Teddy more time to focus on designing and making • Ease of choice / purchase • Target marketing - emails, newsletters. <p>Any other appropriate suggestion.</p>	4
1. (d)	<p>Explain how positive economic factors might affect the performance and operation of the Woody Toys business over the next three years. (AC 2.1)</p> <p>Up to 6 marks available. Up to 3 marks for each factor identified. Up to 3 additional marks for clear development on how the factor will affect performance of Woody Toys.</p> <p>Indicative content</p> <p>Factors:</p> <ul style="list-style-type: none"> • Disposable income • Tax rates • Employment levels • Recession • Economic growth / boom • Exchange rates. <p>Affects:</p> <ul style="list-style-type: none"> • Increase in sales • Increase in profits / income • Employing of more staff • Increased range of products / investment. <p>Any other appropriate positive economic factor.</p>	6
	Total marks question 1	20

Question	Answer	Mark
2. (a)(i)	<p>Describe the term concessions. (AC1.1)</p> <p>Up to 2 marks available. 1 mark for a basic description – general description of concessions. 2 marks for a clear description related to in-store concessions - they may use an example to help them describe a concession.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • Tenant / landlord agreement • Concession stand within another retail business • Concession area within another retail business. <p>Any other appropriate suggestion.</p>	2
2. (a)(ii)	<p>Explain two benefits to Red Devil of choosing in-store concessions as a method to increase sales and market share. (AC1.2)</p> <p>Up to 4 marks available. Up to 2 marks for appropriate benefits. Up to 2 additional marks for clear development.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • Large number of potential customers • Can target customers • Target demographics • Target areas / cities • Increase awareness • Promote the brand • Test the new product • Immediate customer feedback • Cost effective – marketing / promoting. <p>Any other appropriate benefit.</p>	4
2. (b)	<p>Calculate Red Devil's market share of mobile phones sold in 2015. (AC3.2)</p> <p>Up to 2 marks available. 2 marks for the correct answer. 1 mark for correct workings.</p> <p>Answer</p> <p>$2.5 \div 12.5 = 0.2$ (1) $\times 100 = 20\%$ or $12.5 \div 2.5 = 0.2$ (1) $= 1/5$</p>	2

Question	Answer	Mark
2. (c)(i)	<p>Suggest two suitable products in to which Red Devil could diversify. (AC2.3)</p> <p>Up to 2 marks available. 1 mark for each appropriate product.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • Tablet/computers • Camera • Watch • Games console <p>Any other appropriate product.</p>	2
2. (c)(ii)	<p>Explain two advantages to Red Devil of diversifying in to the products you suggested in (c)(i). (AC2.3)</p> <p>Up to 4 marks available. Up to 2 marks for identifying appropriate advantages. Up to 2 additional marks for clear development.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • More customers • New customers • New target market • Reduces risk – less reliance on mobile phones • Maximum use of expertise • Increase in income / profits / turnover. <p>Any other appropriate advantage.</p>	4
2. (d)	<p>Explain how the use of sustainable practices might affect retail businesses such as Red Devil. (AC2.1)</p> <p>Up to 6 marks available. Up to 3 marks for identifying appropriate sustainable practices. Up to 3 additional marks for clear development which explains how the sustainable practices would affect businesses such as Red Devil.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • Energy saving • Noise reduction • Waste reduction • Vehicle emissions / fuel reduction • Carbon footprint • Drink miles • Water saving. <p>Any other appropriate suggestion.</p>	6
	Total marks question 2	20

Question	Answer	Mark
3. (a)	<p>Summarise both forms of ownership and suggest which might be the most suitable for Izzie and Ollie. (AC3.3)</p> <p>Up to 6 marks available. Up to 2 marks available for a basic summary. Up to 4 marks available for clear and detailed summary. Up to 2 marks available for a reasoned suggestion.</p> <p>Indicative content</p> <p>Partnership</p> <ul style="list-style-type: none"> • Two or more partners • Shared decision making / disputes • Shared expertise • Unlimited liability <p>Private limited company</p> <ul style="list-style-type: none"> • Shares – not traded on the stock market • Shareholders • Limited liability <p>Any other appropriate suggestion.</p>	6
3. (b)(i)	<p>Suggest two realistic objectives for Rainwear Chic's first year in business. (AC1.3)</p> <p>Up to 2 marks available 1 mark for appropriate objectives.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • Survival – sustaining the business • Break-even • Establishing the brand • Raising awareness • Keeping to budget • Growth <p>Any other appropriate objective.</p>	2
3. (b)(ii)	<p>Suggest two marketing initiatives which might help Rainwear Chic achieve the objectives you suggested in (b)(i). (AC2.3)</p> <p>Up to 2 marks available. 1 mark for each appropriate marketing initiative.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • Branding • Advertising • Network events • Social media • Website • Apps • Offers/discounts • PR – radio, TV, magazines, newspapers • Loyalty card. <p>Any other appropriate suggestion.</p>	2

Question	Answer	Mark
3. (c)	<p>Explain how the above location characteristics might affect the Rainwear Chic business. (AC2.2)</p> <p>Up to 6 marks available. Up to 3 marks available for a basic explanation. Up to 6 marks available for a clear explanation.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • Access – transport hubs such as rail and bus. Road access. Public transport. Park and ride. Parking – sufficient / insufficient parking. Cost. Disabled access. • Competition – other clothes stores / shops. Out of town stores. • Affect – positive or negative. <p>Any other appropriate suggestion.</p>	6
3. (d)	<p>Analyse the benefits to Rainwear Chic of being a member of the Fairtrade Foundation. (AC3.1)</p> <p>Up to 4 marks available. Up to 2 marks for a descriptive / basic answer. Up to 4 marks available for a clear analysis.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • Appeals to customers - The FAIRTRADE Certification Mark is a trusted and respected label. • Customers are more interested in the sourcing of products. • Customers can see the ethical commitment of the business. • Creates a sustainable supply chain. • Better prices for the producers / farmers of the material. • Better working conditions in the country of source. <p>Any other appropriate suggestion.</p>	4
Total marks question 3		20