



Mark Scheme

ADSAM

NQF BTEC Level 1/Level 2 Firsts in
Enterprise (21429K)

Component 3: Promotion and Finance
for Enterprise

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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.
- All marks on the mark scheme should be used appropriately.
- All 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 a 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 about applying 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.
- Phonetic spelling should be accepted.
- ECF means Error Carried Forward from previous part of the question.

Specific marking guidance for levels-based mark schemes

Levels-based mark schemes (LBMS) have been designed to assess learners' work holistically. They consist of two parts: indicative content and levels-based descriptors. Indicative content reflects specific content-related points that learners might make. Levels-based descriptors articulate the skills that learners are likely to demonstrate in relation to the skills being assessed in the question. The levels represent the progression of these skills.

When using a levels-based mark scheme, the 'best fit' approach should be used.

- Examiners should first make a holistic judgement on which band most closely matches learners' response and place it within that band. Learners will be placed in the band that best describes their answer.
- The mark awarded within the band will be decided based on the quality of the answer in response to the level descriptor, and will be modified according to how securely all traits are displayed at that band.

BTEC Next Generation Mark Scheme Template

Enterprise Component 3 ADSAM Draft Number 1

Question Number	Answer	Mark														
1a	Award one mark for stating the name of the document used to check materials when they arrive from suppliers. <ul style="list-style-type: none"> • Delivery note 	1														
1b	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="469 600 694 707">Financial document</th> <th data-bbox="694 600 805 1464"></th> <th data-bbox="805 600 1139 707">Purpose</th> </tr> </thead> <tbody> <tr> <td data-bbox="469 707 694 857">Credit note</td> <td data-bbox="694 707 805 1464" rowspan="5" style="text-align: center; vertical-align: middle;"> </td> <td data-bbox="805 707 1139 857">To list orders and payments made</td> </tr> <tr> <td data-bbox="469 857 694 1061">Purchase order</td> <td data-bbox="805 857 1139 1061">To correct an error on a customer account</td> </tr> <tr> <td data-bbox="469 1061 694 1265">Receipt</td> <td data-bbox="805 1061 1139 1265">To confirm customer has paid a bill</td> </tr> <tr> <td data-bbox="469 1265 694 1464">Statement of account</td> <td data-bbox="805 1265 1139 1464">To identify goods ordered from a supplier</td> </tr> <tr> <td data-bbox="469 1464 694 1756"></td> <td data-bbox="805 1464 1139 1756"></td> </tr> </tbody> </table>	Financial document		Purpose	Credit note		To list orders and payments made	Purchase order	To correct an error on a customer account	Receipt	To confirm customer has paid a bill	Statement of account	To identify goods ordered from a supplier			3
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Purchase order		To correct an error on a customer account														
Receipt		To confirm customer has paid a bill														
Statement of account		To identify goods ordered from a supplier														
1c	Award one mark for identification of an impact on the enterprise of the mistake and one mark for stating a reason for the impact identified. <ul style="list-style-type: none"> • It will delay the cash inflows into the enterprise (1) because the enterprise will have to go back to ask for more money 	2														

	<p>(1)</p> <ul style="list-style-type: none"> Sales revenue would be lower than it should be (1) because the enterprise did not receive the correct money for a sale (1). <p>Accept any other reasonable response.</p>	
1d	<p>Award one mark for identification of a benefit to the enterprise of choosing to sell the candles in the B2C market and one mark for stating a reason for the benefit identified.</p> <ul style="list-style-type: none"> In B2C there is the potential to make higher profits/generate greater market exposure/generate increased brand awareness (1) because there are potentially more customers In B2C the enterprise can charge a higher unit price because it is selling direct to the consumer 	2

Question Number	Answer	Mark
2a	Award one mark for each of the following up to a maximum of six marks	6

Quantity	Item description	Unit price	Total price
250	Scented candles	£8.50	£2 125 (1)
275	Candles	£4.00	£1 100 (1)
Total price			£3 225 (1)
Customer discount 10%			£322.50 (1 ECF)
Subtotal			£2 902.50 (1 ECF)
Postage and packing			£40.00
Total to pay			£2 942.50 (1 ECF)

2b	<p>Award one mark for each response up to a maximum of two marks.</p> <ul style="list-style-type: none"> Credit card Debit card Direct debit Payment technologies (e.g. online banking/BACS/contactless) <p>Accept any other reasonable response. Do not accept 'cash'.</p>	2
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2c	<p>Award one mark for each identification of an impact to the enterprise of allowing customers to pay for goods with cash and one mark for stating a reason for each impact identified. Up to a maximum of four marks.</p> <ul style="list-style-type: none"> • There is a need for appropriate safe storage (1) because holding cash makes the enterprise more attractive to thieves (1) • The enterprise will need to have a float (1) because change will need to be given for payments made if needed (1) • Employees will need cash handling skills (1) because they have to ensure that the correct payment/correct change given (1) <p>Accept any other reasonable response.</p>	4
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Question Number	Answer	Mark
3a(i)	<p>Award two marks for the correct answer of:</p> <ul style="list-style-type: none"> • 4 050 (2) <p>OR</p> <p>If the figure given is incorrect award one mark for showing the correct working in either words or numbers:</p> <ul style="list-style-type: none"> • Current assets – current liabilities (1) • 7 450 – 3 400 (1) 	2
3a(ii)	<p>Award two marks for the correct answer of:</p> <ul style="list-style-type: none"> • 70 550 ECF (2) <p>If the figure given is incorrect award one mark for showing the correct working in either words or numbers:</p> <ul style="list-style-type: none"> • Fixed assets + net current assets (1) • 66 500 + 4 050 ECF (1) 	2

Question Number	Answer	Mark
3b(i)	Award one mark for the correct answer. <ul style="list-style-type: none"><li data-bbox="528 353 1054 389">• Current ratio = 1.50 OR 1.50:1 (1)	1
3b(ii)	Award one mark for the correct answer. <ul style="list-style-type: none"><li data-bbox="528 551 1129 586">• Liquid capital ratio = 0.60 OR 0.60:1 (1)	1

3c (i)	<p>Award one mark for giving a potential cause of the predicted net profit being negative.</p> <ul style="list-style-type: none"> • Cost of sales could be too high (1) • Expenses could be too high (1) • Insufficient revenue (1) <p>Accept any other appropriate response</p>	1
3c (ii)	<p>Award one mark for giving an action other than advertising that could be taken to improve his predicted net profit.</p> <ul style="list-style-type: none"> • Increase sales (1) • Reduce cost of sales (1) • Reduce expenses (1) <p>Accept any other appropriate response</p>	1
3d	<p>Award one mark for identification of an appropriate advantage of using a loan to finance the new equipment and one mark for stating the reason why it is an advantage to the enterprise. Up to a maximum of four marks.</p> <ul style="list-style-type: none"> • An advantage of using a loan is that it allows the enterprise to start generating revenue immediately (1) because the enterprise will be able to start using equipment as soon as it is purchased (1) • An advantage of using a loan to purchase the equipment is that it can be easier to forecast interest payments (1) because loans can have fixed rates of interest. (1) • An advantage of using a loan to purchase the equipment is that the enterprise can budget accurately for the cost of the equipment (1) because it will allow the enterprise to avoid any future price rises. (1) • An advantage of using a loan to purchase the equipment is that it can help make revenue appear greater (1) because loans can be tied to the lifetime of the equipment or other assets you are borrowing the money to pay for. (1) <p>Accept any other appropriate response.</p>	4

Question Number	Answer	Mark
4a (i)	Award one mark for each correct answer up to a maximum of two marks: <ul style="list-style-type: none"> • A = Total revenue/Revenue/Sales (1) • B = Total costs (1) 	2
4a (ii)	<ul style="list-style-type: none"> • Award one mark for the following: Break-even point = 40 (1) 	1
4a (iii)	<ul style="list-style-type: none"> • Award one mark for the following: Margin of safety = 15 (1) ECF ECF from identification of break-even 	1

4b	<p>Award one mark for identification of a limitation of using break-even analysis and one mark for giving a reason for the limitation given. Up to a maximum of four marks.</p> <ul style="list-style-type: none"> • A limitation is that break-even analysis assumes all products/services are sold (1). This is a limitation because if forecast sales are not actually achieved there would be a build-up of stock/wasted output (1). • A limitation is that break-even analysis assumes the external environment is stable (1). This is a limitation because if external factors change it could invalidate the reliability of the previously calculated break-even analysis. (1) • A limitation is that the enterprise may need to complete multiple break-even calculations (1) because break-even analysis only applies to single products/not ranges of products (1). <p>Accept any other appropriate response.</p>	4
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Question Number	Answer	Mark
5a	<p>Award one mark for each of the following up to a maximum of two marks.</p> <ul style="list-style-type: none"> • Payment for inventory/materials (1) • Rent (1) • Business rates (1) • Electricity/Utilities (1) • Payment of wages (1) • Owner's payment/drawings (1) <p>Accept any other appropriate answer.</p>	2

5b	<p>Award one mark for each of the following up to three marks.</p> <p>(i) Feb opening balance = 1 200 (1) (ii) March total outflow = 5 775 (1) (iii) May cash inflow = 6 100 (1)</p>	3								
5c	<p>Award one mark for each appropriate solution given in column A. For each solution given in column A, award one mark for stating why the solution will improve the enterprises cash flow. Up to a maximum of four marks.</p> <table border="1" data-bbox="320 678 1074 1216"> <thead> <tr> <th data-bbox="320 678 550 748">Solution</th> <th data-bbox="550 678 1074 748">Why this will improve cash flow</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 748 550 913">Reduce the amount of money spent (1)</td> <td data-bbox="550 748 1074 913">This will reduce the cash flow problem because it will leave him more cash at the end of each month to cover his costs (1)</td> </tr> <tr> <td data-bbox="320 913 550 1079">Increase selling prices (1)</td> <td data-bbox="550 913 1074 1079">This will reduce the cash flow problem because it will earn more revenue/increase cash inflow if sales volume remains the same (1)</td> </tr> <tr> <td data-bbox="320 1079 550 1216">Find cheaper suppliers (1)</td> <td data-bbox="550 1079 1074 1216">This will improve the cash flow problem because it will reduce the cash outflow (1)</td> </tr> </tbody> </table>	Solution	Why this will improve cash flow	Reduce the amount of money spent (1)	This will reduce the cash flow problem because it will leave him more cash at the end of each month to cover his costs (1)	Increase selling prices (1)	This will reduce the cash flow problem because it will earn more revenue/increase cash inflow if sales volume remains the same (1)	Find cheaper suppliers (1)	This will improve the cash flow problem because it will reduce the cash outflow (1)	4
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Question Number	Answer	Mark
6a	<p>Award one mark for identification of an advantage and one mark for giving a reason why it is an advantage the limitation given. Up to a maximum of two marks.</p> <ul style="list-style-type: none"> • Direct selling can help build a relationship with potential customers/can give him the opportunity to deal with misunderstandings (1) because he will be able to talk directly to the potential customers. (1) • Can allow the potential customers an opportunity to ask questions about the workshops (1) because they will be talking 	2

	<p>directly to the person offering the service (1)</p> <ul style="list-style-type: none"> • Can test the appeal of the workshops before committing to other types of marketing (1) because he can do the selling himself (1) • Can achieve measurable sales results (1) because he will be able to compare the number of customers spoken to with the number of sales made (1) <p>Accept any other appropriate response.</p>	
6b	<p>Award one mark for the identification of a benefit of segmenting the market by location, one mark for an appropriate reason for the benefit and one mark for further expansion of the reason given.</p> <ul style="list-style-type: none"> • Segmenting the market by location allows an enterprise to potentially increase sales revenue (1). This would happen because it allows it to target its advertising in an area better (1) which will lead to greater interest/awareness of the enterprise (1). • Segmenting the market by location allows an enterprise to target advertising only in the areas where potential customers live (1) because the enterprise will save money on advertising in places where potential customers do not live (1) which will potentially increase profit/reduce expenses (1). <p>Accept any other appropriate response.</p>	3

6c	<p>Indicative content</p> <p>Answers will be credited according to the learner's demonstration of knowledge and understanding of the material, using the indicative content and levels descriptors below. The indicative content that follows is not prescriptive. Answers may cover some or all of the indicative content but learners should be rewarded for other relevant answers.</p>	
Method	Advantages	Disadvantages

Print	<ul style="list-style-type: none"> • Can be targeted to a specific area • Can be relatively inexpensive when done by owner of enterprise • Easily stored by customer for future reference • Total control over how advertising message is presented • Can include incentives/offers that drive demand 	<ul style="list-style-type: none"> • Quickly/Easily disposed of by customers • No guarantee message will be read/understood/acted on • Could become out of date quickly • May take a long time to create, print and circulate • Pay someone to distribute for you
Digital	<ul style="list-style-type: none"> • Can reach a wide audience • Can build a following • Can be interactive and create interest more easily • Relatively inexpensive to set up if done by owner 	<ul style="list-style-type: none"> • Can be difficult to target exact customer you are looking to reach • Takes a lot of time to maintain digital content • Can be easily ignored • Risk of unwanted responses/comments • Lack of internet access

Indicative content for recommendation of chosen method

- What budget does he have available/want to spend on the advertising?
- Does he have the time/expertise to make best use of the chosen method?
- Is his market local or does he intend to sell to a wider geographical area?
- Is Damian looking to advertise one-off events or does he need to consistently sell the workshops to potential customers?
- What impression does Damian want those looking at the advertising to have of his enterprise?

Level	Descriptor
0 0 marks	No rewardable material.
1 1–2 marks	<ul style="list-style-type: none"> • Demonstrates isolated elements of knowledge and understanding, there will be major gaps or omissions. • Few of the points made will be relevant to the context in the question. • Limited evaluation which contains generic assertions leading to a conclusion that is superficial or unsupported.
2 3–4 marks	<ul style="list-style-type: none"> • Demonstrates some accurate knowledge and understanding, with only minor gaps or omissions. • Some of the points made will be relevant to the context in the question, but the link will not always be clear.

	<ul style="list-style-type: none">• Displays a partially developed evaluation which considers some different competing points, although not always in detail, leading to a conclusion which is partially supported.
3 5–6 marks	<ul style="list-style-type: none">• Demonstrates mostly accurate and thorough/detailed knowledge and understanding.• Most of the points made will be relevant to the context in the question, and there will be clear links.• Displays a well-developed and logical evaluation which clearly considers different aspects and competing points in detail, leading to a conclusion that is fully supported.

Ofqual



Llywodraeth Cynulliad Cymru
Welsh Assembly Government



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