



Mark Scheme (Final)

Series: 1902

NQF BTEC Level 1/Level 2 Firsts in
Enterprise

Component 3: Promotion and Finance
for Enterprise

BTEC Qualifications from Pearson

BTEC qualifications from Pearson, the world's leading learning company. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information visit our qualifications websites at www.btec.co.uk for our BTEC qualifications.

Pearson: helping people progress, everywhere

Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your students at: www.pearson.com/uk

February 2019

Publications Code 21429K_1902_MS

All the material in this publication is copyright

© Pearson Education Ltd 2019

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.

BTEC Next Generation Mark Scheme

Enterprise Component 3

Question Number	Answer	Mark
1(a)(i)	<p>Award one mark for each correctly placed document to a maximum of three marks.</p> <ul style="list-style-type: none"> • Box 3 = Invoice • Box 5 = Receipt • Box 6 = Statement of Account (SOA) <p>Do not accept any other response.</p>	3
1b(i)	<p>Award one mark for the correct response.</p> <ul style="list-style-type: none"> • Direct debit (1) <p>Do not accept any other response.</p>	1
1b(ii)	<p>Award one mark for a reason why direct debit is the most efficient method of payment.</p> <ul style="list-style-type: none"> • It allows for changes in the amount that is paid each month (1) • Ensures that payment is made when it is due (1) • Automatic payment (1) <p>Accept any other appropriate response.</p>	1
1(c) (i)	<p>Award one mark for stating the total cost formula correctly.</p> <ul style="list-style-type: none"> • Fixed costs + Total variable costs (1) • Fixed costs + Variable costs (1) • FC + TVC (1) • FC + VC (1) <p>Fixed cost and variable cost may be reversed in answer.</p>	1
1(c) (ii)	<p>Award a maximum of two marks for the correct response or one mark for calculating total variable cost correctly.</p> <p>9 100 (2) OR 540 x 10 (1) OR 5 400 (1)</p>	2

Question Number	Answer	Mark																
2(a)	<p>Award one mark for each of the following up to a maximum of four marks.</p> <table border="1" data-bbox="525 353 1131 495"> <tr> <td>Total price daffodils</td> <td>387</td> <td>00</td> <td>1</td> </tr> <tr> <td>Subtotal</td> <td>871</td> <td>80</td> <td>1 (ECF)</td> </tr> <tr> <td>Discount</td> <td>43</td> <td>59</td> <td>1 (ECF)</td> </tr> <tr> <td>Total</td> <td>828</td> <td>21</td> <td>1 (ECF)</td> </tr> </table> <p>Pence column must have TWO figures.</p>	Total price daffodils	387	00	1	Subtotal	871	80	1 (ECF)	Discount	43	59	1 (ECF)	Total	828	21	1 (ECF)	4
Total price daffodils	387	00	1															
Subtotal	871	80	1 (ECF)															
Discount	43	59	1 (ECF)															
Total	828	21	1 (ECF)															
2(b)	<p>Award two marks for the correct response.</p> <ul style="list-style-type: none"> • 24 817 (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"> • Turnover – Cost of sales (1) <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • 37 246 – 12 429 (1) 	2																
2(c)	<p>Award one mark for identification of a way to improve gross profit and a further mark for stating a reason why this will improve gross profit.</p> <ul style="list-style-type: none"> • Increase selling price (1) because this will increase turnover/revenue (1) • Find cheaper suppliers (1) because this will reduce cost of sales/variable costs (1) • Increase advertising/promotion (1) because this would attract more customers/increase revenue (1). <p>Accept any other appropriate response.</p>	2																
2(d)	<p>Award one mark for identification of an action Jasmina could take to improve retained profit and one mark for stating a reason why the action would improve retained profit, up to a maximum of four marks.</p> <ul style="list-style-type: none"> • Increase net profit/operating profit/profit after tax (1) because net profit/operating profit/profit after tax would be starting at a higher level (1). Pay shareholders/owners a reduced dividend/less of the profits (1) because retained profits are calculated after dividends have been paid (1). <p>Accept any other appropriate response.</p>	4																

Question Number	Answer	Mark																																
3a	<p>Award one mark for a correct response up to a maximum of two marks.</p> <table border="1" data-bbox="405 387 1246 757"> <thead> <tr> <th data-bbox="405 387 644 465">Basic aspect</th> <th data-bbox="644 387 1246 465">Meaning</th> </tr> </thead> <tbody> <tr> <td data-bbox="405 465 644 611">Message</td> <td data-bbox="644 465 1246 611">What the communication needs to say (1)</td> </tr> <tr> <td data-bbox="405 611 644 757">Medium</td> <td data-bbox="644 611 1246 757">How to get the message across (1)</td> </tr> </tbody> </table> <p>Accept other appropriate responses.</p>	Basic aspect	Meaning	Message	What the communication needs to say (1)	Medium	How to get the message across (1)	2																										
Basic aspect	Meaning																																	
Message	What the communication needs to say (1)																																	
Medium	How to get the message across (1)																																	
3b	<p>Award one mark for each for correct calculation to a maximum of six marks.</p> <table border="1" data-bbox="405 954 1246 1559"> <thead> <tr> <th data-bbox="405 954 667 1032"></th> <th data-bbox="667 954 876 1032">October (£)</th> <th data-bbox="876 954 1046 1032">November (£)</th> <th data-bbox="1046 954 1246 1032">December (£)</th> </tr> </thead> <tbody> <tr> <td data-bbox="405 1032 667 1133">Regular domestic gardening customers</td> <td data-bbox="667 1032 876 1133">1 400</td> <td data-bbox="876 1032 1046 1133">1 200</td> <td data-bbox="1046 1032 1246 1133">1 100 (v)</td> </tr> <tr> <td data-bbox="405 1133 667 1234">Additional domestic gardening jobs</td> <td data-bbox="667 1133 876 1234">700 (i)</td> <td data-bbox="876 1133 1046 1234">600</td> <td data-bbox="1046 1133 1246 1234">400</td> </tr> <tr> <td data-bbox="405 1234 667 1279">Total inflows</td> <td data-bbox="667 1234 876 1279">2 100</td> <td data-bbox="876 1234 1046 1279">1 800</td> <td data-bbox="1046 1234 1246 1279">1 500</td> </tr> <tr> <td data-bbox="405 1279 667 1368">Total outflows</td> <td data-bbox="667 1279 876 1368">1 300 (ii)</td> <td data-bbox="876 1279 1046 1368">1 200</td> <td data-bbox="1046 1279 1246 1368">1 100</td> </tr> <tr> <td data-bbox="405 1368 667 1413">Net cash flow</td> <td data-bbox="667 1368 876 1413">800</td> <td data-bbox="876 1368 1046 1413">600 (iv)</td> <td data-bbox="1046 1368 1246 1413">400</td> </tr> <tr> <td data-bbox="405 1413 667 1469">Opening balance</td> <td data-bbox="667 1413 876 1469">300</td> <td data-bbox="876 1413 1046 1469">1 100</td> <td data-bbox="1046 1413 1246 1469">1 700 (vi)</td> </tr> <tr> <td data-bbox="405 1469 667 1559">Closing balance</td> <td data-bbox="667 1469 876 1559">1 100 (iii)</td> <td data-bbox="876 1469 1046 1559">1 700</td> <td data-bbox="1046 1469 1246 1559">2 100</td> </tr> </tbody> </table>		October (£)	November (£)	December (£)	Regular domestic gardening customers	1 400	1 200	1 100 (v)	Additional domestic gardening jobs	700 (i)	600	400	Total inflows	2 100	1 800	1 500	Total outflows	1 300 (ii)	1 200	1 100	Net cash flow	800	600 (iv)	400	Opening balance	300	1 100	1 700 (vi)	Closing balance	1 100 (iii)	1 700	2 100	6
	October (£)	November (£)	December (£)																															
Regular domestic gardening customers	1 400	1 200	1 100 (v)																															
Additional domestic gardening jobs	700 (i)	600	400																															
Total inflows	2 100	1 800	1 500																															
Total outflows	1 300 (ii)	1 200	1 100																															
Net cash flow	800	600 (iv)	400																															
Opening balance	300	1 100	1 700 (vi)																															
Closing balance	1 100 (iii)	1 700	2 100																															

Question Number	Answer	Mark
4a	<p>Award one mark for identification of a solution to the cash flow problems and one mark for a reason why the solution would improve the negative closing balances, up to a maximum of four marks.</p> <ul style="list-style-type: none"> • Jasmina can spread her payment for equipment bought (1) which will lower the outflows in March (1) • Jasmina can delay payments to suppliers (1) which will spread the cost of stock purchases over several months (1) • Jasmina can increase the amount of inflows (1) which will cover her outflows (1) • Jasmina can sell assets (1) which will increase inflows in the month the asset is sold (1) • Jasmina can apply for finance (1) which will cover cash shortfalls between March and May (1) <p>Accept any other appropriate response.</p> <p>Do not accept responses that initially incur further costs/outflows, and which might not lead to an increase in inflows e.g. advertising and promotional offers.</p>	4
4b	<p>Award one mark for a correct response.</p> <ul style="list-style-type: none"> • 0.90 (1) • 0.90:1 (1) 	1
4c	<p>Award one mark for a correct response.</p> <ul style="list-style-type: none"> • 13.7% (1) • 13.70% (1) • 13.7 (1) • 13.70 (1) <p>Accept rounding up to 14% or 14.</p>	1

4d	<p>Award one mark for each correctly drawn and labelled line up to a maximum of 3 marks, and one mark for identification of break-even point (ECF).</p> <div data-bbox="400 331 1254 846" data-label="Figure"> <p>The chart displays three lines: a blue line for Total Revenue starting at (0,0) and ending at (400,12000); a grey line for Total Costs starting at (0,4000) and ending at (400,8000); and an orange horizontal line for Fixed Costs at y=4000. The break-even point is where Total Revenue equals Total Costs, at 200 customers and 6000 units of revenue/cost.</p> <table border="1"> <caption>Data points from the Break-Even Chart</caption> <thead> <tr> <th>Number of Customers</th> <th>Total Revenue</th> <th>Total Costs</th> <th>Fixed Costs</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0</td> <td>4000</td> <td>4000</td> </tr> <tr> <td>100</td> <td>3000</td> <td>5000</td> <td>4000</td> </tr> <tr> <td>200</td> <td>6000</td> <td>6000</td> <td>4000</td> </tr> <tr> <td>300</td> <td>9000</td> <td>7000</td> <td>4000</td> </tr> <tr> <td>400</td> <td>12000</td> <td>8000</td> <td>4000</td> </tr> </tbody> </table> </div> <ul style="list-style-type: none"> • Total revenue/TR/revenue/average revenue/AR/sales revenue/SR 12000 (1) • Total costs/TC 8000 (1) • Fixed costs/FC 4000 (1) • Break-even point/BEP/BE 200 (1ECF) 	Number of Customers	Total Revenue	Total Costs	Fixed Costs	0	0	4000	4000	100	3000	5000	4000	200	6000	6000	4000	300	9000	7000	4000	400	12000	8000	4000	4
Number of Customers	Total Revenue	Total Costs	Fixed Costs																							
0	0	4000	4000																							
100	3000	5000	4000																							
200	6000	6000	4000																							
300	9000	7000	4000																							
400	12000	8000	4000																							
4e (i)	<p>Award one mark for a correct response.</p> <ul style="list-style-type: none"> • 175 (1) 	(1)																								
4e (ii)	<p>Award one mark for a correct response.</p> <ul style="list-style-type: none"> • It can reduce the risk of the enterprise making a loss (1) • It can indicate that the enterprise is likely to be profitable from its activities (1) <p>Accept any other appropriate response.</p>	(1)																								

Question Number	Answer	Mark
5a	<p>Award one mark for identification of an impact of having inaccurate financial documents, one mark for an appropriate reason for the impact and one mark for further expansion of the reason given.</p> <ul style="list-style-type: none"> • <i>JSG Ltd</i> may lose customers / lose revenue (1) because the enterprise would get a bad reputation (1) as a result as a result of customers being asked to pay an incorrect amount of money/receiving the wrong amount of credit (1). • <i>JSG Ltd</i> may have cash flow problems (1) because suppliers may be reluctant to offer credit (1) as a result of missed / inaccurate payments in the past (1). <p>Responses must refer to financial documents i.e. invoices, delivery notes, purchase orders, credit notes, receipts, statement of account.</p> <p>Accept any other appropriate response.</p>	3
5b	<p>Any two explanations that include one mark for identification of an advantage for Jasmina's enterprise of accepting credit card payments, and one mark for linked expansion of why this is an advantage, up to a maximum of four marks.</p> <ul style="list-style-type: none"> • It can increase sales / customers (1) because customers may go to other suppliers if <i>JSG Ltd</i> does not accept credit cards (1). • It improves customer service (1) because it gives customers more choice over the payment method they use (1). • It can be more convenient for <i>JSG Ltd</i> (1) because it does not have to process cash / cheques / can receive payment online (1). • <i>JSG Ltd</i> does not have to take money to the bank (1) because the transaction is automatic / online (1). <p>Accept any other appropriate answer.</p>	4
5c	<p>Award one mark for a correct way of segmenting the business market.</p> <ul style="list-style-type: none"> • Geographic/Location (1) • Behavioural/Spending/Consumption/Usage (1) <p>Do not accept any other response.</p>	1

Question Number	Answer	Mark
6a	<p>Any two explanations that include one mark for identification of an advantage for <i>JSG Ltd</i> of using loyalty incentives, and one mark for linked expansion of why this is an advantage, up to a maximum of four marks.</p> <ul style="list-style-type: none"> • Loyalty incentives will encourage repeat purchases / retain customers / develop long term relationships (1) which can create a constant stream of revenue for the enterprise (1). • Loyalty incentives can help build up data about <i>JSG Ltd's</i> customers (1) which can help it improve the service offered/provide new services to meet customer needs better (1). • Loyalty incentives can allow better communication with customers (1) which can encourage them to purchase more services from <i>JSG Ltd</i> (1). <p>Accept any other appropriate response.</p> <p>Do not accept responses relating to attracting new customers as given in stem.</p>	4
6b	<p>Award one mark for identification of a factor and one additional mark for appropriate expansion to a maximum of two marks.</p> <ul style="list-style-type: none"> • The size of the enterprise (1) because this will affect the level of marketing expertise that will be available (1). • Suitability for the service (1) because methods such as 'buy one get one free' may be more appropriate for domestic customers (1). • Target market (1) because business customers may take longer to make decisions over contracts compared to domestic customers (1). <p>Do not accept responses relating to costs/budgets as given in stem.</p> <p>Accept any other appropriate response.</p>	2

Question Number	Indicative content		Mark
6c	<p>Responses will be credited according to the learner's demonstration of knowledge and understanding of the material, using the indicative content and level descriptors below.</p> <p>The indicative content that follows is not prescriptive. Responses may cover some or all indicative content, but learners should be rewarded for other relevant responses.</p>		6
	Advantages	Disadvantages	
Attend local exhibition	<ul style="list-style-type: none"> • Raises awareness with her proposed new target market of business customers • Can meet potential business customers face to face • Able to explain the services she offers directly to her new target market of business customers • Will allow Jasmina to learn more about the market she is entering 	<ul style="list-style-type: none"> • May incur a cost for exhibition space/display materials • Competitors may also be displaying, leading to direct comparisons being able to be made • Sales are not guaranteed from attending the exhibition • Turnout may be low • The wrong sort of people may attend 	
Sponsor local event	<ul style="list-style-type: none"> • Increases the visibility of her enterprise • Creates positive opinion of her enterprise in the local area • May lead to increased sales for her enterprise 	<ul style="list-style-type: none"> • Will incur a cost • May not be seen by her targeted market of local businesses • Potential customers may not make the link between the sponsored event and her enterprise • Negative feedback from the sponsored event could impact on her 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. • 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.

Pearson Education Limited. Registered company number 872828
with its registered office at Edinburgh Gate, Harlow, Essex CM20 2JE