

Level 1/2 Vocational Award in

RETAIL BUSINESS

(Technical Award)

Teaching from 2022 | Award from 2024

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LEVEL 1/2 VOCATIONAL AWARD

RETAIL BUSINESS

UNIT 1

The Business of Retail

1 hour 30 minutes

SAMPLE ASSESSMENT MATERIALS

ADDITIONAL MATERIALS

A calculator.

INSTRUCTIONS FOR CANDIDATES

Use black ink or black ball-point pen. Do not use gel pen or correction fluid.

You may use a pencil for graphs and diagrams only.

Answer all questions.

Write your name, centre number and candidate number in the spaces at the top of this page.

Write your answers in the spaces provided in this booklet. If you run out of space, use the additional page(s) at the back of the booklet, taking care to number the question(s) correctly.

INFORMATION FOR CANDIDATES

The number of marks is given in brackets at the end of each question or part-question.

The total number of marks available is 80.

You are reminded of the need for clear and accurate written communication.

For examiner's use only					
Question	Maximum Mark	Mark Awarded			
1.	2				
2.	2				
3.	1				
4.	2				
5.	3				
6.	6				
7.	4				
8.	4				
9.	2				
10.	4				
11.	21				
12.	29				
Total	80				

Examiner only

SECTION A

Answer **all** questions in the spaces provided.

1.	Identify which two c	of the following are examples of perishable products.	[2]
		Tick two boxes only.	
		Mobile phone	
		Pair of shoes	
		Cheeseburger	
		Diamond ring	
		Ice cream	
		Sofa	
2.	Identify which two c	of the following are examples of ethical business practices.	[2]
	raentily which two		[-]
		Tick two boxes only.	
		Good treatment of workers	
		Offering a wide range of products	
		Selling products at low prices	
		Using new technology in stores	
		Using Fairtrade suppliers	
		Meeting legal requirements	
3.	State what is meant	t hy m-commerce	[1]
Э.	State What is meant	t by in commerce.	[±]

4. Identify which **two** of the following are tasks carried out by the marketing department of a retail business.

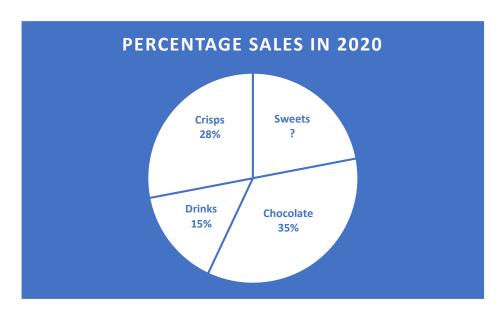
Examiner only

[2]

Tick **two** boxes only.

Paying workers	
Finding out what customers want	
Serving customers in the shop	
Dealing with customer complaints	
Organising home deliveries	
Designing promotional materials	

5. Study the pie chart below which gives data on the products sold by a market stall retailer. In 2020 the market stall retailer had a total sales revenue of £30 000.



(a)	Calculate the percentage of sales for sweets in 2020.	[1]
(b)	Calculate the sales revenue for crisps in 2020. Show your workings.	[2]

The supply chain is ve from the source to th	ery important to retail businesses and involves the movement of stock e customer.		Examiner only
Describe the following	g supply chain stages:		
(a) Sourcing		[2]	
(b) Logistics		[2]	
(c) Stock control		[2]	

Examiner only

													•••••	
(b)	Explain	how a	globa	al fash	ion re	etailer	can us	se soc	ial me	dia to	help i	ncrea	se sale	!S.
	•••••			•••••		•••••	• • • • • • • • • • • • • • • • • • • •			•••••				
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differ	ent reta													
differ	ent reta		s. The	e chart	t belo	w sho	ws its	avera	ge foo	tfall p	er hou	ur for (
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		nis for the footiali pattern i	or Happy Days Shopping Centre.	[2]
 	lowelly solls hand ma	do iouvellary through bar w	obsito. In August 2020 sha sold	
	s of jewellery as show	n below:	ebsite. In August 2020 she sold	
	Product item Necklaces	Price per item £15.00	Quantity sold 90	
	Rings	£10.00	100	
_	Earrings	£5.00	60	
	costs for August 2020			
Calculate	e Sharon's profit for Au	gust 2020. Show your work	ings.	[2]
Discuss h	now the aims of a chari	ty retailer will differ from th	ne aims of a private limited	[2]
Discuss h	now the aims of a chari	ty retailer will differ from th		
Discuss h	now the aims of a chari	ty retailer will differ from th	ne aims of a private limited	
Discuss h	now the aims of a chari	ty retailer will differ from th	ne aims of a private limited	
Discuss h	now the aims of a chari	ty retailer will differ from th	ne aims of a private limited	

SECTION B

Answer **all** questions in the spaces provided

11. Study **Scenario 1** which gives information on a retail business.

Examiner only

Scenario 1

Ed Daniels is a sole trader who owns an independent book shop called *The Book Worm*. The shop sells a range of books including fiction, non-fiction, bestsellers, teenage, educational and children's books. The shop also sells a small range of stationery, calendars, diaries, notebooks and a range of gifts throughout the year. *The Book Worm* is affected by seasonality. Ed has a love of books and enjoys the lifestyle of being a sole trader.

The Book Worm has a reputation for excellent customer service. Ed and his staff often recommend books to its customers and take time discussing the books with them. However, *The Book Worm* operates in a very competitive market and Ed finds it difficult to compete with national and multinational book retailers such as WHSmith's, the main UK supermarkets, and online book retailers such as Amazon.

(i)	State what is meant by a sole trader.	[1]
(ii)	With reference to Scenario 1, identify and explain two advantages to Ed Daniels of becoming a sole trader.	[4]

(a)

	Identify two disadvantages of operating as a sole trader.	[2]
State <i>Worn</i>	what is meant by seasonality and explain your answer with reference to <i>The Book</i> n.	[2]
 Expla	in how <i>The Book Worm's</i> product range and promotion will differ to a that of	[6]
	in how <i>The Book Worm's</i> product range and promotion will differ to a that of national book retailers such as Amazon and WHSmith's.	[6]
		[6]
		[6]
		[6]
multi		[6]
multi	national book retailers such as Amazon and WHSmith's.	[6]
multi	national book retailers such as Amazon and WHSmith's.	[6]
multi	national book retailers such as Amazon and WHSmith's.	[6]

(d)	(i)	Outline what is meant by a competitive market.	[2]	Examiner only
				,
	(ii)	Recommend two ways that <i>The Book Worm</i> could compete with its competitors.	[4]	

12. Study **Scenario 2** which gives information on a retail business.

Examiner only

Scenario 2

Lavish Ltd. is a cosmetics business that manufactures and retails handmade cosmetics. Its range includes bath and shower products such as soaps, bath bombs and shower gels. It also sells face, hair and body products such as face masks, shampoos and body lotions. Its physical shops are located on high streets, shopping centres and out-of-town retail parks throughout the UK. It also sells its products online through its own website.

A major aim for Lavish Ltd. is to act in an environmentally sustainable way.

The table below shows the profit made by Lavish Ltd. in the last four years.

Year	Profit (£)
2021	15.5 million
2020	16 million
2019	11.5 million
2018	11.2 million

(a) Identify the form of ownership of Lavish Ltd.

[1]

Tick **one** box only.

Public limited company	
Private limited company	
Partnership	
Sole trader	

(b)	(i)	Outline what is meant by a multi-channel retailer and illustrate your answer with reference to <i>Lavish Ltd</i> .	[2]

(ii)	(ii) Identify and explain two advantages for <i>Lavish Ltd.</i> of being a multi-channel retailer.					
	d. is likely to be affected by a range of location characteristics for its different types on for its physical shops. Two location characteristics are given in the box below.					
or roodere	The response of the section of the s					
	Parking Footfall					
(c) An	alyse how the location characteristics given in the box might affect Lavish Ltd.	[6]				

	tify two possible environmentally friendly practices that retail businesses could use t in an environmentally sustainable way.	[2]	Exa
(i)	Calculate Lavish Ltd.'s average profit over the four-year period.	[1]	
(ii)	Suggest one possible reason for the change in profit between 2020 and 2021.	[1]	
	Describe how the following social factors will affect retail businesses:	[4]	
	Age structure of the population		
	Tastes and attitudes		

(g)	Evaluate the impact of economic factors on retail businesses.	[8]

END OF PAPER

MARK SCHEME

Guidance for examiners

Positive marking

It should be remembered that candidates are writing under examination conditions and credit should be given for what the candidate writes, rather than adopting the approach of penalising him/her for any omissions. It should be possible for a very good response to achieve full marks and a very poor one to achieve zero marks. Marks should not be deducted for a less than perfect answer if it satisfies the criteria of the mark scheme.

For questions that are objective or points-based, the mark scheme should be applied precisely. Marks should be awarded as indicated and no further subdivision made.

Mark schemes often list points which may be included in candidates' answers. The list is not exhaustive. The inclusion of 'Credit any other valid response.' (or similar instruction) within mark schemes allows for the possible variation in candidates' responses. Credit should be given according to the accuracy and relevance of candidates' answers.

Appropriate terminology is reflected in exemplar responses in mark schemes. However, unless there is a specific requirement within a question, candidates may be awarded marks where the answer is accurate but expressed in their own words.

Banded mark schemes

For band marked questions mark schemes are in two parts: the indicative content and the assessment grid.

The indicative content suggests the range of points and issues which may be included in candidates' answers. It can be used to assess the quality of the candidate's response. As noted above, indicative content is not intended to be exhaustive, and candidates do not have to include all the indicative content to reach the highest level of the mark scheme.

However, to reach the highest level of the mark scheme a candidate must meet the requirements of the highest mark band. Where a response is not creditworthy, that is, it contains nothing of any significance to the mark scheme, or where no response has been provided, no marks should be awarded.

In Level 1/2 vocational award in Retail Business (Technical Award), each question will address one or more assessment objectives: from AO1, AO2 or AO3. Where appropriate, the assessment grid subdivides the total mark that may be allocated for a question into individual assessment objectives. These are shown in bands in the mark scheme. For each assessment objective, descriptors will indicate the different skills and qualities at the appropriate level.

Candidates' responses to questions are assessed against the relevant assessment objectives. Where a question addresses more than one assessment objective, candidates may achieve different bands within that question. In these cases, a mark will be awarded for each assessment objective then totalled to give an overall mark for the question.

The marking of banded mark questions should always be positive. This means that, for each candidate's response, marks are accumulated for the demonstration of relevant skills, knowledge and understanding. They are not deducted from a maximum on the basis of errors or omissions.

Examiners should first read and annotate the candidate's answer to pick out the evidence that is being assessed in that question. The mark scheme can then be applied. This is done as a two-stage process.

Stage 1 – Deciding on the band

Beginning at the lowest band, examiners should look at the candidate's answer and check whether it matches the descriptors for that band. If the descriptors at the lowest band are satisfied, examiners should move up to the next band and repeat this process for each band until the descriptors match the answer.

If an answer covers different aspects of different bands within the mark scheme, a 'best fit' approach should be adopted to decide on the band and then the candidate's response should be used to decide on the mark within the band. For instance, if a response is mainly in band 2 but with a limited amount of band 3 content, the answer would be placed in band 2, but the mark awarded would be close to the top of band 2 as a result of the band 3 content.

Examiners should not seek to mark candidates down as a result of small omissions in minor areas of an answer.

Stage 2 – Deciding on the mark

During standardising (the marking conference), detailed advice from the Principal Examiner on the qualities of each mark band will be given. Examiners will then receive examples of answers in each mark band that have been awarded a mark by the Principal Examiner. Examiners should mark the examples and compare their marks with those of the Principal Examiner.

When marking, examiners can use these examples to decide whether a candidate's response is of a superior, inferior or comparable standard to the example. Examiners are reminded of the need to revisit the answer as they apply the mark scheme in order to confirm that the band and the mark allocated is appropriate to the response provided.

Differentiation within our mark schemes

The following grid demonstrates our starting point to formulating our mark schemes. These are used in order to ensure differentiation between our bands. Mark schemes will use this table as the basis for the assessment of each question but will reflect the specific demands of the question.

Band Descriptor	AO1	AO2	AO3
Excellent	 Aware of a wide range of detailed and accurate knowledge. Demonstrates fully developed understanding that shows relevance to the demands of the 	 Knowledge and understanding is consistently applied to the context of the question/task. Practical skills are consistently and effectively applied and are of a high 	 Analysis and evaluation skills are used in a highly effective way. Evidence is selected to construct an effective and balanced argument. Detailed and substantiated evaluation that offers
Very	question. • Effective and precise use of terminology.	standard. Is able to form a fully developed and thorough interpretation that is fully accurate.	secure judgements leading to rational conclusions.
Good	Has a range of detailed and accurate knowledge.	 Knowledge and understanding is applied to the context of the question/task. 	Analysis and evaluation skills are used in an effective way.
Good	 Demonstrates well developed understanding that is relevant to the demands of the question. Precise use of terminology. 	 Practical skills are effectively applied and are of a high to medium standard. Is able to form a developed interpretation that is mostly accurate. 	 Evidence is selected to construct a developed argument, that may not be presented in equal measure. Detailed evaluation that offers generally secure judgements, with some link between rational conclusions and evidence.
Satisfactory	 Includes accurate knowledge. Demonstrates sound understanding that is relevant to the demands of the question/task Generally precise use of terminology. 	 Knowledge and understanding is mainly applied to the context of the question/task. Practical skills are appropriately applied and are of a medium standard. Is able to form a sound interpretation that is generally accurate. 	 Analysis and evaluation skills are used in an appropriate and sound way. Evidence is selected to construct a sound argument OR Evidence is selected to construct a detailed one-sided argument. Evaluation that offers some judgements, with some link between conclusions and evidence.

Basic	 Shows some accurate knowledge. Demonstrates partial understanding that is relevant to the demands of the question. Some use of appropriate terminology. 	 Knowledge and understanding is partially applied to the context of the question/task. Practical skills are of a medium to low-level standard. Is able to form some interpretation that shows some accuracy. 	 Analysis and evaluation skills are used in a suitable way with a sound level of competence but may lack precision. Evidence is selected to construct a one-sided argument Evaluation that offers generalised judgements and conclusions, with minimal use of evidence.
Limited	 Limited knowledge with some relevance to the topic or question. Little or no development seen. Very little or no use of terminology. 	 Knowledge and understanding is applied in a minimal manner to the context of the question/task. Practical skills are of a low-level standard. Can only form a simple interpretation, if at all, with very limited accuracy. 	 Analysis and evaluation skills are used with limited competence. Unsupported evaluation that offers simple or no judgements/conclusions.

When you look at each of our mark schemes, each band has a sequence of performance descriptors. The descriptors work like a ladder: from a bottom rung, to a top. The lower level band 'Limited' is the simplest descriptor in terms of candidates' performance. The descriptors progress through the grid to the more challenging aspect of that assessment objective. It's important to note that not all questions will use every bullet point listed in the table above, however candidates should demonstrate all of the requirements that are included in the published mark schemes in order to achieve full marks at a particular level. If a candidate gets full marks at a particular level, markers should see whether they're also demonstrating any of the requirements from the next level up. Often candidates will achieve some of the descriptors at one level, but not all of them. In this case, apply a best fit principle.

Further information on how the mark schemes for our Vocational Awards have been constructed, including information on the use of the mark bands for Excellent, Very Good and Good can be found in the Vocational Awards Administration Guide.

SECTION A

Que	stion	Answer	AO1	AO2	AO3	Total Mark
1.	Identi	fy which two of the following are examples of perishable products.				
		Award 1 mark for each correct answer.	2			2
		CheeseburgerIce cream				

Que	stion	Answer	AO1	AO2	AO3	Total Mark
2.	Identi <u></u>	fy which two of the following are examples of ethical business practi	ces.			
		Award 1 mark for each correct answer.	2			2
		Good treatment of workersUsing Fairtrade suppliers				

Que	stion	Answer	AO1	AO2	AO3	Total Mark
3.	State	what is meant by m-commerce.				
		Award 1 mark for a correct definition.	1			1
		 M-commerce is the buying and selling of goods and services through wireless handheld devices such as mobile phones and tablets. 				
		Credit any other valid response.				

Ques	stion	Answer	AO1	AO2	AO3	Total Mark
4.	Identify which two of the following are tasks carried out by the marketing		departm	nent of a	retail bu	usiness.
		Award 1 mark for each correct answer.	2			2
		Finding out what customers wantDesigning promotional materials.				

Question		Answer	AO1	AO2	AO3	Total Mark	
5. Study the pie chart which gives data on the products sold by a market stall retailer. In 2020 the stall retailer had a total sales revenue of £30 000.							
	(a)	Calculate the percentage of sales for sweets in 2020.					
		Award 1 mark for correct answer. • 22 (%)		1		1	
	(b)	Calculate the sales revenue for crisps in 2020. Show your workings.					
		Award 1 mark for correct selection of data. • 28(%) of £30 000		2		2	
		Award 1 mark for correct calculation. • £8 400					
		OFR applies if incorrect % or sales revenue selected.					

Question	Answer	AO1	AO2	AO3	Total Mark			
sou	supply chain is very important to retail businesses and involves the movement of stock from the rce to the customer. cribe the following supply chain stages:							
(a)	Sourcing							
	 Award 1 mark for a basic description of sourcing, for example: Sourcing is the buying from a supplier of goods that they will sell to their customers. 	2			2			
	Award 2 marks for a more developed description of sourcing, for example:							
	 Sourcing is the purchasing (buying) from a supplier of the goods that a retail business will sell to its customers and requires the retail business to consider the cost, quality and availability of the goods and the delivery time. 							
	Credit any other valid response.							
(b)	Logistics	1	1					
	Award 1 mark for a basic description of logistics, for example:	2			2			
	• Logistics is the flow of goods from the supplier to the retailer and to the customer.							
	Award 2 marks for a more developed description of logistics, for example:							
	 Logistics is the flow of goods from the supplier to the retailer and to the customer and it involves transport and warehousing and packaging. 							
	Credit any other valid response.							
(c)	Stock control	,	,		•			
	Award 1 mark for a basic description of stock control, for example:	2			2			
	 Stock control is how retail businesses manage the correct stock of products. 							
	Award 2 marks for a more developed description of stock control, for example:							
	 Stock control is how retail businesses manage the correct stock of products that makes sure there is enough stock in the shop to sell to customers and involves the correct recording of stock, checking stock levels and re-ordering stock. 							
	Credit any other valid response.							

Ques	tion	Answer	AO1	AO2	AO3	Total Mark
7.	(a)	Outline what is meant by social media.	1			1
		Award 1 mark for a correct outline of what is meant by social media.				
		Indicative content: Social media is an interactive platform used by many people and most internet users use a social media website on a regular basis.				
		Credit any other valid response.				
	(b)	Explain how a global fashion retailer can use social media to help increase sales.		3		3
		 Award 1 mark (to a maximum of three marks) for each valid point on the use of social media by a global fashion retailer. Indicative content: a global fashion retailer can use social media to advertise its products all around the world 24/7 these adverts can be targeted at specific customers who have an interest in different fashion products as fashion changes all the time, social media is useful as the global fashion retailer can update the adverts as often as necessary, social media is an instant communicator/advertiser the development of digital media means that the products can be displayed visually attractively, which is very important for fashion retailing, especially as there is so much competition in the global fashion industry social media can be used to get customer feedback in different fashion products and for customers to share their views of products and services with their social network to help increase brand awareness and attract new customers many customers also use social media to ask questions directly to the business and they are a key customer service tool. Credit any other valid response. 				

Ques	stion	Answer	AO1	AO2	AO3	Total Mark			
8.		Happy Days Shopping Centre is located in a popular tourist seaside town and contains 40 different retail shops. The chart shows its average footfall per hour for each month in 2020.							
	(a)	Use the data in the chart to make two observations about footfall patterns for Happy Day Shopping Centre in 2020.							
		 Award 1 mark (to a maximum of 2 marks) for each valid observation: the chart shows that the <i>Happy Days Shopping Centre</i> has footfall that peaks at certain times of the year (seasonality). the busiest times are in January, July, August and December. December has the biggest footfall by quite a large way with 2 000 customers visiting the shopping centre per hour. the quietest time is February with around 250 customers per hour. 		2		2			
		Credit any other valid response.							
	(b)	Assess the possible reasons for the footfall pattern for Happy Day	s Shopp	ing Cent	re.	_			
		 Allow 1 mark for a basic assessment of the footfall pattern for Happy Days Shopping Centre, for example: December will be high as customers will be shopping for Christmas presents the town is a tourist town so people will go there to shop. Allow 2 marks for a more developed assessment of the footfall			2	2			
		 pattern for Happy Days Shopping Centre, for example: December will be high as customers will be shopping for Christmas presents and in January there may be many sales taking place in the shops, which will attract shoppers as a popular tourist town there will be tourists visiting the area in the summer and they may spend some time shopping at the centre. 							
		Credit any other valid response.							

Ques	stion	Answer	AO1	AO2	AO3	Total Mark
	Sharon Llewellyn sells hand-made jewellery through her website. In August 2020 she sold 250 items of jewellery as shown.					
	Her t	otal costs for August 2020 were £1,500.				
9.	Calcu	ılate Sharon's profit for August 2020. Show your workings.				
		Award 1 mark for correct calculation of total sales revenue: $£15 \times 90 = £1,350$ $£10 \times 100 = £1,000$ $£5 \times 60 = £300$ Total sales revenue = $(£)2,650$. Award 1 mark for correct profit. $£2,650 - £1,500 = £1,150$		2		2
		OFR if incorrect total sales revenue calculated.				

Question	Answer
10.	Discuss how the aims of a charity retailer will differ from the aims of a private limited company retailer.

Indicative content

- Charities aim to raise money in order to support a cause, such as cancer research or wiping out poverty in third world countries; however, the main aims of a private limited company will be to increase income and maximise its profit in order for the shareholders to receive a good return on their investment
- Charities will focus on minimising costs and organising activities to maximise donations, whereas many
 private limited companies will focus on growth by expanding their business and opening more outlets,
 producing a wider range of products or employing more staff
- A charity's main aim will not be to earn profits for its owners; all the money earned by or donated to a charity is used in pursuing its aims, but a private limited company will want to keep their shareholders happy and aim to increase dividends to them, though sometimes the aim may be to reinvest back into the business
- Some private limited companies may have an ethical or charity aim, similar to charities, but this will not be its main aim.

Band	AO3
3	 4 marks A very good response which demonstrates: detailed and effective discussion about why the aims of a charity retailer will differ from the aims of a private limited company retailer that is balanced fully considered judgements, with relevant links between discussion and evidence.
2	 2 - 3 marks A good response which demonstrates: detailed discussion about why the aims of a charity retailer will differ from the aims of a private limited company retailer that may be unbalanced considered judgements, with relevant links between discussion and evidence.
1	 1 mark A basic response which demonstrates: some discussion about why the aims of a charity retailer will differ from the aims of a private limited company retailer that is likely to be unbalanced some judgements and/or discussion that may not be supported.
0	0 marks No response attempted or no response worthy of credit.

Que	stion	Answer	AO1	AO2	AO3	Total Mark
11.	Study	Scenario 1 which gives information on a retail business.	•			
	(a)	(i) State what is meant by a sole trader.				
		Award 1 mark for correct definition:	1			1
		a sole trader is a business that is owned by one person.				
		Credit any other valid response.				
		(ii) With reference to Scenario 1, identify and explain two advanta sole trader.	ges to Ed	d Daniels	s of beco	oming a
		AO1: Award 1 mark for each correct identified advantage of operating as a sole trader (up to a maximum of 2 marks). AO2: Award 1 mark for each point being applied to Ed Daniels (up to a maximum of 2 marks).	2	2		4
		 Indicative content (AO1 content is underlined): Ed can keep all the profit the business makes to spend on what he likes. He can invest this into expanding The Book Worm or withdrawing the money to take a holiday Ed can make all the decisions, such as what hours to open the shop, what books to sell and how he displays the books in his shop. The decisions he makes for The Book Worm can fit in with his personal life Decision making is straight-forward for Ed; he can make instant decisions without checking with someone else Ed is his own boss and does not need to follow the instructions of somebody else such as a partner or shareholder A sole trader business is easy to set up because there is no complicated paperwork to complete. This may suit Ed so that he can concentrate on his love of books. 				
		Credit any other valid response.				

Ques	stion	Answer	AO1	AO2	AO3	Total Mark
		(iii) Identify two disadvantages of operating as a sole trader.				
		Award 1 mark (up to a maximum of 2 marks) for each correct disadvantage identified:	2			2
		 it can be difficult to raise the required capital to run or expand the business a lack of the necessary skills and experience required for owning a business can increase the risk of failure fewer ideas are put into the business as there is only one owner the owner may need to work long hours as there may be no one to share the workload. It may be difficult to take time off unlimited liability can be very risky for the owner – a failing business could cost them their savings and their personal possessions. 				
		Credit any other valid response.				
11.	(b)	State what is meant by seasonality and explain your answer with reference to The Book Worm.	1	1		2
		AO1:				
		Award 1 mark for correct definition of seasonality, for example:				
		 seasonality is when there are periods of time during the year when retail businesses receive higher and lower volumes of customers/sales. 				
		AO2:				
		Award 1 mark for suitable application to <i>The Book Worm,</i> for example:				
		 The Book Worm may experience higher sales at Christmas time or in the summer when customers buy books for their holidays sales of educational books may increase in September when pupils go back to school the shop may sell products for Valentine's day, Halloween and special events such as the Football World Cup. 				
		Credit any other valid response.				

11. (c) Explain how The Book Worm's product range and promotion will differ to a that of multinational book retailers such as Amazon and WHSmith's.

Indicative content

- The Book Worm is an example of a local scale retail business and will only sell books locally. A multinational/global book retailer will sell books in different countries and online.
- At a local scale, the book shop is likely to have a smaller product range than multinational book retailers. The shops may be too small to stock a large range, or the business may not be able to afford to purchase large quantities of books in big quantities, so the price may be higher. Multinational book retailers will offer customers a wider choice of books to appeal to a wider choice of customers and will have bigger shops to sell and display its books. As multinational book retailers purchase large quantities of stock from their suppliers, they are likely to get these books at a lower price per book than a local retailer, therefore they can sell at a lower price and attract more customers and run more promotional activities.
- Promotional activities for a local book shop will be aimed at the local population and will include advertising through local radio, local newspapers and materials such as leaflets and adverts placed in the local area. It is unlikely that a local book retailer could afford the advertising and promotional activities that multinational book retailers could afford. Multinational book retailers may advertise on TV throughout different counties and will develop different advertising for different countries, making use of new technological developments such as digital media and social media. Promotional activities of multinational book retailers may include buy one get one free, competitions and sales throughout the year. A local book seller would find it difficult to do this as selling books at these prices will mean they will make a loss. Multinational book retailers are more likely to sell online through their own website or through as third-party website which can lead to a wider range of books for customers with different tastes and use a number of different promotional activities to boost their sales.

Band	AO2
	5-6 marks
3	 A very good response which demonstrates: knowledge and understanding that is effectively applied to the context of <i>The Book Worm</i> a considered interpretation of evidence that is accurate a detailed and effective explanation of how both the product range and promotion of <i>The Book Worm</i> will differ to a that of multinational book retailers.
	3-4 marks
	A good response which demonstrates:
_	 knowledge and understanding that is applied to the context of <i>The Book Worm</i> an interpretation of evidence that is generally accurate
2	 a detailed and effective explanation of how both the product range or the promotion of The Book Worm will differ to a that of multinational book retailers OR
	 an effective explanation of how both the product range and promotion of <i>The Book Worm</i> will differ to a that of multinational book retailers.

	1-2 mark
	A basic response which demonstrates:
1	knowledge and understanding that is partially applied to the context of <i>The Book Worm</i>
	some interpretation of evidence that may be inaccurate
	 some explanation of how both the product range and promotion of The Book Worm will differ to a that of multinational book retailers.
0	0 marks
	Response not attempted or not creditworthy

Que	stion	Answer	AO1	AO2	AO3	Total Mark
11.	(d)	(i) Outline what is meant by a competitive market.				
		Award 1 mark for a basic outline, for example:	2			2
		 Retail businesses must compete with other businesses Consumers have a choice of what to spend their money on. 				
		Award 2 marks for a more developed outline, for example:				
		 Retail businesses must compete with other businesses as they are usually not the only business providing goods or a service Consumers usually have a choice on what they spend their money on and will select the business that they think will offer the best product or price. 				
		Credit any other valid response.				
		(ii) Recommend two ways that The Book Worm could compete wit	th its con	npetitor	s.	
		AO2: Award 1 mark for a basic application of knowledge and understanding of the context of <i>The Book Worm</i> and mostly accurate interpretation of information. Award 2 marks for a more developed application of knowledge		2	2	4
		and understanding of the context of <i>The Book Worm</i> and accurate interpretation of information. AO3:				
		Award 1 mark for generalised recommendations with limited links between recommendations and evidence. Award 2 marks for developed recommendations with relevant				
		links between recommendations and evidence.				

Indicative content

- The Book Worm's USP is that it has excellent customer service through recommending books to its customers and taking time to discuss the books. It is unlikely that larger book sellers, or shops like supermarkets and discount book sellers will offer this service, their employees are unlikely to have the knowledge Ed does about the books. Ed can use this to attract customers who want to find out about the books before they buy. Many customers are prepared to pay more for this type of service. Ed could also start a reading group which will help him sell books and improve customer loyalty. This would be a relatively low cost to Ed.
- The Book Worm would start a loyalty scheme which could reward loyal customers. This could involve giving the customers a card to record when they buy books, and they could get 50% of the 10th book they buy. Ed could afford this as it should not cost too much. However, he must make sure that he still sells the books at a profit and the loyalty scheme does not reduce his profit margin too much.
- Ed could diversify; he could sell different products, such as toys or have a café in his book shop so that he can attract a different type of customer. However, he may not have the room and the cost may be too high.
- Ed could specialise in specific books, become more of a niche book seller and stock books that the larger book sellers do not stock. He could then attract different customers who may be prepared to travel to a niche book seller. Though this could reduce the size and sale revenue of his market.
- Ed could start a website to allow customers to buy online. The website can also have book reviews and have a social media or blog to discuss books. He can then sell books to people not living locally, but this could be a lot of hard work and require substantial financial investment.

Que	stion	Answer	AO1	AO2	AO3	Total Mark						
12.	Study	Scenario 2 which gives information on a retail business.										
	(a)	Identify the form of ownership of Lavish Ltd.										
		Award 1 mark for correct answer. • Private limited company	1			1						
	(b)	(i) Outline what is meant by a multi-channel retailer and illustrate y Lavish Ltd.	your ans	wer with	n referen	ce to						
		Award 1 mark for the correct definition. Multi-channel is using more than one of the retail channels to sell through.	1	1		2						
		 Award 1 mark for the use of a suitable reference to Lavish Ltd. Lavish Ltd. sell through physical shops and online. 										
		Credit any other valid response.										
		(ii) Identify and explain two advantages for Lavish Ltd. of being a m	f being a multi-channel retailer.									
		 AO1: Award 1 mark for each correct advantage identified (up to a maximum of 2 marks). AO2: Award 1 mark for each relevant application to Lavish Ltd. (up to a maximum of 2 marks). 	2	2		4						
		 Indicative content (AO1 content is underlined): Using a multi-channel approach will increase the number of potential customers and therefore increase sales and profit. Sales can go beyond just the local area, to the whole of the UK and the world. Shoppers can have a choice of when and where to buy their products and having multi-channels means there is more chance of a shopper making a purchase when it is suitable to them. For example, the online shop can be open 24/7. Many high street shops are closing and footfall on the high street is falling, so having another retail channel will allow Lavish Ltd. to maintain sales. Lavish Ltd. can offer more products online and have a wider product range as they may be limited to what they can offer in their physical stores. Credit any other valid response. 										

		Lavish Ltd. is likely to be affected by a range of location characteristics for its different types of location for its physical shops. Two location characteristics are given in the box.
12.	(c)	Analyse how the location characteristics given in the box might affect Lavish Ltd.

Indicative content

- When retail businesses are set up it is very important that they are located in a place which is best for them, i.e., where they can keep costs at their lowest, have high footfall, take in the most money and therefore make the greatest profit. This is one reason why retail premises located in busy areas are more expensive. By having a high level of passing trade, a business is more likely to attract new customers and customers making an impulsive purchase.
- Lavish Ltd. have located its stores on high streets, shopping centres and out-of-town retail parks throughout the UK. All three locations will likely have high levels of footfall, which should lead to high sales revenue, but will be expensive. Shopping centres are usually located in urban areas where a range of different retailers are housed under one roof. Out-of-town retail parks are usually located away from city centres with easy access and good parking facilities
- In recent years there has been a drop in footfall on high streets, so these stores may have a drop in sales revenue. Lavish Ltd. may decide to close its high street shops and relocate in shopping centres and out-of-town retail parks. Shopping centres and out-of-town retail parks have high levels of footfall and attract many shoppers due to the extra facilities they provide. They are also under a roof which will appeal to shoppers, high street locations are not and in bad weather they may decide not to go shopping.
- Access is very important for retail stores. All retailers need good access for their customers, and some need
 good access for their deliveries. Parking can be a problem for high street locations with limited roadside
 parking and expensive car parks fees, this may reduce the number of shoppers. Shopping centres often
 have car parks, but charge a fee, whereas out-of-town retail parks tend to have free parking and plenty of
 space which many shoppers are attracted to.
- At peak times, such as Christmas, parking can be a major deterrent for potential shoppers and many now just stay at home and shop online. Therefore, choosing a location that has plenty of parking and/or free parking carparks may help to increase footfall for *Lavish Ltd*.

Band	AO2	AO3
3		4 marks A very good response which demonstrates: highly effective analysis skills well-developed and balanced analysis. relevant links between analysis and evidence.
2	 2 marks A good response which demonstrates: knowledge and understanding that is applied to the context of Lavish Ltd. interpretation of evidence that is generally accurate. 	2 - 3 marks A good response which demonstrates: effective analysis skills balanced analysis. OR well-developed analysis of one characteristic links between analysis and evidence.

	1 mark	1 mark					
	A basic response which demonstrates:	A basic response which demonstrates:					
	 knowledge and understanding that is 	some analysis skills					
1	partially applied to the context of <i>Lavish Ltd.</i>	 generalised comments that may not be supported. 					
	 interpretation of evidence is limited and may be inaccurate. 						
		0 marks					
	Nothing attem	pted or not credit worthy.					

Ques	stion	Answer													
	(d)	Identify two possible environmentally friendly practices that retail businesses could use to act in an environmentally sustainable way.													
		Award 1 mark for each correct environmentally friendly practice identified (to a maximum of 2 marks), for example:	2			2									
		 reduce the amount of packaging on products increase recyclability of packaging and the introduction of biodegradable packaging promote recycling schemes encourage the re-use of carrier bags introduce energy saving schemes reduce their carbon footprint switch to more sustainable suppliers. 													
		Credit any other valid response.													
	(e)	(i) Calculate Lavish Ltd.'s average profit over the four-year period.													
		Award 1 mark for correct calculation.		1		1									
		• £13.55 million													
	(e)	(ii) Suggest one possible reason for the change in profit between 2	020 and	2021.											
		There is a decrease in profit from £16 million to £15.5 million.		1		1									
		Award 1 mark for a suitable suggestion, for example:													
		 decrease in sales (revenue) increased costs spending money on buying new equipment or expansion the products they sell are less popular with consumers decrease in consumer disposable income bad publicity. Credit any other valid response.													

Questi	on	Answer	AO1	AO2	AO3	Total Mark		
12.	(f)	 Describe how the following social factors will affect retail business Age structure of the population Tastes and attitudes 	es:					
will aff Ag dif pro Award retail b Tas de Award popula	ect referent oducts 1 mar ousines stes ar mand 2 mar oution we attion we	k for a basic description of how tastes and attitudes will affect sees, for example: and attitudes of consumers will change over time resulting in the for new products which retail businesses will have to stock. ks for a more developed description of how age structure of the will affect retail businesses, for example:	4			4		
 Age structure of the population will affect retail businesses as people of different ages will expect retail businesses to sell different types of products, for example the UK has an ageing population so retail businesses may increase their product range for these customers. Award 2 marks for a more developed description of how tastes and attitudes will affect retail businesses, for example: 								
de re pa	emand cent ye ickagin	nd attitudes of consumers will change over time resulting in the for new products which retail businesses will have to stock. In ears more consumers want vegan food or products with less ag so retail businesses make sure they offer these as part of their range, or they may face a reduction in sales.						

12. (g) Evaluate the impact of economic factors on retail businesses.

AO3

Indicative content

- Economics factors include consumer disposable income, levels of employment, interest rates, tax rates and inflation.
- Disposable income is what businesses hope consumers will spend on their products and services. If wages and salaries rise faster than a rise in prices, then disposable income will increase, and this leads to a higher level of spending. It is good for an economy if disposable income is rising.
- Not all retail businesses will be affected in the same way when there is a change in disposable income.
 Whether a retail business experiences any increase in sales will depend on what it sells and who its
 customers are; when disposable income decreases, some retailers may experience no drop in sales, whilst
 for others, sales drop drastically. Some retailers actually experience an increase in sales when disposable
 income decreases.
- Income Tax is a tax on a person's income. This form of tax is a statutory (this must be paid) deduction from an employee's wage. VAT is a tax on the purchase of goods and services. The standard rate of VAT is 20%. If tax rates increase, then consumers will have less disposable income and less money to spend in the shops. If tax rates go down, they will have more disposable income and are likely to spend more in retail businesses.
- People are unemployed when they don't have a job. People are looking for work but for some reason they
 are unable to get a job. The unemployment rate for a country is the amount of people who are unable to find
 a job. The major impact of unemployment is the reduction in demand for goods and services. However,
 wages will remain low if unemployment remains high, which can be good for retail businesses.
- The interest rate is the price of borrowing money or saving money from a bank, building society or other lender. If interest rates rise, more money than expected is needed to pay back any loans, borrowing becomes more expensive. Consumers who have borrowed money are therefore likely to spend less money in the shops. If interest rates fall, less money than expected is needed to pay back loans, borrowing becomes less expensive. Consumers who have borrowed money are therefore more likely to spend more money in the shops. However, consumers who have savings will receive less money and they may spend less money in the shops if interest rates are lowered.
- Inflation is the rate at which the general level of prices is rising. If prices/costs are rising, most businesses would want to increase their prices, so they can keep a certain level of profit. Under normal circumstances, if a business raised their prices, then consumers would simply shop elsewhere. However, inflation affects all businesses and so they are all raising their prices consumers do not have the option of shopping for cheaper goods elsewhere. So, inflation can mean that disposable income is reduced for all consumers.

Band	AO3
	7-8 marks
	An excellent response which demonstrates:
4	 highly effective evaluation of the impacts of economic factors on retail businesses balanced and well-developed evaluation of the impacts of two or more economic factors a well-reasoned evaluation.

A good response which demonstrates:
1. 18 car / cobamer miner accor
effective evaluation of the impacts of economic factors on retail businesses
balanced evaluation of the impacts of two or more economic factors
 OR a well-developed evaluation of the impact of one economic factor
a reasoned evaluation.
3-4 marks
A basic response which demonstrates:
some evaluation of the impacts of economic factors on retail businesses
evaluation of one economic factor
OR
 some evaluation of the impacts of two or more economic factors, but may be uneven evaluation shows some reasoning.
1-2 marks
A limited response which demonstrates:
minimal evaluation of the impacts of economic factors on retail businesses
brief/unsupported evaluation of the impacts of one or more economic factors
superficial evaluation.
0 marks
Not credit worthy or not attempted

Mapping of questions to specification content and assessment objectives: Unit 1

Mark Allocation																				
Q	uesti	on		Section													Total Marks	AO1	AO2	AO3
			1.1.1	1.1.2	1.1.3	1.1.4	1.1.5	1.1.6	1.2.1	1.2.2	1.2.3	1.2.4	1.3.1	1.3.2	1.3.3	1.3.4				
1			2														2	2		
2											2						2	2		
3			1														1	1		
4							2										2	2		
5	(a)													1			1		1	
	(b)													2			2		2	
6	(a)							2									2	2		
	(b)							2									2	2		
	(c)							2									2	2		
7	(a)										1						1	1		
	(b)										3						3		3	
8	(a)												1		1		2		2	
	(b)														2		2			2
9													1	1			2		2	
10				4													4			4
11	(a)	(i)		1													1	1		
		(ii)		4													4	2	2	
11	(a)	(iii)		2													2	2		
11	(b)											2					2	1	1	
11	(c)				6												6		6	
11	(d)	(i)							2								2	2		
		(ii)														4	4		2	2

	Mark Allocation																			
Q	uestic	on							Sect	tion							Total Marks	AO1	AO2	AO3
			1.1.1	1.1.2	1.1.3	1.1.4	1.1.5	1.1.6	1.2.1	1.2.2	1.2.3	1.2.4	1.3.1	1.3.2	1.3.3	1.3.4				
12	(a)			1													1	1		
12	(b)	(i)	2														2	1	1	
12	(b)	(ii)	4														4	2	2	
12	(c)									6							6		2	4
12	(d)										2						2	2		
12	(e)	(i)												1			1		1	
12	(e)	(ii)													1		1		1	
12	(f)										4						4	4		
12	(g)										8						8			8
								Total N	Marks								80	32	28	20