



National
Qualifications
SPECIMEN ONLY

SQ04/N5/01

Business Management

Date — Not applicable

Duration — 1 hour and 30 minutes

Total marks — 70

SECTION 1 — 30 marks

Attempt BOTH questions.

SECTION 2 — 40 marks

Attempt ALL questions.

Before attempting the questions you must check that your answer booklet is for the same subject and level as this question paper.

Read all questions carefully before attempting.

On the answer booklet, you must clearly identify the question number you are attempting.

Use blue or black ink.

You may use a calculator.

Before leaving the examination room you must give your answer booklet to the Invigilator.

If you do not, you may lose all the marks for this paper.



* S Q 0 4 N 5 0 1 *

SECTION 1 — 30 marks
Attempt BOTH questions

Palladium Executive Hire

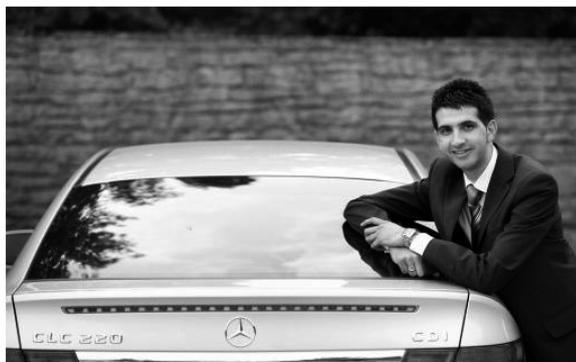
Asif Ali owns Palladium Executive Hire. The business specialises in renting luxury cars, such as the Rolls Royce Phantom and Baby Bentley, at affordable prices.

Asif received financial support from his family and the Prince's Trust Youth Business Scotland (YBS).

The business has an excellent website; this is just one of the ways in which it offers a "first-class service" to its customers. The website enables the business to advertise promotions and special offers with discounts to customers who book online.

Palladium Executive Hire plans to expand and is currently seeking to recruit new staff. The business offers employees good pay and this has resulted in a highly motivated workforce.

Adapted from www.psybt.org.uk/case-study/palladium-executive-hire (December 2012)



Palladium Executive Hire

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You should note that although the following questions are based on the case study above, you will need to make use of knowledge and understanding you have gained whilst studying the Course.

- | | | | | |
|----|-----|---|---|---|
| 1. | (a) | (i) | Give a reason Asif approached YBS for financial support rather than his bank. | 1 |
| | | (ii) | Identify 2 areas of support, other than finance, provided by YBS. | 2 |
| | (b) | From the case study, identify two business aims for Palladium Executive Hire. | | 2 |
| | (c) | Describe how stakeholders, identified in the case study, may influence Palladium Executive Hire. | | 4 |
| | (d) | Asif benefits from a highly motivated workforce.
Outline ways that Asif could motivate his staff, other than pay. | | 2 |
| | (e) | Asif offers a first-class service to his customers.
Describe ways that the business can ensure it maintains a quality service. | | 4 |

Total marks **15**



The Hydro: Scotland's Newest Events Arena

The Hydro is located in Glasgow City Centre and has changed the city's skyline. The building is unusual; diagonally egg-shaped and made of materials that will make it glow.

The arena will seat 12,000 people who will be able to enjoy a host of events, including concerts and sports. The cost of attending an event at The Hydro will depend on a number of factors.

The Hydro is located next to the Scottish Exhibition and Conference Centre and is a few minutes' walk from a railway station, which should limit traffic congestion. Being environmentally friendly is a priority for The Hydro. However, it is also next to a major motorway and this required a 1,600-space car park to be built to accommodate those people travelling by car.

Despite the recession causing tough financial times, a large number of jobs were created. Holding events creates the potential for over £100m to be injected into the local economy each year.

Adapted from www.thehydro.com

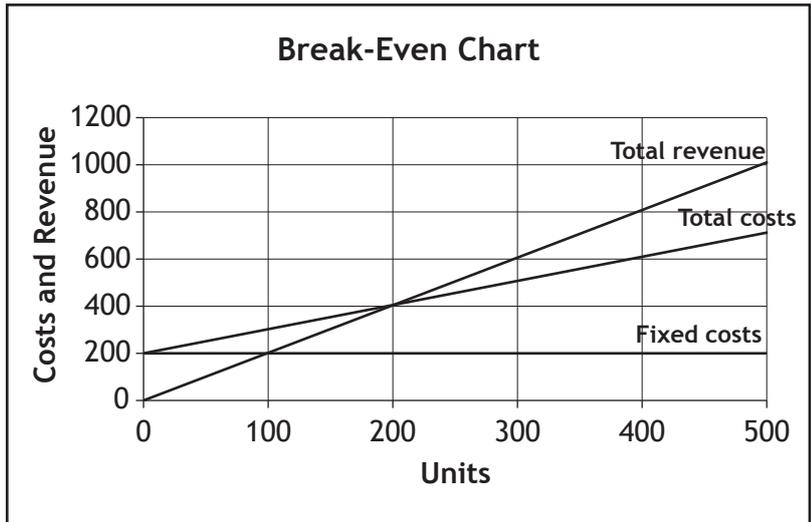
You should note that although the following questions are based on the case study above, you will need to make use of knowledge and understanding you have gained whilst studying the Course.

- | | |
|--|-----------|
| 2. (a) State the sector of industry The Hydro operates in. | 1 |
| (b) Using examples from the case study, describe reasons for The Hydro's choice of location. | 3 |
| (c) Describe reasons why the managers of The Hydro would prepare a cash budget to help them make decisions. | 3 |
| (d) Describe factors that The Hydro will consider before setting prices for tickets. | 3 |
| (e) The case study identifies external factors that may impact on The Hydro.
Outline 3 ways these external factors may impact on The Hydro. | 3 |
| (f) The Hydro has created a number of jobs for the local economy.
Justify a method of selection that The Hydro might use to choose employees. | 2 |
| Total marks | 15 |

SECTION 2 — 40 marks

Attempt ALL questions

- | | | | |
|----|-----|--|-----------|
| 3. | (a) | Introduction is the first stage in the product life cycle.
Identify other stages of the product life cycle. | 3 |
| | (b) | Describe the advantages of branding to an organisation. | 4 |
| | (c) | Compare desk research and field research. | 3 |
| | | Total marks | 10 |
| 4. | (a) | Describe methods of production that could be used by an organisation. | 3 |
| | (b) | Outline 3 factors an organisation would consider when choosing a supplier. | 3 |
| | (c) | Describe the advantages and disadvantages to an organisation of using automation (capital-intensive). | 4 |
| | | Total marks | 10 |
| 5. | (a) | A charity is an example of an organisation that operates in the third sector.
(i) Identify the other sectors of the economy.
(ii) Describe each of the sectors identified in (a)(i). | 4 |
| | (b) | Explain the importance of good customer service. | 2 |
| | (c) | Describe the advantages and disadvantages of setting up in business as a sole trader. | 4 |
| | | Total marks | 10 |

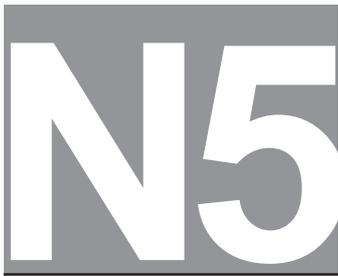


6. (a) (i) From the break-even chart, identify:
- the number of units sold at break-even point
 - total revenue at break-even point.
- 2
- (ii) Calculate the selling price per unit.
- 1
- (iii) Define the term “fixed costs” and give an example of a fixed cost.
- 2
- (b) The finance department of an organisation will use ICT.
Justify the use of a spreadsheet to prepare financial information.
- 3
- (c) Define the following terms found in a profit statement:
- gross profit
 - net profit.
- 2
- Total marks 10**

[END OF SPECIMEN QUESTION PAPER]

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- Section 1 Question 2 The information is adapted from www.thehydro.com. Reproduced by kind permission of Prince's Trust Youth Business Scotland (YBS).



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Business Management

Marking Instructions

These Marking Instructions have been provided to show how SQA would mark this Specimen Question Paper.

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Part One: General Marking Principles for National 5 Business Management

This information is provided to help you understand the general principles you must apply when marking candidate responses to questions in this Paper. These principles must be read in conjunction with the specific Marking Instructions for each question. The marking schemes are written to assist in determining the “minimal acceptable answer” rather than listing every possible correct and incorrect answer.

- (a) Marks for each candidate response must always be assigned in line with these general marking principles and the specific Marking Instructions for the relevant question.
- (b) Marking should always be positive, ie marks should be awarded for what is correct and not deducted for errors or omissions.
- (c) i. Questions that ask candidates to *Describe* . . .

Candidates must make a number of relevant, factual points up to the total mark allocation for the question. These should be key points. The points do not need to be in any particular order. Candidates may provide a number of straightforward points or a smaller number of developed points, or a combination of these.

Up to the total mark allocation for this question:

- **1 mark** should be given for each accurate relevant point of knowledge.
- **a second mark** could be given for any point that is developed from the point of knowledge

- ii. Questions that ask candidates to *Explain* . . .

Candidates must make a number of points that relate cause and effect and/or make the relationships between things clear, for example by showing connections between a process/situation. These should be key reasons and may include theoretical concepts. There is no need to prioritise the reasons. Candidates may provide a number of straightforward reasons or a smaller number of developed reasons, or a combination of these.

Up to the total mark allocation for this question:

- **1 mark** should be given for each accurate relevant point of reason.
- **a second mark** could be given for any other point that is developed from the same reason

Part Two: Marking Instructions for each question

Section 1

Question			Expected response	Max mark	Additional guidance
1	a	i	<p>Responses could include the following:</p> <ul style="list-style-type: none"> • Lower interest rates • Provide grants that don't need to be paid back • No need for financial history/credit history • Age profile • Longer to pay back 	1	<p>Award 1 mark for any valid reason.</p> <p>Accept any other suitable response.</p>
1	a	ii	<p>Responses could include any of the following:</p> <ul style="list-style-type: none"> • Help to produce business plans • Legal advice • Training courses 	2	<p>Award 1 mark for each valid area of support offered by PSYBT.</p> <p>No marks awarded for any reference to financial support.</p> <p>Accept any other suitable response.</p>
1	b		<p>Identifiable aims are:</p> <ul style="list-style-type: none"> • Affordable prices • First-class service • Growth/expansion • Good reputation • Good employer 	2	<p>Answers must come from the case study given.</p> <p>Award 1 mark per correct aim identified.</p>
1	c		<p>Identifiable stakeholders are as follows. Responses could include any of the following:</p> <p>Asif</p> <ul style="list-style-type: none"> • Makes the major decisions and influences the direction of the business <p>Asif's family</p> <ul style="list-style-type: none"> • Have lent money to finance the business and therefore influence the level of investment • May want to influence decision-making as they have a stake in the business 	4	<p>Candidates are required to consider at least two stakeholders to gain full marks.</p> <p>Stakeholders must be identifiable from the case study. Candidates will receive no award for merely identifying the stakeholder. However, a clear indication of which stakeholder they are referring to</p>

		<p>Customers</p> <ul style="list-style-type: none"> • Influence revenues/sales of business by choosing to use the service or not • Influence reputation of business by their opinions <p>PSYBT</p> <ul style="list-style-type: none"> • Provides finance to allow the business to start up or expand <p>Employees</p> <ul style="list-style-type: none"> • The standard of their work can influence the success of the business • Can take industrial action which can stop production <p>Suppliers</p> <ul style="list-style-type: none"> • Influence the price of raw materials, which influences the costs of the organisation • Set the time it will take to deliver the goods which can influence the time the organisation needs to order them • Can offer discounts to attract organisations to buy more 		<p>is necessary to gain any description mark.</p> <p>Award 1 mark for any valid influence. Up to 3 marks may be awarded for the influences of any one stakeholder.</p> <p>Accept any other suitable response.</p>
1	d	<p>Responses could include any of the following:</p> <ul style="list-style-type: none"> • Introduce flexible working practices, eg flexi-time • Improved conditions of service, eg increased holiday entitlement • Providing training to improve skills • Identify staff who may have the potential for promotion • Consult employees on decisions 	2	<p>Candidates are required to consider two methods to gain full marks.</p> <p>Award 1 mark for any valid method of motivating staff.</p> <p>Accept any other suitable response.</p>
1	e	<p>Responses could include any of the following:</p> <p>Training</p> <ul style="list-style-type: none"> • By training workers on customer service, eg how to deal with customer requests or complaints • By refreshing or updating workers' driving skills, eg putting them on an advanced driving course • Training will improve the skills of workers and give customers confidence that drivers are up-to-date 	4	<p>Candidates are required to consider at least two methods to gain full marks.</p> <p>Award 1 mark for each valid description point given. Up to 3 marks may be awarded for describing any one method of maintaining a quality service.</p> <p>Accept any other suitable response.</p>

		<p>Dealing with customers</p> <ul style="list-style-type: none"> • Responding to customers' requests more quickly means they may be seen as better than a competitor • Dealing with customer complaints quickly • Keeping customers informed on the progress of the complaint and any action being taken <p>After-sales service</p> <ul style="list-style-type: none"> • Following up a hire by asking a customer to give feedback • Being seen to act on customers' recommendations/opinions <p>Maintenance of vehicles</p> <ul style="list-style-type: none"> • Having vehicles serviced regularly to ensure they are legal and roadworthy • Ensuring that vehicles are clean and any wear and tear is fixed • Changing vehicles to newer models to appear more up-to-date 		
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Question		Expected response	Max mark	Additional guidance
2	a	Tertiary sector	1	Award 1 mark for correctly identifying the sector.
2	b	<p>Identifiable factors are as follows. Reasons for their choice could include:</p> <p>Next to existing SECC</p> <ul style="list-style-type: none"> • There is existing infrastructure: road, rail links, etc • Customers are used to going to this area for events so it is familiar to them <p>Near Glasgow city centre</p> <ul style="list-style-type: none"> • There are good public transport links to the venue • There is hotel accommodation close/next to it for those wishing to stay overnight <p>Close to railway station</p> <ul style="list-style-type: none"> • This allows easy links to the venue for those travelling by rail <p>Close to main motorway</p> <ul style="list-style-type: none"> • This allows easy access to the venue for those driving <p>Car park opposite</p> <ul style="list-style-type: none"> • This allows those driving to park while visiting the venue 	3	<p>Candidates are required to consider at least two factors to gain full marks</p> <p>Factors of location must be identifiable from the text.</p> <p>Award 1 mark for each valid description point given. Up to 2 marks may be awarded for describing different reasons for choosing any one factor of location.</p> <p>Accept any other suitable response from the factors identified.</p>
2	c	<p>Responses could include any of the following:</p> <ul style="list-style-type: none"> • To show if an organisation has a surplus of cash <ul style="list-style-type: none"> – This will allow the organisation to look for a way of investing the cash – This could also allow them to plan large capital expenditure • To show if an organisation has a deficit of cash <ul style="list-style-type: none"> – This allows the organisation to take corrective action • To compare actual figures with forecast figures <ul style="list-style-type: none"> – This will allow an organisation to find ways to control expenditure • To delegate responsibility to individuals or to departments • To plan for the future as they have looked at their cash position and can work within it 	3	<p>Candidates are required to consider at least two reasons to gain full marks.</p> <p>Award 1 mark for each valid description point given. Up to 2 marks may be awarded for describing a reason for preparing a cash budget.</p> <p>Accept any other suitable response.</p>

2	d	<p>Responses could include any of the following:</p> <ul style="list-style-type: none"> • The cost of the artist performing <ul style="list-style-type: none"> – the more famous the artist, the more they may charge for performing • Price of competitors <ul style="list-style-type: none"> – looking at the cost of other venues will allow the organisation to decide whether or not they want to undercut them • To create an exclusive image <ul style="list-style-type: none"> – in order to do so, the organisation may need to set a higher price – this higher price may give an illusion of quality • The level of profit the organisation may wish to achieve • The level of costs they have to cover from the selling price 	3	<p>Candidates are required to consider at least two factors to gain full marks.</p> <p>Award 1 mark for each valid description point given. Up to 2 marks may be awarded for describing a factor that is considered when setting prices.</p>
2	e	<p>Identifiable factors are as follows. Impacts could include:</p> <p>Economic</p> <ul style="list-style-type: none"> • There may be a reduction in consumer spending due to the recession • There could be an increase in disposable income due to the increase in employment in the area <p>Environmental</p> <ul style="list-style-type: none"> • There could be an increase in complaints from the local community due to the traffic congestion • There could be complaints due to the increase in pollution from the traffic congestion • There may be an increase in noise pollution from the arena, meaning constraints are placed on the time they can operate • There may be an increase in litter which makes the area untidy and unwelcoming for visitors • Implementing environmentally-friendly measures will increase costs for The Hydro • Implementing these measures may improve the image of The Hydro <p>Competition</p> <ul style="list-style-type: none"> • Competition with the SECC will have an impact on the number of artists/events that may use The Hydro 	3	<p>Candidates are required to outline the impact of at least two external factors.</p> <p>External factors must be identifiable from the text.</p> <p>Candidates will receive no award for merely identifying the external factor. However, a clear indication of which external factor they are referring to is necessary to gain any outline mark.</p> <p>Award 1 mark for each valid impact given. Award up to 2 marks for outlining the potential impact of any one external factor.</p>

2	f	<p>Responses could include any of the following:</p> <p>Interview</p> <ul style="list-style-type: none"> • Allows an organisation to assess the candidate's appearance and personality • Allows them to question the content of the CV or application form • It also allows a candidate to ask questions <p>Reference</p> <ul style="list-style-type: none"> • Provides key comments on, for example, attendance, attitude, etc • This allows an organisation to confirm the content of the application form/CV • Referees might recommend whether the candidate is suitable for the job <p>Testing</p> <ul style="list-style-type: none"> • The organisation can find out the candidate's true personality and not just what they say they are • They can see how well the candidate copes under pressure • They can see what decisions the candidate makes in certain conditions (eg handling a difficult customer) 	<p>2</p> <p>Candidates are required to consider one method of selection only.</p> <p>Candidate will receive no award for merely identifying the method of selection. However, a clear indication of which method they are referring to is necessary to gain any justification mark.</p> <p>Award 1 mark for each valid justification given. Up to 2 marks may be awarded for a detailed/developed justification for that method.</p> <p>Accept any other suitable response.</p>
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Section 2

Question		Expected response	Max mark	Additional guidance
3	a	<p>Responses could include any of the following:</p> <ul style="list-style-type: none"> • Growth • Maturity • Saturation • Decline 	3	Award 1 mark for each valid stage identified
3	b	<p>Responses could include any of the following:</p> <ul style="list-style-type: none"> • Brands are easily recognised due to the logo <ul style="list-style-type: none"> – this could mean that customers may buy more due to them being familiar – this could lead to an increase in the level of profit made • Brand loyalty can develop <ul style="list-style-type: none"> – this could lead to an increase in market share for the organisation – this may make it easier to launch new products • Marketing/advertising campaigns can be global, with a brand rather than product focus <ul style="list-style-type: none"> – this could save money in the long run as they advertise for all products rather than individual ones • Customers may be willing to pay more for branded products <ul style="list-style-type: none"> – this could lead to a higher level of profit for the organisation – this could also give the product an image of quality • Branded products can become “trendy” 	4	<p>Candidates are required to consider at least two advantages to gain full marks.</p> <p>Award 1 mark for each valid description point given. Up to 3 marks may be awarded for any description of an advantage of branding.</p> <p>Accept any other suitable response.</p>
3	c	<p>Responses could include any of the following:</p> <ul style="list-style-type: none"> • Desk research is the study and evaluation of secondary data, whereas field research involves obtaining first-hand primary data • Desk research is research that already exists, whereas field research will seek people’s opinions directly • Desk research will be sourced from CD-ROMs, newspapers and websites, whereas field research will be collected through observation, surveys or focus groups 	3	<p>Award 1 mark for each valid comparison given.</p> <p>Candidate must demonstrate a true comparison in order to gain any mark. Both sides of the point must be clear but do not need to be linked.</p> <p>Candidates can write several points</p>

		<ul style="list-style-type: none"> • Desk research can be obtained and analysed relatively quickly, whereas field research can be time-consuming to collect and analyse • Desk research may have “author bias”, whereas field research may have “researcher bias” • Desk research may be out-of-date, whereas field research is likely to be current • Desk research collected for one purpose and then used for another may not be relevant, whereas field research can be specific for the purpose it was collected • Desk research is available to competitors, whereas field research can be kept confidential • Desk research is relatively inexpensive, whereas the costs of field research may be high 	<p>regarding desk research followed by several points about field research and the marker match the points using codes (eg a, b, c)</p> <p>Accept any other suitable response.</p>
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Question		Expected response	Max mark	Additional guidance
4	a	<p>Responses could include any of the following:</p> <p>Job production</p> <ul style="list-style-type: none"> • Where a single product is made to a customer's specification • Product is usually unique/one of a kind • Labour-intensive method of production <p>Batch production</p> <ul style="list-style-type: none"> • Where similar products are produced in batches <u>at the same time</u> before another batch is started • Variety of flavours can be produced in batches <p>Flow production</p> <ul style="list-style-type: none"> • Large-scale production where items are produced continuously on production line/in stages • All products are the same/standardisation • Capital-intensive production/automation methods used 	3	<p>Candidates are required to consider at least two methods to gain full marks.</p> <p>Award 1 mark for each valid description point given. Up to 2 marks may be awarded for describing any one method of production.</p> <p>Candidates will receive no marks for merely identifying the method of production. However, a clear indication of which method they are referring to is necessary to gain any description mark.</p> <p>Accept any other suitable response.</p>
4	b	<p>Responses could include any of the following:</p> <ul style="list-style-type: none"> • Are the suppliers dependable/reliable? • Are there additional charges for delivering the goods? • Does the supplier deliver on time? • Are the supplier's prices competitive? • Does the supplier give discounts? • Does the supplier give extended credit? • Are the goods of an acceptable quality? • Can the supplier supply the quantity required? 	3	<p>Award 1 mark for each valid factor being outlined.</p> <p>Accept any other suitable answer.</p>

4	c	<p>Responses could include any of the following:</p> <p>Advantages</p> <ul style="list-style-type: none"> • Identical products are made <ul style="list-style-type: none"> – This means that the products sold are at the same standard and all customers get the same – This could result in less complaints regarding flaws/faults • Fewer workers are required <ul style="list-style-type: none"> – This would mean a reduction in the wages costs – This would reduce overall costs of the organisation • Machines can operate 24/7 <ul style="list-style-type: none"> – This will increase the volume of goods being produced – This may allow the organisation to keep up with demand – This may allow them to cope at times when there is a rush order <p>Disadvantages</p> <ul style="list-style-type: none"> • Large amounts of machinery and robotics are required <ul style="list-style-type: none"> – This has an impact on the space required to house this – This has high initial costs • Machinery can break down <ul style="list-style-type: none"> – This may cause production to stop completely – This may mean customers' orders are not met and they go elsewhere • Difficult to make products to meet customers' individual requirements 	<p>4</p> <p>Candidates are required to consider at least one advantage AND one disadvantage to gain full marks.</p> <p>Award 1 mark for each valid description point. Up to 3 marks may be awarded for describing any advantage or disadvantage.</p> <p>Accept any other suitable response.</p>
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Question			Expected response	Max mark	Additional guidance
5	a	i ii	<p>Responses could include any of the following:</p> <p>Private sector</p> <ul style="list-style-type: none"> • Organisations that are owned by private individuals and investors <p>Public sector</p> <ul style="list-style-type: none"> • Organisations that are owned by the government 	4	<p>Candidate must identify and describe two sectors to gain full marks.</p> <p>Award 1 mark for each correct identification of a sector, up to a maximum of 2 marks. Award 1 mark for each valid description of the sector identified.</p>
5	b		<p>Responses could include any of the following:</p> <ul style="list-style-type: none"> • Customers will return and thereby not take their custom to a competitor <ul style="list-style-type: none"> – this will result in higher sales and profit being made • The organisation will receive a good reputation which may attract new customers <ul style="list-style-type: none"> – this could result in a larger market share for the organisation • Profits may increase due to the increase in trade/customers <ul style="list-style-type: none"> – this may make shareholders happy as they gain higher dividends 	2	<p>Award 1 mark for each valid explanation. Up to 2 marks may be awarded for any explanation of good customer service.</p> <p>Accept any other suitable response.</p>
5	c		<p>Responses could include any of the following:</p> <p>Advantages</p> <ul style="list-style-type: none"> • Owner gets to keep all the profits to themselves <ul style="list-style-type: none"> – this gives the owner a higher return on their investment • Owner gets to make all the decisions <ul style="list-style-type: none"> – this means there is less argument – this also makes decision-making much quicker • Very easy to set up <ul style="list-style-type: none"> – this is due to very few legal restrictions which may delay the set up • Customers receive a more personal service <ul style="list-style-type: none"> – this is due to the fact that it's mainly small organisations that set up as sole traders – this allows them to know and be closer to their customer 	4	<p>Candidates are required to consider at least one advantage AND one disadvantage to gain full marks.</p> <p>Award 1 mark for each valid description point. Up to 3 marks may be awarded for describing any advantage or disadvantage.</p> <p>Accept any other suitable response.</p>

		<p>Disadvantages</p> <ul style="list-style-type: none">• Owner has unlimited liability<ul style="list-style-type: none">– this means the owner runs the risk of losing their personal possessions if the organisation cannot pay its debt• Finance is limited<ul style="list-style-type: none">– there may be a limit to how much an individual can invest themselves or have the ability to borrow• Owner has no one to share workload with<ul style="list-style-type: none">– this can cause a lot of stress to the owner– this may also lead to poor decisions being made• Owner may have to close the shop when ill or on holiday<ul style="list-style-type: none">– this may be due to having no other worker in place to run the organisation for them		
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Question			Expected response	Max mark	Additional guidance
6	a	i	Number of units at BEP – 200 Total revenue at BEP – £400	2	Award 1 mark for the correct identification of the number of units. Award 1 mark for the correct identification of the total revenue.
6	a	ii	£2 per unit Eg revenue for 200 units is £400 = £400/200	1	Award 1 mark for correct calculation of selling price per unit.
6	a	iii	Responses could include any of the following: <ul style="list-style-type: none"> • Costs that <i>do not vary</i> with the level of production • Examples may include: rent, rates, salaries 	2	Award 1 mark for a valid definition. Award a further mark for any valid example.
6	b		Responses could include any of the following: <ul style="list-style-type: none"> • Calculations can be carried out automatically using formulae <ul style="list-style-type: none"> – this saves time once formulae are set up – this also eliminates calculation errors if the formulae are set up properly • Information can be converted into graphs and charts <ul style="list-style-type: none"> – this allows information to be shown in a more appropriate way for some readers • “If statements” can be used <ul style="list-style-type: none"> – this allows the organisation to calculate potential changes depending on variable that may exist • Templates can be created <ul style="list-style-type: none"> – this will give a standard layout for staff to use – this will give a better corporate image to the documents being produced • Information can be saved and edited at a later date 	3	Candidates are required to consider at least two justifications to gain full marks. Award 1 mark for each valid justification. Up to 2 marks may be awarded for any justification of the use of a spreadsheet. Accept any other suitable response.

6	c	<p>Responses could include any of the following:</p> <p>Gross profit</p> <ul style="list-style-type: none"> • Profit made from trading (buying and selling) only • Profit made before other expenses are deducted • Sales less cost of sales <p>Net profit</p> <ul style="list-style-type: none"> • Final profit made by an organisation • Profit made after other expenses are deducted • Gross profit less expenses 	2	<p>Candidate must describe both terms to gain full marks.</p> <p>Award 1 mark for each valid definition.</p>
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[END OF SPECIMEN MARKING INSTRUCTIONS]