

Oxford Revise | Edexcel GCSE Business | Answers

Chapter 22 Business and globalisation

22.1 Award 1 mark for the correct answer: **C** A UK business buys raw materials from Italy.

A is not correct because it is an example of an export, and **B** and **D** are not correct because they refer to other aspects of globalisation.

22.2 Award 1 mark for each correct answer. The correct answers are: **D** Tariffs and **E** Trade blocs.

A and **B** are not correct because they are a feature of international trade if the new location is overseas, and **C** is not correct because it positively impacts sales at home and abroad.

22.3 Award 1 mark for identifying one method, plus up to 2 further marks for explaining this method. Here is an example of a 3-mark answer:

- *A business can grow externally by merging with another business (1).*
- *The merged businesses will share resources and expertise (1).*
- *As a result, the merged businesses will benefit from reduced costs, improved profitability and better decision-making (1).*

22.4 Award up to 6 marks. First identify the correct level, and then decide whether the answer falls towards the bottom of the level or towards the top of the level and award marks accordingly.

Level	Marks	Explanation
1	1–2	<ul style="list-style-type: none"> • The answer demonstrates elements of knowledge and understanding of business concepts and issues. It contains limited business terminology. • The answer attempts to explore business information and/or issues. It contains limited connections between points.
2	3–4	<ul style="list-style-type: none"> • The answer demonstrates mostly accurate knowledge and understanding of business concepts and issues. It includes appropriate use of business terminology in places. • The answer explores business information and/or issues. It contains interconnected points with chains of reasoning, although some of the logic may be inconsistent.
3	5–6	<ul style="list-style-type: none"> • The answer demonstrates accurate knowledge and understanding of business concepts and issues throughout. It includes appropriate use of business terminology. • The answer explores business information and/or issues. It contains detailed interconnected points with logical chains of reasoning.

Relevant points that could be included

- Globalisation has created opportunities for UK businesses. They can expand into new markets abroad, they can relocate to another country to gain a competitive advantage, and they can operate in more than one country.
- Globalisation has also introduced threats for UK businesses. There is now more competition in the UK market because businesses from overseas can more easily sell their goods and services in the UK. Tariffs and trade blocs also limit the free movement of goods and services around the world.

22.5 Award 1 mark for stating one product that IT4U imports. The answer must apply to the case study. For example:

Circuit boards (1)

22.6 Award 2 marks for linked points that apply to the case study. Award 1 mark if the points are not linked or do not apply to the case study. Here is an example of a 2-mark answer:

- *IT4U imports small electrical components from Asia (1).*
- *This allows IT4U to purchase a wider range of products than if it bought electrical components only from businesses in the UK (1).*

22.7 Award 2 marks for linked points that apply to the case study. Award 1 mark if the points are not linked or do not apply to the case study. Here is an example of a 2-mark answer:

- *Tariffs on imports from Asia will make the electrical components IT4U imports more expensive (1).*
- *This will make the business less competitive than high street stores because it may need to increase its prices to cover the increase in costs (1).*

22.8 Award up to 12 marks. First identify the correct level, and then decide whether the answer falls towards the bottom of the level or towards the top of the level and award marks accordingly.

Level	Marks	Explanation
1	1–4	<ul style="list-style-type: none"> • The answer demonstrates elements of knowledge and understanding of business concepts and issues. It contains limited business terminology. • The answer contains limited application of knowledge and understanding of business concepts and issues to the case study. • The answer attempts to explore business information and/or issues. It contains limited connections between points. • The answer draws a conclusion, which is supported by general assertions drawn from limited evaluation of business information and issues.
2	5–8	<ul style="list-style-type: none"> • The answer demonstrates mostly accurate knowledge and understanding of business concepts and issues. It includes appropriate use of business terminology in places. • The answer contains sound application of knowledge and understanding of business concepts and issues to the case study, although there may be some inconsistencies.

		<ul style="list-style-type: none"> • The answer explores business information and/or issues. It contains interconnected points with chains of reasoning, although some of the logic may be inconsistent. • The answer draws a conclusion, which is based on sound evaluation of business information and issues.
3	9–12	<ul style="list-style-type: none"> • The answer demonstrates accurate knowledge and understanding of business concepts and issues throughout. It includes appropriate use of business terminology. • The answer contains detailed application of knowledge and understanding of business concepts and issues to the case study throughout. • The answer explores business information and/or issues. It contains detailed interconnected points with logical chains of reasoning. • The answer draws a valid and well-reasoned conclusion, which is based on thorough evaluation of business information and issues.

Relevant points that could be included

- A business gains a competitive advantage when customers think its products are better value or better quality than its competitors' products.
- IT4U's competitive advantage comes from the fact that its prices are cheaper than high street stores. This is because it has lower overhead costs, because it pays less rent for a cheaper location.
- IT4U's competitive advantage does not come from the fact that it imports material from abroad. This is because its competitors can also buy the small electrical components they need from abroad. It is not a point of difference between IT4U and its competitors.
- Importing materials from abroad will help IT4U keep its costs down, but it is not the main factor contributing to its competitive advantage.