

BUSINESS

<p>Paper 9609/11 Business Concepts 1</p>
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Key messages

- Candidates should be encouraged to spend time to ensure that a correct understanding of each question is made. There are still instances of candidates misunderstanding questions and consequently presenting non-relevant responses.
- Candidates are reminded that the marks available for part **(b)** of the essay questions are 2 marks for knowledge, 2 marks for application, 2 marks for analysis, and **6 marks for evaluation**. Many answers are heavy on knowledge and analysis but rather light on application and evaluation. Answers could be improved with explicit reference to and examples of the business context given in a question. Concluding and evaluative sections also need to be strengthened with supported judgements and conclusions rather than just summarising the analysis. The allocation of material between analysis and evaluation should be carefully considered- developed analysis is worth up to 2 marks while developed evaluation is worth up to 6 marks

General comments

- Most candidates demonstrated knowledge and understanding of most of the syllabus covered in this paper. However, there were some knowledge gaps in the syllabus relating to **Question 1(a)** – outsourcing, **Question 3(a)** – industrial marketing, and **Question 5(a)** – measuring the size of a business.

Comments on specific questions

Section A

Question 1

- (a) A significant number of candidates were unable to give a clear and accurate definition of *outsourcing*. Many defined the term as securing resources, or supplies, or employees from external bodies instead of recognising the term as a 'business using another business to carry out some of its operational activities'.
- (b) Responses to this question were generally much more confident and accurate. Explanations of the *purpose of JIC (Just in Case) inventory management* included business action to hold extra inventory to respond to supply problems or unexpected spikes in demand, to ensure uninterrupted production, and to meet the demands of customers. Weak answers often confused JIC inventory management with Just in Time (JIT) inventory management systems.

Question 2

- (a) Most candidates were able to accurately define the business concept *salary* in terms of 'a fixed annual amount of income paid to an employee often on a monthly basis', Weaker answers gave a more limited response relating to '*money paid to employees*'. Such partial responses failed to clearly differentiate a salary payment from other payments to employees.
- (b) This question required candidates to explain the likely impact on a business of *training* its employees and was confidently answered by most candidates, Popular responses included impacts such as employees acquiring new skills, becoming more motivated and productive, and

being less likely to leave a business with consequent positive impact on business performance. Weak answers often failed to establish and explain the link between the enhanced ability of employees and the improved performance of the business.

Question 3

- (a) A definition of *industrial marketing* proved to be very demanding for many candidates. Few were able to provide a definition in terms of *marketing/promoting/selling services to another business – B2B (rather than to a customer)*. The distinctive focus of industrial marketing was not understood by many candidates resulting in the loss of the 2 marks for this question.
- (b) Candidates interpreted this question in one of two ways-either in terms of the implications for a business of growth in a market or in terms of the growth of a business in a market. Both interpretations were acceptable. Strong answers identified and explained implications such as opportunities to secure more sales and revenue, to adjust production and marketing to meet increased demand, and to respond to possible additional competition.

Question 4

Most candidates recognised and analysed a range of relevant impacts on a workforce of *effective communication of business objectives*. Common responses included reference to increased employee motivation and confidence, more team working, and more specific target setting leading to a greater likelihood of achieving corporate aims and objectives. Strong answers developed an effective flow of knowledge, application, and analysis in the presentation of relevant conceptual information. Weaker answers presented only limited application/explanation and analysis of a relevant impact.

Section B

Question 5

- (a) Although this was a popular question the performance of many candidates was quite poor. Few answers managed to understand the demands of the question- an analysis of the *limitations of using the number of employees to measure the size of a business*. The limited number of strong responses referred to specific limitations such as examples of a large business using machines and technology, or outsourcing production employees, or hiring multi-skilled employees, and concluded that among a range of ways to measure the size of a business using the number of employees as a measure was unreliable, misleading, and inappropriate.
- (b) Candidates were asked to *evaluate whether small retail businesses have an important role in the economy*. Many candidates gained marks for effective knowledge and analysis referencing the contribution of *small businesses* to job creation, entrepreneurial activity, taxation for governments and the stimulation of economic growth. However, such responses were not strong in explaining and evaluating the specific context of *small retail businesses*. Strong answers were able to give examples of small local retail shops and made effective comparisons to the activity of large retailers such as Walmart. The absence of explicit and relevant contextual examples severely limited the award of marks for many candidates for the AO2 and AO4 assessment skills.

Question 6

- (a) Candidates were asked to *analyse factors which may influence a business choice of sources of finance*. The responses were in general confident and relevant. Common factors identified, explained and analysed included the amount and type of finance required, the likely availability and cost of the finance, the trading and financial standing of the business, and the relationship of the business with financial institutions. Strong responses demonstrated an ability to present developed analysis to support relevant knowledge and application as in the following example – *a start-up business with no established trading record may have to rely on owners savings or crowdfunding for sources of finance*.
- (b) Candidates were asked to *evaluate whether setting budgets is important to the success of a farming business*. This question was generally well answered in terms of knowledge and analysis skills. The role and benefits of setting budgets for any business were explained and analysed with specific reference to the provision of a budgetary framework for planning and direction and a disciplinary framework for expenditure allocation and control. Only a minority of strong answers

however discussed and applied the specific context of a farming business. References to the particular features of a farming business such as crops, livestock, fertilizer and farming machinery were often missing from many essays. This absence severely limited opportunities for candidates to engage in any effective evaluation of the importance of budgeting for a farming business.

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Key messages

- It is important for candidates to read all questions carefully to clearly understand what a question requires in terms of knowledge, application, analysis and evaluation. There are still too many instances where candidates have misunderstood or mis-interpreted a question leading to non-relevant responses.
- Once again, a reminder that responses to part **(b)** of the essay questions contains 12 marks 2 for knowledge and understanding, 2 for application, 2 for analysis, **and 6 for evaluation**. Many answers are heavy on knowledge, and analysis but rather light on application and evaluation. Many answers could have been improved with more explicit examples of the context given in the questions and substantially improved with more substantial concluding evaluative sections. These evaluative sections need to contain more developed supportive judgements and conclusions. The allocation of material between analysis and evaluation needs careful consideration. Note that developed analysis is worth up to 2 marks. Developed evaluation is worth up to 6 marks.

General comment

- While this examination paper proved to be accessible to most candidates, there was evidence of a lack of understanding of some key business concepts such as product differentiation in **Question 4** and contribution costing in **Question 5(a)**.

Comments on specific questions

Section A

Question 1

- (a) This was well answered with most candidates recognising that the term *takeover* refers to one business buying another business. Weak answers simply repeated the term *takeover* in answers rather than *buy or purchase*. It is not appropriate to define a word or phrase by using the word or phrase being defined. Partial answers recognised that the term concerned a change in the management or control of a business.
- (b) Many candidates correctly interpreted external growth as growth through acquisition or merger and scored all 3 marks. The disadvantages identified and explained included clashes of business cultures, conflicts between different management styles and concerns related to decision making restrictions. Some candidates misinterpreted the question and incorrectly discussed advantages rather than disadvantages.

Question 2

- (a) Many candidates knew the meaning of *job description* and were able to secure two marks by referring to a document or list that included tasks or responsibilities. However, some responses confused the term with a person specification and referred to skills and qualities of a person rather than to the requirements of a job. Candidates need to read carefully the wording of the concept they are asked to define.
- (b) This question on the benefits of internal recruitment was well answered by many candidates. Popular benefits explained included the time and money saved and the increased motivation to existing employees.

Question 3

- (a) This question to define *job production* was well answered by strong candidates with many giving succinct responses which referred to the one-off production of customised products. Weak answers, and there were many, confused job production with job creation. There were a lot of references to employment creation evidencing a significant gap in business concept understanding.
- (b) This question about the benefits of *capital intensive operations* was well answered by most candidates and a good number were able to score full marks with sound explanations of the benefits of production through machines and associated capital equipment. Weaker answers often strayed from a focus on capital intensive *operations* and discussed instead issues relating to the amount of capital brought into a business.

Question 4

This question produced many good answers. Most answers correctly understood the meaning and importance of *product differentiation*. Building on the business concept that emphasises the value of developing a USP in the eyes of the consumer, answers referenced the importance of using product differentiation to strengthen a brand, support the setting of premium prices, and increasing market share. A significant minority of responses however confused the concept with the provision of a differentiated *range* of products in different market segments.

Section B

Question 5

This was not a popular question with a very small number of responses.

- (a) Most of the candidates who selected this question did not understand the concept of *contribution costing* and simply incorrectly guessed at its meaning. As a result, few were able to identify and analyse limitations to a business using contribution costing. Weak answers thought contribution costing was about the amount of capital that business partners or shareholders contribute to a business. The few candidates that understood the concept cited limitations such as overlooking the impact of fixed costs, the negative impact on price setting, providing a misleading picture of profitability, the difficulty of allocating and separating costs over a product range, and the resulting unrealistic financial statements. Even those who had some understanding of contribution costing often struggled to clearly analyse more than one limitation.
- (b) This question which asked about the importance of *working capital* as a source of finance for a *furniture manufacturer* produced some better answers. Most candidates were able to correctly define working capital and explain how it could be used. Strong answers recognised the likely need to supplement working capital with other sources of finance particularly to support longer term financing of non-current assets. Application was however generally weak in the answers to this question. Few answers were able to refer to the specifics of furniture manufacturing in terms of either resources- wood, cloth, carpenters, or products- tables and chairs. Evaluation was also not strong. A common answer was simply that working capital is important but there are other sources. Better answers observed that a start-up business would find it hard to access long term borrowing.

Question 6

This was overwhelmingly the most popular essay question.

- (a) Most candidates clearly understood the meaning of *low labour turnover* and were able to identify and analyse the potential benefits to a business of low labour turnover. Popular benefits included cost savings, increased employee motivation, uninterrupted production, and enhanced reputation. Weaker answers gave little development of the chosen benefits.
- (b) This question asked about the importance of the human resource management activity of *work-life-balance* to *employee welfare* in a *local bus service*. The question gave lots of opportunity to score knowledge, application, and analysis marks. Strong answers related to drivers, conductors and passengers and focused on the likely long driving journeys, the repetitive nature of work, with consequent physical and mental health risks, and the possibility of accidents. The quality of evaluation was not however strong. Many answers merited only 2 marks for basic statements

showing that factors other than WLB could affect employee welfare. There were however some outstanding answers that were awarded full marks for evaluating a range of factors that could affect employee welfare in a local bus service business. Weaker answers often failed to focus on employee welfare and instead related factors primarily to the success of a business.

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Key messages

- Candidates are reminded that definitions for **Questions 1(a), 2(a) and 3(a)** may come from any part of the syllabus and to prepare accordingly.
- Candidates are reminded that the ‘explain’ command for **Questions 1(b), 2(b) and 3(b)** requires enough detail and development to gain full marks. A brief statement is not likely to do this, nor is extensive writing required. Two or three developed sentences should be sufficient.
- Candidates are advised to pay close attention to what is asked for in the questions. **Questions 1(b), 2(b) and 3(b)** ask for **ONE** method, quality, limitation. **Question 4** asks for **ONE** possible impact to be analysed, and **Questions 5(a) and 6(a)** for **TWO** benefits to be analysed. Candidates are advised to consider carefully the specific numbers asked for in the question and not write more than is necessary.
- For **Questions 5(b) and 6(b)** candidates must make sure that they apply their answer where possible to the business context in the question e.g. a car manufacturer or a large internet retailer. This means giving examples of how they operate using specific contextual terminology. Examples may include terms such as for 5b, engine, tyres, car models, or relevant named manufacturers, e.g. Ford, Nissan, BMW etc. For 6b; shopping cart, website, delivery, warehouse, or relevant named examples e.g. Amazon. Without such specific reference, simply repeating ‘car manufacturer’ or ‘internet retailer’ will not count as application and will limit the marks given.
- Candidates should practise analysis i.e. three stage reasoning, using words like – ‘because’, ‘therefore’, ‘as a result’, ‘this leads to’. Some responses cannot be awarded analysis marks as statements or brief descriptive explanations are offered without fully developing an answer. Many candidates gained limited analysis marks because this development was not evident.
- Whilst candidates did gain marks for analysis, many failed to build upon this and attempts at evaluation were often very limited. Up to 6 evaluation marks can be awarded for answers to **questions 5(b) and 6(b)**. To access evaluation marks candidates need to make a critical comment or judgement rather than repeat what they have already written. It must be noted that candidates can only access Level 3 evaluation by placing their evaluation in the business context. This means using relevant contextual words and not merely repeating the words ‘car manufacturer’ or ‘internet retailer.’

General comments

- Candidates generally showed a good knowledge and understanding of the syllabus in both parts of the paper. Candidates did find Supply Chain management a difficult concept, especially how it fitted into a retail environment.
- Candidates demonstrated reasonably good knowledge, understanding and analysis when answering **section B**. However, it is important to focus on the specific demands of the question ensuring answers are contextual and that an opinion or judgement is based on analysis. Too many candidates failed to gain application or evaluation marks on **5(b), 6(b)** which are a significant amount of the total marks.

Comments on specific questions

Section A

Question 1

- (a) Candidates generally found this question difficult and often gave a vague definition. Stronger responses gave precise definitions to include the cost being directly related to a unit of production and allocated to a cost centre. Weaker responses would often only state the cost was to do with producing a good or give examples of a direct cost.

- (b) This question was generally well answered with most candidates understanding how cash flow could be improved. Responses to this question covered a range of methods, either focusing on how to increase inflows or decrease outflows. Candidates are reminded that definitions of cash flow are not required as the question requires methods to be identified e.g. bank overdraft, and then explained. For development it is not sufficient to state 'this would improve cash flow' as this is a repetition of the question and was a common error. For example, if the method identified is a bank overdraft, then the explanation should state that 'this would increase cash inflow'. Weaker responses confused cash flow with profit.

Question 2

- (a) Overall candidates responded well to this question by demonstrating a clear understanding of 'added value.' Stronger responses were often quite precise with definitions, including both the cost of purchasing the raw materials and the price the product is sold for. Weaker responses stated it was the 'cost' the product was sold for instead of the 'price.'
- (b) Most candidates were able to explain two entrepreneurial qualities. Innovation and risk taking proved to be the most popular qualities when answering the question. Stronger responses included a developed explanation of these qualities to gain at least 2 marks, with many gaining full marks. Weaker responses repeated the question for application i.e. risk taking may lead to business success. This did not state how the risk taking had led to success i.e. they may have used their own money to market the business.

Question 3

- (a) This question was generally well answered. Stronger responses included both aspects of primary research in their responses i.e. first-hand data, for the specific needs of the business. Weaker responses offered examples of primary research e.g. interviews.
- (b) Candidates performed reasonably well on this question. Most correct answers focused on sampling bias or that the sample might be unrepresentative. Candidates who gave these limitations were often able to gain at least one further mark for application. Candidates are reminded to only give one limitation and develop that point as some candidates gave two limitations which could not be rewarded.

Question 4

This question was reasonably well answered with candidates generally gaining 3 marks or more. Candidates understood what operating over maximum capacity meant and would often start their answer with a definition. It is worth pointing out to candidates marks are not awarded for definitions in this question. Knowledge and understanding marks are awarded for stating **one possible impact** e.g. stressed workers, machine malfunction, impact on quality, economies of scale, etc. Application was weaker than analysis with most candidates only gaining 1 mark out of 2. This was due to candidates failing to fully explain why the impact occurred i.e. what makes workers stressed or why do the machines breakdown. Analysis tended to be stronger, though candidates are reminded that there are only 2 marks for analysis and 2 marks for application.

Strong responses to this question explained stress to employees and how this could lead to burnout due to being over-worked, leading to absenteeism or staff leaving and the subsequent knock-on effect on the business such as recruitment costs, or not having enough staff to meet orders. Weaker responses did not sufficiently develop each impact in enough detail and would often repeat the term 'maximum capacity' as an attempt at analysis.

It is worth noting that candidates only need to give **ONE** impact to the business and focus on developing this point, as no additional marks are awarded for giving a second impact.

SECTION B

Question 5

- (a) This was the least popular question on **Section B** and candidates who did attempt it provided responses that were often very limited with very few gaining more than 4 marks. Whilst many candidates were able to define McGregor's Theory X this gained no marks as knowledge is only rewarded for stating the benefit to the workforce. A common error by candidates was either confusing Theory X with Theory Y or stating the benefits to the business/managers and not the workforce. Generally knowledge of how McGregor's Theory X management might benefit workers was weak. Stronger responses focused on the benefits of not having responsibility, financial rewards, or being closely monitored. These responses were able to attempt application and analysis, but it was often limited. Weaker responses were only able to offer one benefit.
- (b) For this question most candidates demonstrated knowledge of cooperation between management and the workforce. Whilst candidates demonstrated a good understanding of manufacturing, they were often unable to convert this into relevant contextual application. Very few responses referred to the context e.g. car models, engines, saloon, family car, BMW, Nissan, etc. Just stating 'car manufacturer' is repetition of the question and does not gain application marks. Analysis was stronger where reference to improved productivity, more ideas, targets achieved, low labour turnover was identified. Overall, most candidates attempted evaluation at the very end of their essay. A common error in stronger responses was to offer an evaluation without context therefore being unable to access the Level 3-mark band. Candidates are reminded that 6 marks are available for evaluation and would require more than a single two-or three-line sentence at the end of the essay to gain developed evaluation marks.

Question 6

- (a) **Question 6** was the most popular choice for candidates and was generally well answered with many candidates gaining 5 or more marks. Most candidates clearly understood the benefits of sustainability of operations and were able to provide some appropriate application and analysis. The most common benefits discussed were improved reputation, USP, reduced waste and public support. Analysis was generally limited rather than developed and candidates would benefit from extending their answers when discussing consequences/causes/impacts. Stronger responses were able to develop an advantage such as improved reputation as consumers would often be environmentally conscious, this can lead to increased sales. Weaker responses misinterpreted the question and discussed ethics. It is advised that candidates perhaps state in their answers 'Benefit one is' then 'Benefit two is' which will help candidates remain focused on the specific needs of the question, as quite often responses included an unnecessary introductory paragraph.
- (b) Overall, candidates found this question challenging due to limited knowledge of Supply Chain Management. Most marks were in the 3 – 5 range. Those candidates that did understand what Supply Chain Management was found it very difficult to apply their responses to the context of an internet retailer e.g. 'books, clothes, routers, internet services. Few candidates were successful with application. Stronger responses were able to discuss the importance of delivery for customers and the impact this can have on the business such as creating a good reputation and customer loyalty. Weaker responses focused on Supply Chain Management within a manufacturing environment and gained only knowledge and analysis marks. Evaluation was generally weak with very few candidates able to get to grips with the importance of Supply Chain Management within a retailing environment. Context was rarely evident in the final evaluation.

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Key messages

The mark scheme clearly shows how the marks are awarded based on the assessment objectives. Candidates need to direct their responses to demonstrating these skills in answer to the question. For example, **Question 1(a)(ii)** has one AO1 (knowledge and understanding) mark and two AO2 (application) marks. Therefore, candidates who spend too long defining the term, will find that they do not have enough time left to gain the application marks.

Candidates should understand the requirements for a 12 mark 'Recommend' or 'Evaluate' answer. Many candidates started their answer with their 'recommendation' or 'evaluation', which was often a simple one-line statement. As the candidate used no evidence or analysis by this point, the absolute maximum that could be awarded was 1 evaluation mark as there was no justification or development of the answer. It is also important to answer the question, i.e. there are reasons for and against Samira accepting Lara's offer to invest venture capital, the answer is not specific enough. A clear overall judgement is required. Structure should be taught and used to ensure that evaluations and recommendations are completed well at the end of analyses to enable candidates to develop and justify their final judgement. In questions 1d and 2d candidates should present a balanced argument and make justified judgements/recommendations. Candidates should avoid the repetition of previous points when concluding an answer.

General comments

This was the second summer sitting of the reformed AS level examination. Teachers and candidates appear to be becoming more familiar with the new style paper.

Both pieces of data were accessible to candidates, and they showed a good understanding of the specific nature of the two businesses. There did not appear to be any timing issues as most candidates finished the paper and provided reasonable responses to all questions.

Candidates must consider the command word to judge the amount of detail required by a question, for example the 'identify' questions can be answered in one or two words. However, many candidates spent significant time preparing lengthy answers which sometimes spanned a number of paragraphs. This was not required as the one mark could be gained for a one or two-word answer.

Tautological answers were not rewarded – for example, demand must not be explained with the word 'demand'. Candidates must use their business terminology to show understanding and explain the term.

Comments on specific questions

Question 1

Care should be taken in Questions **parts (b), (c) and (d)** to ensure specific examples from the given business context are used in the answers. This will help the candidate to be awarded the application marks. Reference to the specific business is also included in the question stem.

- (a) (i)** 'Identify' is a simple command word that only requires a one or two-word answer. Many candidates wrote lengthy answers which explained a function of a manager, which was not required. These candidates could have gained the mark with just a few words. Candidates do not need to write in full sentences to answer an 'identify' question. This question assessed non-contextual knowledge and did not require answers applied to SW.

A range of answers were accepted and the majority of candidates were able to identify a traditional function of a manager, such as planning, controlling or leading a team.

- (ii) 'Explain' questions are worth three marks. One mark is awarded for knowledge and two further marks for application. For this question, the application could be to any example or business context and not solely SW.

Working capital was generally well understood. Many candidates knew that it is the finance used to operate a business. Some candidates gave the formula 'current assets less current liabilities' which was also accepted for the knowledge mark.

For the first application mark many candidates explained this point further by stating that the finance is to operate on a day-to-day or short-term basis (i.e. less than 12 months). Many candidates were then awarded the second application mark by giving an example of a relevant current asset or current liability, e.g. stock, pay suppliers, bank overdraft. Other candidates gave examples of relevant business expenses such as employee wages. These examples exemplified the use of the short-term finance to operate.

- (b)(i) This question required candidate to perform a numerical calculation to find the total number of whiteboards sold between January and July.

There were a couple of different ways of calculating the answer and candidates are always encouraged to show their working to enable the Examiner to award process marks if the final answer is incorrect.

Some candidates misread the figures from the inventory control chart which led to the wrong answer.

- (ii) The first knowledge mark for this question was awarded for giving an appropriate cost of holding a high level of inventory such as storage or opportunity cost. The first application mark was awarded for explaining a specific cost incurred as a result of holding a high level of inventory, such as increased insurance costs to cover the increased risk or rent of the warehouse to store the items.

For this 'explain' question candidates had to apply their answer to SW. The second application mark was awarded for use of relevant context such as quoting data from Fig. 1.1 (SW inventory control chart 2023).

- (c) For this question candidates were required to analyse two barriers to entrepreneurship that Samira may have faced when starting up SW. Many candidates started their answer by defining entrepreneurship or an entrepreneur which did not gain any marks as it did not directly address the question. Introductory paragraphs, no matter how well they are worded, are likely to be superfluous and waste valuable examination time.

The first knowledge mark was gained by candidates giving a barrier to entrepreneurship such as lack of finance or competition. The second mark is for application to the SW using content from the business context.

Candidates should then create a chain of analysis to show the effect of the barrier to entrepreneurship on the business. Analysis can be limited or developed. Limited analysis is for an answer with one link in the chain of analysis, whereas developed analysis is where the candidate shows two or more links in the chain of analysis or gives a two-sided analysis. Limited analysis may be that the limited finance may limit the amount of advertising that Samira can do which may then reduce revenue. This answer could then be taken further to developed analysis by considering how the limited revenue may reduce profitability for SW.

Developed analysis is the key to all questions involving AO3 and it is always better to have one developed piece of analysis, than many pieces of limited analysis.

- (d) This question required candidates to provide a developed judgement about whether Samira should accept Lara's offer to invest venture capital. The best answers considered balancing arguments, i.e. positives and negative implications of the decisions and then came to a justified conclusion.

Half of the 12 marks for this question come from AO4 skills. However, some answers did not attempt to evaluate which limited the mark that could be awarded.

Many candidates gave a brief conclusion (which often repeated the earlier arguments) at the end of the answer. This is never enough to move beyond limited evaluation.

The skill of evaluation is to judge the quality, importance, amount, or value of something. In this case, it is to evaluate whether Samira should accept Lara's offer to invest venture capital. Evaluation can occur anywhere in a candidate's answer. Some answers evaluated throughout the answer, leading to an overall judgement at the end in the specific context of SW. This approach often led to higher marks. Relatively few candidates showed developed evaluation in context, and it is an area that centres should focus on to support future candidates to prepare for the examination.

Question 2

(a) (i) Some answers started with an introduction to explain what is meant by a private sector business. Candidates do not need to write in full sentences to answer an 'identify' question, and a one or two-word response is sufficient. This question assessed non-contextual knowledge. To make a profit was a common response.

(ii) Most candidates gained a knowledge mark for this question. Popular responses were that it shows the customer's desire to buy a product, or the number of products that a customer purchases.

Two application marks were available for this question. The first application mark was awarded for explaining factors that affect demand, such as the quality of the product or customer incomes. The second application mark was gained from applying the answer to the business context. For this question the application could be to any business scenario or to FD. Several candidates were awarded the second application mark by linking their answer back to FD making changes to the ingredients of the drink which affected the demand. However a number of candidates also gained this mark by applying it to a general business example.

(b) (i) This question asked candidates to calculate FD's margin of safety in 2023. Candidates are always encouraged to show their working in their answers to 'calculate' questions to enable the Examiner to award process marks if the final answer is incorrect. Many candidates were able to gain some marks via their workings even though the final answer was not correct.

(ii) This question required answers to be applied to FD. Candidates must carefully read the question to ensure that they know when they are required to apply to a specific business context.

The first knowledge mark was gained by candidates discussing an intangible attribute such as brand name, customer loyalty, image or quality.

The first application mark was given for an explanation of the identified intangible attribute such as that it cannot be touched, or how it may support the business's reputation. The second application mark was given for application to FD, such as 'a premium drink for premium customers'.

(c) This question was worth 8 marks. Many candidates gave a definition of productivity which did not answer the question directly and so could not be given any marks. Giving generic definitions about a key word in a question is a waste of time and effort. It is better to do what the questions asks as it is the only way to gain all of the marks available. For the knowledge mark candidates had to show knowledge of an impact on FD of a fall in productivity.

A popular answer for this question was that FD would have fewer products to sell as a result of producing fewer products. To gain the mark candidates had to link to efficiency or a fall in the quantity of items made, but some gave vague answers which did not directly address productivity. These answers could not be awarded any knowledge marks.

Application marks were awarded if candidates applied context from FD in their answer, such data from table 2.1. Half of the eight marks were for analysis. Analysis can be limited or developed. Limited analysis is for an answer with one link in the chain of analysis, whereas developed analysis is where the candidate shows two or more links in the chain of analysis or gives a two-sided analysis.

- (d) Most candidates showed good understanding of market research and how it can be used to inform future marketing decisions. The knowledge marks were often gained by explaining examples of marketing decisions that may be supported by market research data, or different methods of market research such as primary research, secondary research or types of methods, e.g. interviews or focus groups. Many candidates gained the application marks as they were able to apply the context to their answers.

Analysis could be limited or developed depending on the number of links in the chain of analysis. Most candidates were able to give at least a limited analysis.

In this question, candidates had to make a judgement about how useful market research methods are to FD to inform future marketing decisions. Some answers evaluated throughout the answer, but most answers gave an evaluative judgement/conclusion at the end. The evaluation could be limited with a simple judgement, developed where the judgement is supported by further evidence, or could be developed with supporting evidence with context. Few candidates used the context effectively within the evaluation and this is a skill that centres should focus on in the future.

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Paper 9609/22
Business Concepts 2

Key messages

- The majority of the questions on this examination require a contextual answer. Any question that refers to a specific business or stakeholder must be responded to with a contextual answer. For example, **Question 1(c)** requires an advantage and a disadvantage of using an assessment centre. However, this does not require a generic analysis, it must be specific to the advantages and disadvantages to PS to enable the response to gain all of the marks.
- **Questions 1(a)(i)** and **2(a)(i)** only require a brief answer. Some candidates choose to write in full sentences, or even full paragraphs and this is not necessary to achieve the mark. For example, **Question 2(a)(i)** can be answered with one word (induction), which fully answers the question. Candidates are never penalised for writing more relevant and correct information, however it does waste time which could be used for longer response questions.
- **Questions 1(d)** and **2(d)** require candidates to evaluate their points. The best candidates attempt to evaluate each point and then bring each point of evaluation together to come to a judgement, usually at the end of the response. This is likely to give multiple opportunities for evaluation within a response and allow the evaluation to develop into a valid judgement.
- The data context is there to signpost the most likely/relevant/applicable answers. Candidates who ignore the data and use the first answer that they can think of, are unlikely to gain any AO2 (application) marks and may find it much more difficult to analyse and evaluate where relevant.
- Calculation questions do have a correct answer, but marks can be gained for incorrect answers which have correct processes. For the Examiner to be able to award process marks, they must be able to follow the logic of the answer. Candidates who clearly set out the stages of their answer are more likely to be awarded these process marks. For example, in **Question 1(b)(i)**, where candidates were asked to calculate three variances, it was not uncommon for the numeric answer to be separate from the statement about the variance (favourable/adverse), making it more difficult to award the marks. Likewise **Question 2(b)(i)** required three stages in a calculation including the formula. Candidates who set out each stage so that the Examiner can spot any errors, are more likely to have process marks awarded because the Examiner can see what processes are used.

General comments

Both pieces of data provided plenty of context to enable candidates to tailor their responses to the specific scenario facing each business. There are always multiple pieces of context which could be used to answer each question, and the best responses do not attempt to use everything, but focus on the most relevant pieces of data.

There was little evidence that candidates were unable to complete the examination due to timing issues and most candidates provided a full answer to each question.

Comments on specific questions

Question 1

- (a) (i)** There are many features of a private limited company and the most common answers to this question were limited liability and not able to sell shares through a stock exchange.

The command word 'identify' does not require any explanation and candidates are not required to write in full sentences to gain the mark for this question.

- (ii) Sustainability was a reasonably well understood term. At AS level, sustainability links to operations and the ability of a firm to efficiently produce now and in the future (**section 4.1.2**). The best explanations included this concept and illustrated this with an example, either taken from the data (in terms of the sustainability of PS's operations) or any other relevant business context.

Whilst this question does not require an example to gain full marks, often an example is the best way to show application.

The 9609 syllabus also uses the term 'sustainability' in terms of the environment (**section 6.1.7**) at A Level. As this is an AS examination, there was no requirement for the term to be explained in this way, but any answers that referred to environmental sustainability were credited.

- (b)(i) Often, the calculation questions on this examination require a calculation with multiple stages. However, on this examination, the question called for three calculations and interpretation of those results.

For variance analysis to be correct, there must be interpretation of the variance as either 'favourable' or 'adverse'. The basis of this interpretation must have a foundation in the impact of the variance on the business. For example, if the actual cost is higher than the budgeted cost, then this will be adverse. However, if an actual revenue or profit figure is higher than a budgeted revenue or profit figure, then this will be favourable. It is essential that candidates can do both elements to fully answer the question.

Most candidates could correctly calculate the variance figures. However, there was some misunderstanding of how to interpret these variances, with some candidates assuming a positive figure was favourable and a negative figure was adverse.

- (ii) The wording of a question is very important. In this case the question asked for explanation of a benefit of using incremental budgeting. Answering this question does not require an explanation of incremental budgeting, but it does require understanding of the term to be able to accurately explain the benefit.

The most common incorrect answers gave benefits of budgeting (not specifically incremental budgeting) which does not provide an answer to this question.

The most common correct answers included the ease with which a business can budget by using incremental budgeting, the speed with which incremental budgeting can be done (when compared to other forms of budgeting) and the consistency that incremental budgeting can give a business.

Unlike **Question 1(a)(ii)**, this question specifically relates to PS (one benefit to PS). Therefore, to gain full marks, candidates needed to relate their benefit to PS. For example, the ease of using incremental budgeting might allow the managers of PS to focus on finding the best Marketing Manager.

The best answers identified a possible benefit and then explained why this was a benefit within the specific context of PS.

- (c) As with the previous question, this question does not require a definition of an assessment centre. However, the response must be specific to an assessment centre. Some candidates gave an advantage and a disadvantage to the recruitment of a Marketing Manager, not about the use of an assessment centre. These responses can not be credited and do not answer the question. It is essential that candidates carefully read each question and make their responses specific to that question.

The most common correct advantage was that PS is more likely to get a better Marketing Manager by using an assessment centre which can better assess the knowledge/skills of the potential recruit.

The most common correct disadvantage was that PS is likely to incur a greater cost by using an assessment centre.

The best responses used the context of PS to identify the most applicable advantage and disadvantage. This led to excellent context being applied to the answer. However, some candidates used an advantage or disadvantage that was very difficult to apply to the context. For example, it is very easy to apply the disadvantage of an assessment centre having a higher cost for PS, since cost data is given in Table 1.1. So, an answer that states that it may increase PS's indirect costs which were \$125,000 for 2023, very quickly demonstrates knowledge and application.

The skill of analysis, for this question, is about a chain of effects, reactions, consequences or impacts. Candidates who logically step through each link in the chain of analysis and show how the advantage/disadvantage might affect the business are likely to achieve all of the analysis marks for this question.

- (d) This question asked candidates to evaluate the role of effective packaging for PS. An evaluation question requires all four assessment objectives to be demonstrated. The majority of candidates were able to demonstrate elements of AO1, AO2 and AO3. However, AO4 evaluation makes up 50 per cent of the marks for this question and should, therefore, make up a large part of the response.

Evaluation has many facets and there is no formula to produce a good evaluation. Most candidates choose to leave their evaluation until the end of their response. However, the best evaluation occurs throughout an answer and candidates who take advantage of mid-answer evaluation are likely to achieve a better AO4 mark.

The most basic approach to evaluation is when a candidate comes to a judgement that answers the question; in this case a judgement of the role of effective evaluation for PS. However, there are many further ways in which a candidate can develop this evaluation.

One of the most common approaches to developing evaluation was for candidates to suggest that their judgement depends upon different perspectives (such as the differing perspectives of customers who are likely to want attractive packaging, compared to the directors of PS, who are likely to want lower costs).

Another approach was to weigh up the differing roles of effective packaging and perhaps to place importance to these roles.

Often a question will include evaluative words such as 'importance' and 'success' to help candidates to start their evaluation. This question does not specifically use any of these terms, but that does not stop a candidate using these terms to evaluate in their answer. For example, one way to evaluate the role of effective packaging is to evaluate the importance of it for PS compared to other aspects of their marketing.

Question 2

- (a) (i) This question asks for one type of training. The syllabus identifies three types of training; on the job, off the job and induction training. These were the only answers which were credited.

The most common correct answer was induction training.

- (ii) Most candidates had some understanding of a mass market being targeted at the majority of the potential customers. Often this included a comparison with a niche market. Some candidates then continued by explaining the characteristics of a niche market, not a mass market. It seems likely that candidates had learned more about niche markets than mass markets and it was not uncommon for a response to lose focus in this way.

As mentioned in **Question 1(a)(ii)**, an example can be a great way of showing good understanding. Many candidates gave the example of CS targeting a mass market with low-priced shoes, or of other well-known businesses, such as Coke or McDonalds that also target a mass market. However, for an example to be relevant, it must exemplify the term – in this case 'mass market'. CS's low-priced shoes is not an example of a mass market. The example might be 'people who work', which does exemplify a mass market. It is very important that an example is used in the correct way to be relevant.

- (b)(i)** There are various routes to a correct answer for this question, all of which lead to the correct answer of \$12.50.

The most common partially incorrect answers often used an incorrect output figure. The current output for CS is 500 units (400 units which is the break even point and 100 units which is the margin of safety) and yet many candidates attempted to use 400 units as the current output. Where this was the only mistake, candidates were still able to gain the majority of marks as long as their calculations were set out clearly and the Examiner was able to follow the process.

Some candidates made an error and ended up with an answer that was incorrect and unrealistic. For example, a contribution per unit of \$1250, if checked, should inform a candidate that they have made a mistake. Checking an answer should be part of the process when answering calculation questions.

- (ii)** Most candidates had knowledge of break-even analysis, but this was not always focused on answering this question. This question asks for a limitation for CS of using break-even analysis, so the most appropriate route to answering this question was to use the data to identify why CS might find break-even analysis to be limiting. For example, CS makes different designs of shoes in a range of sizes and colours, which means that break-even analysis may not be effective since it would need to be done for each design, size and colour. Candidates who start with the context are far more likely to be able to fully explain and contextualise their answer.

The most common incorrect answer was that break-even analysis is inaccurate or wrong. However, there is nothing inherently incorrect or wrong about using break-even analysis, so this was not accepted as a limitation. Where candidates gave a valid reason for break-even to be incorrect (such as the fact that it is based on predictions), then this was credited. Candidates must be careful to fully explain their answers.

- (c)** There was reasonably good understanding of Just in Time (JIT) inventory management, but this was not always focused on answering the question. A few candidates totally misread the question and gave two advantages instead of disadvantages.

The best responses clearly separated each of their disadvantages and identified the disadvantage, put it into context and then developed a chain of analysis of how this disadvantage might affect CS.

The most common correct answers were the risk of running out of inventory, the need to rely on suppliers (in this case a new supplier) and the potential cost of introducing JIT.

Some candidates attempted to evaluate their answer and it was common to find a final conclusion that ranked or came to a judgement about which disadvantage was likely to have the biggest effect on CS. This was not necessary and did not affect the mark awarded, but may have reduced the time available for other questions. Likewise, some candidates decided to analyse why each of their given points may not be a disadvantage. Again, this is irrelevant and simply wasted precious examination time.

- (d)** This is the second evaluation question on this examination and candidates should have been focussing their answer on the importance to CS of being a small business.

Some candidates got themselves confused and assumed that all small businesses are sole traders (CS is a sole trader, but this is not a feature of all small businesses). This often led to analysis and evaluation of being a sole trader, not analysis and evaluation of being a small business. Candidates must make sure that they answer the question set, not the one that they think it should be.

There are many possible features of a small business and many ways to analyse and evaluate the importance to CS. The best responses used the context of CS to identify the two or three most applicable features of being a small business, analysed these and then evaluated their importance. There was no need for candidates to cover all of the features and centres should encourage candidates to focus on the most relevant. Candidates who attempt to analyse and evaluate too many features are likely to start listing points which lack any depth of analysis or evaluation.

BUSINESS

<p>Paper 9609/23 Business Concepts 2</p>
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Key messages

- There is an improvement in candidates using the case material in attempting ‘analyse and evaluate’ questions.
- The majority of candidates managed to score ‘application and analysis’ marks on **parts (c) and (d)**. Candidates can reach application and analysis with a few well-developed points. A contextualised good chain of reasoning is the basis for ‘developed analysis’.
- In **Questions 1(d) and 2(d)** candidates should present a balanced argument and make justified judgements/recommendations. Candidates should avoid the repetition of previous points when concluding an answer.
- Advise candidates to use clear handwriting.
- In the calculation questions, **1(b)(i) and 2(b)(i)** advise candidates to always show their workings. Use of a calculator should be encouraged.
- Remind candidates to be aware of the marks available for each question so that they spend the appropriate time on each question and devote adequate time to contextualised, analytical and evaluative questions especially in **Questions 1(b)(ii), 1(c), 1(d), 2(b)(ii), 2(c) and 2(d)**.
- Advise candidates that answers requiring the use of context, **such as to Question 2(c)**, should integrate the information from the case study and not just repeat it.
- Ensure full understanding of the command words.
- Practice ‘identify/explain’ questions and get candidates to produce their own list of words/definitions/explanations with examples.

General comments

The case material for both questions seemed well understood. **Question 2** produced some interesting answers, in context, especially in **Question 2(c)** on external sources of finance. In **Question 1(c)** there was a clear difference between candidates who demonstrated understanding of recruitment methods (as in the question) and candidates who interpreted it as selection methods.

As in previous sessions, candidates should make full use of opportunities to:

- Identify questions such as **1(a)(i)** and **2(a)(ii)** do not need explanation or examples.
- Define the main terms in a question – **Question 1(d)** the two knowledge marks could be gained by correctly defining the 2 terms used in the question, equality and diversity.
- Use the context.
- Identify opportunities to analyse – good analysis based on a contextualised chain of reasoning. **Questions 1(c) and 2(c)** asked for **two** elements in the answer, the best answers had two distinct paragraphs with each demonstrating a contextualised chain of reasoning.
- Identify opportunities to evaluate – **Question 2(d)** required a justified judgement on expanding the product portfolio to increase sales volume. Otherwise good answers missed the link to sales volume.

There was no apparent evidence of time being an issue with most candidates. Overall, candidates were able to show a good grasp of business terminology and could express themselves effectively.

Comments on specific questions

Question 1

- (a) (i) Generally well answered – common answers included lots of competition or changes in some elements. Where answers were less successful, this was due to them being too vague such as ‘laws’ – not distinguishing between any business environment and a dynamic one.
- (ii) Some confusion seen between an employment agency and a job centre. Many answers gained 2 marks but did not provide any context or an example for the third mark.
- There is no need for context in answering **part (a)**, any relevant example can get an application mark, but application marks can be gained by candidates giving an example from the case.
- (b) (i) Very few correct answers to this question. Many calculated \$2800 but did not take account of the adverse variance to calculate the actual cost. Many answers did well showing their working. Candidates should be encouraged to do this, as well as show the formula in numerical questions. Own figure rule (OFR) applies in this situation.
- (ii) Nearly all candidates could correctly identify a benefit of a budget. However, few answers made any reference to RP, e.g. by using the adverse variance figure or their own answer from **1(b)(i)**, limiting their ability to access all the marks for this question. Good responses put this in the context of the information in table 1.1. Better responses gave further context by linking to the information in the source, for example, by referring to the variance.
- (c) This question required two methods. The best approach here is to provide two distinct paragraphs with one method identified and analysed in context in each paragraph. This question really polarised candidates – those who understood selection methods, and those who confused it with recruitment. Some answers implied what data could be used to select employees ‘look at how many sales they have made’ but failed to state where the information would come from. Application to RP was also very limited in places.
- (d) Candidates need to make clear their understanding of the terms used in the question by beginning with a brief definition of the two terms in the question, in order to gain the knowledge marks. Six out of the 12 marks available were for evaluation, candidates who did this in context could quickly gain at least 5 out of the 6 marks available. For the sixth mark candidates were required to make an overall judgement, in context, such as such as the most likely impact on the business. Confusion was seen with the term ‘diversity’, this was often understood incorrectly as people performing different jobs so they do not get bored. Limited application to the impact that this would have on an employment agency (i.e. in the provision of workers) and most answers just applied it to the workers at RP. Generally, knowledge was sound, and impacts were good, but again, application to RP was poor.

Question 2

- (a) (i) Responses to this question were often longer than required for a 1-mark identify question. However, the question was well answered with rent being the most commonly seen correct answer. A minority of candidates defined the term rather than identifying a particular fixed cost.
- (ii) Some answers to this question lacked clarity – there were some attempts to explain the term, but they were convoluted and unclear – many using the terms ‘mass’ or ‘customised’ in their definition, thus not really showing clear knowledge.
- (b) (i) This question was well answered with many candidates showing their working, which allowed thought process to be seen and correct steps awarded marks. This was answered better than the calculation in **1b(i)**. Some candidates gave the answer in \$ rather than units.
- (ii) Most candidates were able to explain that the change in payment method might motivate employees. However, some candidates applied the advantage to FW rather than to the employees. There was also really limited application. Many answers just explained the new method, rather than the advantage.

- (c) Generally this was a well answered question. An area for improvement would certainly be to recommend suitable methods of finance for a \$4 m investment – overdrafts for example are not suitable for this type of investment. Some answers suggested the use of trade credit to free up funds to spend, showing they did not really appreciate the scale of the investment. Limited application shown in answers.
- (d) Candidates displayed a good understanding of product portfolio, but the question effectively discriminated between those who did and did not understand what a product portfolio is. There was often very limited application other than ‘t-shirts’ and ‘festivals’ – few candidates included enough relevant context to get 2 AO2 marks. Evaluations were not particularly detailed or developed, with justification and application lacking in many instances. An evaluative comment, supported by a contextualised chain of reasoning, was awarded 5 out of 6 marks. The sixth mark required a judgement on whether expansion of the product portfolio would increase sales volume. This judgement should be fully justified and supported by using the context.

BUSINESS

<p>Paper 9609/31 Business Decision-Making</p>

Key messages

- Candidates should spend the first 10-15 minutes of time allowed reading the case study carefully and then return to the relevant parts before answering each question. Line references given in the insert will help with this.
- Candidates should allocate approximately 1.5 minutes per mark for planning and writing answers, so a 12 mark answer should take around 18 minutes to plan and write.
- Making a brief plan for **Questions 3(c), 4(b) and 5** may facilitate more focused answers.
- The allocation of marks on this paper is weighted towards evaluation and in the 12 mark questions there are only two marks for analysis. Structure answers in relation to the command word given in the question. Evaluate questions require chains of analysis and supported judgement whereas analyse questions only require chains of analysis.
- Limit answers to **Questions 1 and 2** to analysis of two impacts.
- It is often appropriate to make use of numerical data in answers and this provides a quick and effective means of developing context and as support for evaluative comment. For example, evaluation in **Question 3(c)** can draw on the importance of the investment appraisal data to support judgement about whether to purchase the new grinding machine. In **Question 4(b)** candidates should make use of the elasticity data from the case material and the calculation of price elasticity of demand (PED) from **Question 4(a)**.
- Always include the correct unit of measurement for a numerical answer such as percentage for the accounting rate of return (ARR) or dollar for the net present value (NPV).
- Candidates should practise applying numerical and written theory concepts across a wide range of case study contexts. This can be best achieved using specimen papers, recent past papers and mark schemes.
- There is also a published list of agreed financial formulae to be used in the syllabus. Candidates should familiarise themselves with these as some, such as the $ARR = \frac{\text{average profit}}{\text{average investment}} \times 100$, are different to those typically used previously.

General comments

The best answers demonstrated excellent understanding of AS/A Level Business concepts and used data and information from the case study to support answers. In contrast, there were answers that reflected a more general approach, more inclined towards generic 'text book' knowledge and analysis. Higher level marks in this case study paper depend very much on the candidate's ability to focus their answers on the circumstances and decisions outlined in the case study. For example, in **Question 1**, there are many advantages of using flexible part-time employment contracts but 'the seasonal fluctuations in demand' for GBS products is most appropriate and can lead to effective contextual analysis.

Most candidates answered all questions and there was no evidence of time being a constraint on the development of answers. Candidates do need to demonstrate understanding of all concepts in the syllabus and some answers lacked depth of understanding which therefore limited the development of appropriate analysis. Further, a significant number of candidates did not attempt at least one of the numerical questions.

Candidates typically completed their responses within the confines of the structured exam booklets provided. This helped ensure that many good answers were focused on a limited number of key points. This often resulted in more effective analysis than those candidates who attempted to cover all possible arguments. However, most candidate answers did not develop sufficient contextual evaluation with evaluative comment often limited to a brief conclusion which addressed the question. As there are 12 marks for evaluation for **Question 3(c), Question 4(b)** and **Question 5** candidates should give more focus to making judgements within answers, developing balanced argument and providing a supported conclusion.

Comments on specific questions

Question 1

Analyse **two** advantages to GBS of using flexible part-time employment contracts.

Some responses started with a definition of flexible part-time employment contracts usually identifying that the contracted hours are less than full-time as a key feature.

The question required an understanding of how using flexible part-time contracts might be beneficial to GBS. Some responses focused on the benefit of flexible contracts to employees referring for example to providing a work-life balance. This was not rewarded as an advantage to GBS unless linked to a better work-life balance to motivation of employees resulting in higher productivity or better quality work.

Many responses recognised the use of flexible part-time contracts enables GBS to change the number of worker hours according to demand for building materials which is seasonal. This placed the answer in context and, in better answers led to the development of analysis linking lower unit costs and profitability. Good answers also considered how lower unit costs could help GBS be more price competitive against larger producers of building materials. Other answers needed to develop more detailed chains of argument to reach Level 2 for AO3. Ideally answers should develop analysis of a benefit that identifies connections between causes, impacts and/or consequences of two points.

This question requires analysis of **two** benefits and **not** evaluation. Some candidates devoted valuable exam time to commenting on the limitations of flexible contracts or analysing more than two benefits, which could not be rewarded.

Question 2

Analyse **two** disadvantages to GBS of its proposed communication process innovation.

There were some good answers which focused on possible problems with the proposed process innovation in context of the use of a smart phone app to be used by customers. The most common answers argued that developing an app might be expensive as specialist skills would be required. Others argued that IT systems could breakdown resulting in a loss of sales of building materials as customers might be unable to communicate their orders. This is a good example of a contextual point with limited analysis. Many candidates identified disadvantages but did not fully develop analysis. Ideally answers should develop analysis of a disadvantage that identifies connections between causes, impacts and/or consequences of two points.

As with **Question 1** a few candidates devoted time to providing counter points and evaluative comment. **Question 2** is an analysis question and no evaluation is required.

Question 3

(a) Refer to lines 24 – 25. Calculate the accounting rate of return (ARR) for the new grinding machine.

As there are eight marks for calculations on Paper 3 it is essential that candidates learn all relevant formulae and techniques and practise applying those techniques. There were many accurate answers to this question with clear method of calculating the accounting rate of return (ARR) demonstrated. Many responses gained a mark for knowledge of the ARR equation and/or calculation of average profit. However, many candidates did not use the equation stated in the syllabus with the most common error being to use the capital cost in the calculation rather than the average investment. Many candidates also focused on the discounted cash flows in trying to calculate the average profit. Candidates just needed to divide the total profit given in the text by five (years) to calculate average profit. As the residual value of the investment was \$0 then the average investment was given by $(110\,000 + 0)/2 = \$55\,000$

(b) Refer to Table 1.1. Calculate the net present value (NPV) of the new grinding machine.

Table 1.1 provided candidates with the discounted cashflows of the new grinding machine. To calculate the NPV, candidates should sum the discounted cashflows from the table and subtract the capital cost giving an answer of \$22 000. However, few candidates understood the required process. A small number did not attempt the questions. Many others showed a variety of complicated calculations which could not be rewarded..

(c) *Evaluate whether GBS should purchase the new grinding machine.*

Candidates demonstrated good knowledge of the possible advantages of investment such as increased productivity leading to greater production of gravel and sand and therefore lower unit costs and higher profitability. Linking these points was able to achieve Level 2 for AO3. This argument was often supported with reference to the calculations of NPV and ARR to provide further application and supported judgement. Many candidates provided a one-sided response, usually in favour of investment. Better answers provided balanced argument highlighting the disadvantages of purchasing the grinding machine including the capital cost. There were some excellent contextual comment by some candidates on whether GBS, as a partnership, would have the funds to finance the investment and also considering the opportunity cost such as the plan to improve communication processes.

There were some strong evaluative responses which provided balanced argument before making a judgement that developed relevant contextual points such as the expectation that the economy would continue to grow and therefore demand for building materials would also increase.

Question 4

(a) *Calculate the price elasticity of demand (PED) for GBS's gravel product when the price decreased from \$90 to \$81 per tonne.*

Most candidates gained marks for this question. The equation for PED was widely known although some answers incorrectly stated that $PED = \text{change in quantity demanded} / \text{change in price}$. Where the correct equation was used candidates were typically able to calculate the percentage change in quantity demanded. However, many answers overlooked that as the price had been decreased the change in price was negative 10 per cent, frequently offering the answer of 2.5 rather than -2.5. As method was shown these answers gained three marks.

(b) *Evaluate the impact of elasticity measures when GBS makes marketing decisions..*

Some candidates started their answers by noting that there were different measures of demand elasticity before usually defining price elasticity of demand and then the marketing mix. This provided a useful foundation from which to develop a focused answer linking an understanding of elasticity to decisions about pricing.

Many answers understood that as demand for the GBS gravel product was price elastic the reduction in price had led to a more than proportionate increase in demand and therefore an increase in revenue. Some candidates supported this by calculating the change in revenue. This analysis was then used to demonstrate how knowledge of PED supported decisions to change price. Weaker answers simply assumed that an increase in revenue would mean an increase in profits. Better answers recognised that costs had to be considered before knowing whether profit would increase. A few candidates also highlighted that GBS would need to know the PED of each different product to make decisions. Well balanced answers further recognised that other factors would influence decision making about the marketing mix such as the objectives of GBS. Many candidates also noted that the accuracy of the estimate of elasticity also depended on the reaction of competitors to any change in promotion or price.

Candidates should refer to their answer from **Question 4(a)** as this provides relevant context. If an error is made in the calculation, a candidate may still be rewarded with application and analysis if there is a correct interpretation of the relevance of the figure calculated.

The focus of this question is the skill of evaluation, which is assessed independently of other skills, except for Level 3 which requires context. Since half of the marks available in this question are for evaluation, it is reasonable for half of the response to be targeted towards this skill. Candidates often made no judgement about the impact of elasticity measure on marketing decisions.

Evaluation when present tended to be simplistic with most candidates only noting that a weakness of elasticity measures is how external changes can impact the accuracy of the measures.

Question 5

Evaluate the extent to which corporate social responsibility (CSR) should influence GBS's decision to expand into new land.

CSR is a concept that is well understood by most candidates. The majority of candidates used the case material to highlight the CSR issues involved in the decision such as the impact on local residents of pollution and noise. Analysis was developed by linking villager protests against GBS to its reputation and therefore potential loss of customer sales.

There is a tendency for candidates to argue that CSR should influence decisions and for only limited counter arguments to be presented. Balance is an important attribute of good answers and this was shown by candidates who argued that GBS would potentially face increased costs if CSR was taken into account. Reference was often made to case material such as renewable energy costs. However, argument was rarely developed. Some good answers did comment that there were positive CSR impacts from the expansion such as the creation of new jobs and that these should be balanced against the negative pollution impacts. Only a few answers really considered the importance of profit to a private sector business or whether building companies would take CSR into consideration when purchasing building materials.

BUSINESS

Paper 9609/32
Business Decision-Making

Key messages

- Read the questions and then the case study carefully more than once before starting to write answers.
- The allocation of marks on this paper is weighted towards evaluation and in the 12-mark questions there are only two marks for analysis.
- Making a brief plan for **Questions 3(c), 4(b) and 5** may facilitate more focused answers.
- It is often appropriate to make use of numerical data in answers and this provides a quick and effective means of developing context and as support for evaluative comment. For example, **Question 3(c)** can make use of the quarterly data to analyse how sales forecasting is useful. Evaluation in **Question 4(b)** can draw on the importance of the accounting rate of return calculated in **Question 4(a)** and compared with the criterion rate given in the case.
- Always include the correct unit of measurement for a numerical answer such as percentage or dollar.
- Structure answers in relation to the command word given in the question. Evaluate questions require chains of analysis and supported judgement whereas analyse questions only require chains of analysis.
- Candidates should be aware of the marks available for each question so that they spend the appropriate time on each question and devote sufficient time to the 12-mark questions which require more developed answers.
- Limit answers to **Questions 1** and **2** to analysis of two impacts.

General comments

Case material was effectively used and provided plenty of context to help answer questions. The best answers used information from the case study to identify the most relevant points to develop. For example, in **Question 1**, there are many advantages of using flexible employment contracts but the seasonal demand for labour in farming is most appropriate to SF and leads to effective contextual analysis.

Most candidates answered all questions and there was no evidence of time being a constraint on the development of answers. Candidates do need to demonstrate understanding of all concepts in the syllabus and some answers lacked depth of understanding which therefore limited the development of appropriate analysis.

Candidates typically completed their responses within the confines of the structured exam booklets provided. This helped ensure that many good answers were focused on a limited number of key points. This often resulted in more effective analysis than those candidates who attempted to cover all possible arguments. However, most candidate answers did not develop sufficient contextual evaluation with evaluative comment often limited to a brief conclusion which addressed the question. As there are 12 marks for evaluation for **Question 3(c)**, **Question 4(b)** and **Question 5** candidates should give more focus to making judgement within answers, developing balanced argument and providing a supported conclusion.

Comments on specific questions

Question 1

Analyse **two** advantages to SF of using flexible employment contracts.

Some candidates started their answer with a definition of flexible employment contracts. However, it was necessary to go beyond the statement in the case material which referred to temporary or zero-hour contracts. For example, some candidates defined zero-hour contracts as giving employees no guaranteed hours.

The question required an understanding of how using flexible contracts might be beneficial to SF. Some candidates focused on the benefit of flexible contracts to employees referring for example to providing a work-life balance. This was not rewarded as an advantage to SF unless the candidate then linked a better work-life balance to motivation of employees resulting in higher productivity or better quality work.

Many candidates recognised that the use of flexible contracts enabled SF to change the number of workers according to the season without the need for, and cost of, more recruitment. The best answers explicitly referred to seasonal demand for ice-cream or the harvesting of the soya and maize crops. These links placed answers firmly in context. However, answers often focused on the lack of training given to flexible contract employees as an advantage. Although this was in the case material it was not answering the question as it is the unskilled nature of the work which made limited training possible rather than the fact that employees had flexible contracts.

The focus of most analysis was the link between lower unit costs and profitability with better answers providing developed analysis of that link. Good answers also considered how lower unit costs could help SF be more price competitive against larger soya producers such as the business located in the trading bloc. Other answers needed to develop more detailed chains of argument to reach Level 2 for AO3. Ideally answers should develop analysis of an advantage that identifies connections between causes, impacts and/or consequences of two points.

This question requires analysis of **two** benefits and **not** evaluation. Some candidates devoted valuable exam time to commenting on the limitations of flexible contracts or analysing more than two benefits, which could not be rewarded.

Question 2

Analyse **two** problems SF may experience when implementing total quality management (TQM).

Most candidates provided a definition of total quality management to start their answer. A wide range of characteristics were rewardable such as TQM being a part of lean production or a form of quality assurance. Many answers recognised that TQM places workers at the heart of maintaining quality standards by making them responsible for quality and thus replacing the need for quality inspectors. However, there were many candidates who mistakenly referred to the need to hire more quality inspectors which did not show an understanding of TQM. The foundation for any answer is knowledge and if a candidate does not understand the core concept this will limit marks awarded.

Candidates who accurately defined TQM were typically able to identify disadvantages such as costs associated with training employees and possible opposition from employees to being given more responsibility. Context was best developed by highlighting that many employees were unskilled suggesting that more training would be required to implement TQM effectively. Other candidates argued that employees on temporary contracts at harvest time would be unlikely to identify with the quality objectives of SF.

To achieve full marks candidates must provide developed analysis of two advantages and for each advantage to be applied to the case context.

Question 3

(a) Refer to Table 1.1. Calculate for quarter 1, 2023, the seasonal variation.

Many candidates correctly calculated the seasonal variation as -7750 or -7.75 . A lot of answers reversed the formula and therefore gave an answer of 7750 which could not be rewarded.

(b) Refer to Table 1.1. Calculate for quarter 2, 2023, the centred quarterly moving average.

Most candidates did not know how to calculate the centred quarterly moving average. A significant proportion of candidates did not attempt the question. As there are eight marks for calculations on Paper 3 it is essential that candidates learn all relevant formulae and techniques and practise applying those techniques. Candidates who correctly calculated at least one of the required four period moving totals were awarded one mark. Very few candidates identified the relevant equation, and many answers showed no working at all and just gave an answer. Where an answer of 25 or 25 000 was given full marks were awarded.

(c) *Evaluate the usefulness to SF of sales forecasting.*

This question requires an understanding of sales forecasting and its usefulness to SF. Answers were often structured by first defining sales forecasting as being a prediction of future sales and then noting that forecasting is an important element of business planning for the future which can significantly impact business performance. Analysis often centred on linking forecasting to SF being able to plan for production, inventory management and workforce needs among other things. Therefore, forecasting helps satisfy demand and reduces costs leading to an improvement in profitability. A few answers highlighted the importance of seasonal variation which provided context and good answers made use of the moving average data from the case study. Context was also developed with reference to the role of forecasting should SF decide to enter international markets. Many candidates accessed evaluation marks by providing balancing argument commenting that the market was dynamic or noting that the use of moving averages depended on past trends being a stable indicator of future changes.

Candidates should note that the two analysis marks can be gained by any one developed chain of analysis about the usefulness of sales forecasting to SF. Many candidates attempted to give far more analysis than necessary, and it was common for analysis to make up more than half the response, despite being worth only one sixth of the total marks.

The focus of this question is the skill of evaluation, which is assessed independently of other skills, except for Level 3 which requires context. Since half of the marks available in this question are for evaluation, it is reasonable for half of the response to be targeted towards this skill. Candidates often made no judgement about the usefulness of sales forecasting. Evaluation when present tended to be simplistic with most candidates only noting that the usefulness of sales forecasting was directly linked to its likely accuracy.

Question 4

(a) *Refer to Table 1.2. Calculate the accounting rate of return (ARR) of automating production.*

There were many accurate answers to this question with clear method of calculating the accounting rate of return (ARR) demonstrated. The majority of candidates gained marks for knowledge of the ARR equation and/or calculation of the overall profit from the project. However, many candidates did not use the equation stated in the syllabus with the most common error being to use the capital cost in the calculation rather than the average investment. Some answers in attempting to calculate average profit subtracted the residual value from the capital cost rather than adding the residual value. However, where clear methodology was shown candidates were given marks as a result of the own figure rule.

(b) *Evaluate whether SF should invest in automating production.*

Many candidates started answers with a concise definition of automation such as the use of machinery to produce goods. There was good knowledge of the possible advantages of automating production such as increased productivity, better control of quality and lower unit costs. Often points were not made in context despite the case material providing a range of issues to provide context for answers. Better answers referred to the increasing sales of SF and high-capacity utilisation as factors to support automation. However, some answers simply repeated the points made in the text rather than using the information to develop an answer.

Analysis could be developed by linking automation to increased productivity and therefore potentially lower unit costs and higher profits. This could be supported by reference to the investment appraisal data which showed an ARR of 22.86 per cent. Good answers often used ARR as a significant issue in the decision noting that it was above the criterion rate set by SF.

Many candidates provided a one-sided response, usually in favour of automation. Better answers provided balanced argument highlighting the disadvantages of automation including the capital cost which was occasionally developed to consider the opportunity cost of investing in automation.

There were some very strong evaluative responses which provided balance before then reaching a conclusion that further developed relevant contextual points such as the possibility of further expansion of sales which could result from country B joining the trading bloc.

An alternative approach to answering this question was to contrast automation with outsourcing as a solution to the capacity utilisation problem. Many candidates showed a good understanding of outsourcing but only the best answers gave context by considering the issues faced by SF over quality. These candidates provided a balanced commentary on whether outsourcing would solve the problem or make it worse. This was then linked back to a decision over automation.

Question 5

Evaluate the impact on SF of country B becoming a member of the NFTA international trading agreement.

Candidates often understood that due to the trading bloc removing tariffs SF could benefit from being able to import at lower prices once country B joined the bloc. Most candidates put this in context by commenting that SF imports fertiliser from a member of the trading bloc. Analysis was developed by linking reduced costs to profitability. The same candidates also argued that SF could sell its products in other countries within the trading bloc without facing tariffs thus making it easier for SF to start exporting. The context of the other member countries having high income was also used by some to add weight to the argument that the trading bloc would be beneficial to SF.

Balance is an important attribute of the best answers and this was shown by candidates who argued that SF would face greater competition particularly as one of the largest producers of soya operated within the trading bloc. However, other candidates saw this as an opportunity for SF to purchase soya to make soya ice-cream more cheaply. This was a weak argument given that most of SF's revenue is from selling soya to manufacturers of soya-based products. Candidates should think carefully about the situation of the business in the case study before developing argument.

BUSINESS

<p>Paper 9609/33 Business Decision-Making</p>

Key messages

- The requirements, in terms of skills and levels has changed from the old syllabus, which ended in 2022. Candidates must be familiar with the method of assessment and the mark scheme grids for the 8 and 12 mark questions, in order to achieve the best possible marks.
- There is also a published list of financial formulae to be used in this syllabus, which everyone delivery or accessing this course should familiarise themselves with. Some, probably most importantly $ARR = \frac{\text{average profit}}{\text{average investment}} \times 100$, are different to those used previously.
- Candidates should practise applying numerate and written theory concepts across a wide range of case study contexts. This can be best achieved through the use of specimen papers, recent past papers and mark schemes. There are also many other helpful resources on the teacher support site.
- Candidates to spend the first 10 – 15 minutes of time allowed reading carefully the case study and then return to the relevant parts before answering each question. Line references given in the insert will help with this.
- Candidates should plan for approximately 1.5 minutes per mark for planning and writing answers, so a 12 mark answer should take around 18 minutes to plan and write.
- Candidates should read all of the questions in the paper carefully, before starting their answers, to try and avoid errors caused by misunderstandings.
- Answering questions in order is the best approach, as it allows an overview of the business to be developed. The booklet style paper makes it easy to return to an answer if candidates have more to add or have moved on due to time constraints.
- The use of financial analysis, such as ratios and other calculations, should always be supported by an explanation of what the results or changes **mean** for the business decision in question. An integrated approach, that relates financial calculation from different parts of the case, should also be used in the overview of the business financials. Candidates should consider to what extent the business is a success, using a range of financial and other criteria, such as business objectives.
- A good evaluative answer includes detailed application, as well as judgments throughout and a well-supported conclusion at the end. Candidates should read the wording carefully and return to the precise question before writing their final conclusion to ensure that this answers the exact question set and is in the context of the business and its circumstances.

General comments

This was a very accessible case study. It was clear that most candidates understood the differences between 'fast fashion' and 'bespoke clothing'. The concept of clothing being mass – produced in Asia and exported to developed countries was also well understood.

There was evidence that some centres had studied the assessment model, especially the mark scheme, in order to prepare candidates effectively. As a result they knew what to expect in terms of skills and how to structure responses in the 8 and 12 mark questions. In particular the need for two developed points in 8 mark questions and clear 'in context' evaluation in 12 mark questions.

The best answers demonstrated excellent understanding of AS/A Level Business concepts and used data from the case study to support answers. In contrast, there were answers that reflected a more generic approach, more inclined towards 'text book' knowledge and analysis. Higher level marks in this case study paper depend very much on the candidate's ability to focus their answers on the circumstances and decisions outlined in the case study.

It is also important for candidates to read the questions carefully. Good analytical and evaluative answers make links between different parts of the case study as well as taking an overview of the business's current

position, objectives and future direction. When a comparison and choice is required, such as whether to invest in the new factory, candidates should do more than just quoting directly from the case study text. To gain credit, there must be an attempt to analyse the advantages and disadvantages of choices, firmly in the specific company context. Candidates should also be encouraged to consider and evaluate short and long term impacts,

To improve candidates' performance in the important skills of application, analysis and evaluation, they should be supported to work through specimen and recent past paper 3 questions and assessing answers using published mark schemes. Candidates who are familiar with the structure of the mark scheme, for instance in knowing that there are no evaluation marks in **Questions 1 and 2**, will not waste time writing a conclusion in the examination. The importance of recognising the 'command' words and answering the exact question asked should be understood, as fine focus uses time effectively and is key to good results in the Business Decision-making paper.

Comments on specific questions

SCC

Section A

Question 1

Analyse two impacts on SCC of the changing external influences in country Z (8)

Many candidates showed a good understanding of external influences. Also, in the context of SCC, that external influences in their main export countries will impact the clothing company. The requirement here was for two well developed points and the best candidates started by giving a clear definition of external influences and then split their answer clearly into two sections, one for each point. Application marks were generally gained by linking external influences such as rising inflation, rising unemployment and currency depreciation with consumers demand for the different types of clothing from SCC and sometimes productions costs. Analysis points were then built, such as impacts on SCC of increasing unemployment leading to increased ease of recruiting workers but lower demand due to less disposable incomes. The possible impacts on SCC of increasing consumers awareness of unethical business practices in some clothing companies was often mentioned. Developed analysis was typically achieved by a chain of reasoning, such as less disposable incomes leading to the need to decrease prices, resulting in lower profit margins.

Question 2

Analyse two benefits to SCC of developing new clothing products made from recycled materials. (8)

Many responses demonstrated a good understanding of product development and how this 'environmental' trend could fit in with SCC's business model. The requirement here was for two well developed points and the best candidates gave a clear definition of new product development and then split their answer into two sections, one for each point. Application marks were generally gained by linking the proposed product development with enquiries SCC have received from customers and as new USP for the company. Better responses also suggested that environmentally aware consumers may be willing to pay higher prices, thus offsetting the 50 per cent higher material costs. Analysis points were then built, such as the advantages of moving the brand away for heavy reliance on fast fashion as against the higher costs and need for more skilled employees. Developed analysis was typically achieved by a chain of reasoning, such as recycled fabrics giving SCC a new USP, attracting environmentally aware consumers who may not be as price sensitive as those for fast fashion. This may lead to higher prices paid and higher profit margins.

Question 3

(a) Refer to Table 1.1. Calculate the payback period for SCC's new factory. (1)

Most candidates correctly calculated this to be 3 years and 2 months.

(b) Refer to Table 1.1. Calculate the accounting rate of return (ARR) for SCC's new factory. (3)

Many candidates correctly calculated this at 30 per cent, using the published formula:

$$\text{ARR} = \text{average profit/average investment} \times 100$$

However, some candidates used the 'old' formula, (answer 15 per cent) so scored 2 marks or made one error, such as forgetting to deduct the amount of the investment/divide by the number of years. 1 mark could be gained by correctly stating the new formula.

(c) Evaluate whether LT should invest in the new factory. (12)

The case study included a large amount of quantitative and qualitative data for candidates to work with, in terms of reasons for and against the new investment.

Many candidates referred to their answers to **part (a)** in positive terms, citing the payback ahead of the estimated life and encouraging ARR. Qualitative reasons for included the opportunity to increase capacity for fast fashion and bespoke items, as well as linking with the development of clothing made from recycled materials. This could then lead to more recognition of the brand image, new USP and possibly higher profits in the future.

Conversely, many candidates recognised that the success of the new factory will rely heavily on increasing demand for bespoke items as well as the ability of SCC to enter the market for clothing made from recycled materials. The investment was seen as quite high risk, given that it will be financed by a bank loan. Analysis points developed this in terms of whether there may be a risk of high gearing and difficulties in recruiting skilled employees, all potentially adding to costs leading to worse financial performance, especially if revenues do not increase.

Good, in context, evaluation balanced both sides and added comments about the possible unreliability of the forecasted figures and the vulnerability of the clothing export business to external factors, such as global recessions and pandemics. Many candidates also thought this change to SCC's established marketing mix may prove to be very challenging in the short term, although rewarding in the long term.

Question 4

(a) Refer to Table 1.2. Calculate the price elasticity of demand (PED) for bespoke clothing. (4)

Many candidates carried out this calculation correctly, (–0.5) including the negative sign needed for the final mark. Others also gained 1 or 2 marks for a partial calculation, typically per cent changes correctly calculated, or a correct formula.

(b) Evaluate the usefulness of PED and income elasticity of demand (YED) to SCC's sales forecasting for mass-produced clothing. (12)

Candidates who correctly calculated the PED for bespoke clothing in 4(a) were able to make the comparison between inelastic demand (PED – 0.5) for these compared to elastic demand for mass-produced 'fast fashion' items. Some also calculated the YED for 'fast fashion' to be elastic as well as an 'inferior' good, whose demand increases as incomes in the export market countries decrease. However, elasticity is a challenging concept and there was confusion in terms of misunderstanding the negative signs for both PED and YED where some responses made generalised statements suggesting that PED for both types of clothing was elastic as demand falls when price rises. A few candidates also supported their answers with revenue calculations which led easily to analytical points. Developed analysis, in many cases, suggested that in the case of 'fast fashion' SCC would need to keep in mind that customers are very price sensitive, due to increasing competition and that SCC would need to decrease prices in order to increase revenue. Better responses also recognised the falling incomes in export countries as an opportunity for SCC to grow sales of 'fast fashion'. Conversely, most responses suggested and analysed reasons why PED calculations may not be so useful, due to fast changing trends and other external factors.

Good, in context, evaluation balanced both sides and added comments about the possible unreliability of the elasticity figures and the importance of other factors for this clothing business, such as movements in currency exchange rates and competitors' actions. Candidates often suggested that other data may be useful, such as industry trends, but also qualitative data from up-to-date market research.

Question 5

Evaluate the impact of SCC's HRM decisions on the future success of this business. (12)

Most responses showed a good understanding of HRM and the role of this department's decisions in the operation of a clothing business, including the different aspects of 'hard' and 'soft' HRM approaches suggested in the case. Many answers also recognised that SCC employs both skilled and unskilled workers and that different HRM approaches may be needed. Candidates also recognised the 'soft HRM' aspects, such as training and refreshments as against 'hard HRM' aspects such as production targets, as well as the uncomfortable working conditions. Developed analysis linked HRM decisions, through motivation effects, into possible impacts on the future success of SCC. Better responses observed that, on balance, the HRM approaches taken by SCC were likely to lead to high levels of employee motivation, especially if training and promotion opportunities are considered. Conversely the hard work in hot temperatures may be demotivating, but this will likely be the same for all similar manufacturing companies. This should lead to high productivity, low labour turnover and high revenues and profits, indicating business success.

Good, in context, evaluation balanced both sides and reached an overall conclusion as to the impact of SCC's HRM decisions on future success, with better responses also questioning how success may be judged in this context. Some responses reflected that whilst treatment and conditions for employees were important, this is a manufacturing company and much of the work is undertaken by relatively unskilled employees, who may be easy to replace in country Z, which seems to be a developing country. Also success in terms of growth and profit may not be directly linked to employee performance in terms of making the clothes, but more importantly, dependent on competing for brand awareness and market share. A few candidates also commented on SCC's possible objectives and Sunil's attitude to risk-taking. Clearly, success in the long term would be dependent on risk-taking and investment in the short-term, such as developing new clothing made from recycled materials and the new factory.

BUSINESS

<p>Paper 9609/41 Business Strategy</p>
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Key messages

- Candidates are reminded to take time to read each question carefully.
- It is important to show detailed knowledge of what the question is asking. For example, defining HR strategy and different types such as soft HRM and hard HRM for 3 marks.
- No other assessment marks can be given if there are no AO1 – knowledge and understanding marks
- No application is rewarded if it is not linked to an assessment objective such as knowledge to ensure context. Do not just repeat the case study.
- When there are numbers/data/statistics in the case study, candidates are advised to use them to show context rather than the use of language such as high or low.
- It is advisable to focus answers on a small number of aspects – two or three is typically sufficient. This allows time to develop better chains of reasoned analysis. Higher-level analysis requires a chain of reasoning and a balanced argument that is also developed.
- Application is an important part of this paper as it allows for the 2 marks of application objectives **and** higher marks of analysis (7 and 8) as well as higher marks of evaluation (6 and 7) when used in context of these answers.
- Evaluation requires candidates to specifically answer the question. In some cases, like **Question 2** this is clear because the question asks for advice on approaches. However, where the command word is ‘evaluate’ candidates sometimes fail to offer a clear judgement. In **Question 1** the most obvious judgement was for a candidate to indicate clearly whether business performance was successful/good or not.
- **Question 1** saw a few candidates struggle with how to answer it and repeated the case study. This question was quite an open question in which candidates could have chosen any element of the case study as an indicator of business performance.
- **Question 2** was generally completed well as candidates found the discussion of different HR strategies accessible.
- Candidates are advised to structure their answers, two or three distinct points clearly analysed in context is sufficient.
- Candidates are also advised to read the question carefully to identify what needs to be discussed and to inform the evaluative judgment that needs to be answered in the end. To allow for full marks on evaluation marks candidates are also advised to discuss two separate evaluative judgments or to have a ‘depends upon’ approach after their judgment has been discussed.
- Evaluation judgments and comments need to be in context to receive Level 3 evaluation marks.

General comments

Many candidates demonstrated an understanding of a wide range of business concepts. Stronger candidates made effective use of the case study and developed extended chains of reasoning that showed cause and effect in context of the case study. The best answers demonstrated an evaluative approach in each paragraph and included well-focused judgement in the final paragraph that was in context. Better answers had two distinct evaluative points. One was a judgement, and the other was an evaluative comment such as ‘depends upon’. These were well explained in context.

Candidates who organised their answers with set paragraphs for each strategy or approach, analysing each with a chain of events along with a detailed counterargument and a final paragraph or two answering the question specifically in detail and in context accessed the higher-level marking points. Only two issues/strategies/approaches were needed if discussed in proper detail and context.

The time allocated for this paper proved to be reasonable and enough for candidates to achieve high marks. Most candidates were able to complete both questions in the allocated time. Lower-end results proved to show a misunderstanding of what the question was asking or a lack of knowledge of business performance indicators and HR strategy.

Comments on specific questions

Question 1

Knowledge marks for this question were quite open to any element candidates chose to discuss to show business performance. These included the organisational structure, centralised, decentralised approaches, any financial data provided, labour productivity and more.

To receive the full knowledge marks (3 marks) candidates were required to define the concepts they were discussing specific to business performance. In this case they had a wide range of concepts to choose from. Two distinct concepts well defined in detail is sufficient. Detail means a clear definition and another point to show understanding. An example would be defining centralisation and showing understanding of other types such as decentralised structure. Copying the case study does not show knowledge and was not rewarded.

Another example of strong knowledge answer is the definition of business performance ‘a measure of how well the business is doing. It can be measured by business objectives. Business objectives are aims of the business influenced by stakeholders.’

Candidates who did not show any knowledge of business performance or any elements of it did not achieve AO1 knowledge assessment objectives and therefore were not able to achieve any other marks. Knowledge is key for the assessment objectives; analysis, application, and evaluation to be awarded.

Generally, candidates went straight into analysing where the business did well and where it did not which meant they did not receive the full knowledge marks as the definition was implied and not fully defined.

Analysis marks were awarded where a chain of events of the effect of a business performance indicator was discussed. The case provided generous points and ideas for candidates to choose from, especially with the financial data. However, candidates also chose to discuss performance based on other indicators too such as the financial crisis or the change to capital intensive production and how that would have affected the business performance. Stronger answers provided two links of analysis with a counter chain of analysis.

Level one analysis was achieved if the candidate showed one link or consequence to the information discussed. For example, capital intensive production reduces per unit costs. If this link was continued further to form a chain this would award the candidate a Level 2 analysis i.e. capital-intensive production reduces per unit costs and increases profits. If a candidate discussed three different performance indicators and had a chain of analysis as illustrated above, three Level 2 analysis points were awarded therefore the candidate received the highest points under Level 2 AO3 analysis, which is 6 marks.

In order for candidates to receive the full 8 marks of analysis, they must achieve two Level 3 analysis points. It is worth noting that candidates must be able to reach a Level 2 analysis before Level 3 analysis. Once candidates show a chain of analysis and continue by providing a balanced argument/a counterpoint to the issue discussed with another chain of analysis, then a Level 3 would be granted. A 2-sided answer is required to receive Level 3 analysis.

It is important to note that it is not enough for a candidate to just mention a counterargument to the point made. At this stage, candidates are required to show a discussed chain of the argument provided.

An example to the point illustrated above is ‘capital-intensive production reduces per unit costs and increases profits.’ A Level 2 analysis has been achieved. Candidates can continue to provide a counter argument. For example, ‘however, capital-intensive production increases cost as machines are expensive reducing profit in the short-term’. This counterargument has a chain therefore a Level 3 analysis is awarded. Note: *this had to be done twice in the answer to receive the full 8 marks of analysis.*

Most candidates that showed counter arguments were evident later in their answer which also meant that they could be inconsistent on whether they had achieved enough to gain the full 8 marks. Stronger answers organised points and counterargument together.

Many candidates overwhelmed their answers with many points from the case study to analyse, which meant they prioritised quantity over quality when writing. Therefore more repetition of the case study and a lack of focus were seen when achieving specific assessment objectives.

In terms of the final assessment objective, evaluation, some candidates did not answer the question. Candidates did not provide a judgement on whether the business did well or not.

A Level 1 evaluation meant candidates made a judgement i.e., answered the question, '...was the business performance successful or not', with a simple reasoning. A Level 2 evaluation required further explanation supporting the candidates' judgement. If this explanation was written in context, then Level 3 evaluation would be awarded.

Many strong responses missed marks specifically here as evaluation was not written in context, or the answer did not develop with another evaluative judgement or 'depends upon' in context. Therefore, there were many strong scripts which received 6 out of 7 evaluation marks as they were only awarded one Level 3 evaluation.

An example of an evaluative comment is, 'It will depend upon whether the dividend yield can be sustained. They may be prevented from paying the same amount of dividends if they have low liquidity. Since they have low operating margin 8 per cent and 6 per cent and a low acid test ratio this indicates that they have low liquidity.' This is a Level 3 evaluation.

This question had lower evaluation marks generally because some candidates provided a vague judgement on performance such as 'the business performance was decent over the years' and did not provide further explanation.

Time to complete this examination did not seem to be an issue for candidates. This assertion can be made as fully written answers for both questions were seen in the majority of candidate responses. Written answers to **Question 1** were generally shorter than **Question 2** responses which meant some candidates spent longer and found HR strategy easier to discuss.

There were only a few candidates that received zero marks for this question. This showed that this question was accessible to many candidates.

Question 2

It can be concluded that candidates enjoyed answering this question more than **Question 1** because it was a more focused answer on HR strategy, so they had specific guidance. This meant that candidates also were awarded more knowledge points than **Question 1**. The most common definition was 'HR strategy' Stronger knowledge marks further discussed types of HR strategies such as the definition of Hard HRM and Soft HRM.

Generally, candidates displayed a very good grasp of HR strategies and demonstrated their application within the context of LC's business operations. They appropriately identified and outlined various elements of LC's HR strategy, such as Hard HRM and soft HRM approaches, motivation and flexible worker contracts.

The answers to this question generally were more organised and focused. There were more knowledge marks received here than **Question 1** because candidates defined what they meant by Hard HRM for example. It was generally easier for candidates to show knowledge and understanding.

Candidates could receive higher marks on this question by just discussing Hard and Soft HRM for example. They could discuss other HR strategies including motivation, contracts and management by objectives (MBO).

Candidates found it easier to achieve Level 2 analysis or in other words a chain of analysis on this question. Just like in **Question 1** candidates must identify a chain of events as well as a counterargument to be awarded a Level 3 analysis. Candidates cannot achieve Level 3 analysis without a chain of consequences or a Level 2 analysis. It is also important to note that the counterargument must also show a chain of events. An example of this would be, 'Soft HRM can be used to apply annualised contracts which will give employees set hours and earn overtime. This will increase motivation and increase productivity. This will increase the capacity utilisation to 100 per cent and spread the cost. However, annual contracts can increase costs and so they will not be able to pay high dividends and decrease the 5 per cent yield'.

The above answer not only had Level 3 analysis; it also was awarded an application mark by linking the case study to the answer. If this example was repeated with another approach such as hard HRM, then the candidate would receive another Level 3 analysis bringing it to full marks for analysis and full marks on application.

There were more candidates with good marks on evaluation on this question. This was due to the focus of the question on a specific concept and the use of 'advise' in the question. Candidates were more likely to provide an opinion on what they thought the best HR strategy would be.

If analysed well only two HR strategies would suffice to receive the higher-level marks. Ideally, candidates who chose one HR strategy for evaluation and explained why it would be best suited for the business (Level 1 evaluation). Then presented a further discussion of its impact on the business and the reason to it was chosen over others would warrant at least a Level 2 evaluation. If this was written in context of LC, then it would receive a Level 3 evaluation. This would grant the candidate 6 marks. If the candidate continued with another explanation for their judgement or an evaluative comment such as factors that may affect their choice of this HR strategy for example 'it depends on' with explanation and context, then the candidate would receive full evaluation marks.

There were more Level 3 analysis and evaluation marks awarded in this question.

The responses were generally 'good answers that could have been better'. This was frequently because candidates did not do a few key things that would have made them receive full marks. Candidates who did well but did not receive the full marks usually missed out on one more Level 3 analysis and one more Level 3 evaluation. In other words, missed a counterargument that was discussed or missed context when writing the evaluation.

Overall, candidates had easier access to **Question 2** than **Question 1** specifically in knowledge and evaluation objectives. This showed candidates needed better focus and structure on writing answers. Furthermore, candidates needed to consistently ensure that when analysing they were achieving counter arguments to their points. When evaluating candidates needed to answer the question first, and then ensure they explained their point while supporting their answer by referring to the case study.

BUSINESS

<p>Paper 9609/42 Business Strategy</p>
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Key messages

This examination focused on business strategy and yet relatively few candidates seem to understand much about business strategy. A strategy is not about each individual element. It is about the effects of the combination of elements. For example, if asked to evaluate a car, we could simply analyse the wheels, the engine and the other individual elements of the car. We might even reach a judgement that the wheels are good but the engine is bad. However, unless we look at the machine as a whole, we cannot answer the question and evaluate the car as a whole. It is the same with business strategy. For example, in **Question 1**, candidates were not asked to analyse and evaluate the use of lean production (a question that could appear on any of the other three examinations for this qualification), but instead the operations strategy, of which lean production is just one element. Therefore, the answer demands analysis of the strategy as a whole; pulling all the elements or strands together to reach a judgement about the whole strategy, not just parts of it.

Both of these questions require each of the assessment objectives (AOs) to be demonstrated.

- Candidates must show specific knowledge (AO1) of the terms and concepts referred to in the question. For example, in **Question 1**, the knowledge must be taken from operations strategy. Any knowledge from **sections 4** and **9** of the syllabus could be used and developed. The simplest way to demonstrate this knowledge is to use a definition, but this is not required. Knowledge can also be developed by using the relevant theories and concepts within the answer, showing how elements of the operations strategy link together (for example knowledge of lean product linked to knowledge of methods of lean production, such as Kaizen).
- Application (AO2) is about using the data from the timeline and appendices in an appropriate way. It is not about repeating the data. For example, in **Question 2**, the context of the city Z branch is essential to be able to advise Nala on the most important elements to be included in her business plan. Candidates should attempt to put themselves in the position of a business consultant and answer the questions from this perspective.
- Too often, candidates attempted to analyse every piece of data, especially each entry in the timeline. Depending on the route taken to answer the question by the candidate, some of the data can be ignored or becomes irrelevant. The best responses were not the ones that comprehensively covered every decision made in the data, but the ones that choose the most important aspects and focused on these.
- Timing was an issue and some candidates spent too long on **Question 1**, leaving only enough time for a brief outline answer to **Question 2**. A good answer can pull elements or strands together so these can be strategically analysed and evaluated. Candidates who focused in this way were far more likely to produce a good answer to both questions.
- Candidates should not be afraid of coming to a judgement. In the world of business, decisions need to be made, and the best responses give clear judgements that follow on from the arguments used. Good evaluation should also include different perspectives on that judgement, or things that might need to be known before a better judgement can be made. It is far better to come to a judgement, but state that it may change if other data becomes available, than to remain neutral and not answer the question set.

General comments

The aim of this examination is to put candidates in a business scenario and ask them to select the most appropriate knowledge and context to answer the two strategic questions. This enables candidates to have the freedom to choose which aspects they think best answer the questions.

The focus of this examination is to assess the skills of knowledge (AO1), application (AO2), analysis (AO3) and evaluation (AO4) within each question. Candidates make their own choice as to which evidence they provide as their answer. Responses could be vastly different and yet still be awarded full marks. For

example, a well-argued response to **Question 1** that judges that the failure of the city Z branch is entirely due to the operations strategy can be correct as a well-argued response that judges that it was nothing to do with the operations strategy. As long as both responses use knowledge, application, analysis and evaluation of CA's operations strategy, they can both attain full marks.

Comments on specific questions

Question 1

This question focused on CA between the years 2019 and 2024, and specifically the operations strategy used between those dates. Candidates were given a great deal of data about this time-period in the timeline and the appendices. A range of data is provided and one of the first tasks for good candidates is to decide carefully which data is most applicable and which can be ignored.

Some candidates adopted the approach of analysing everything that happened during this time-period, often repeating much of the data from the timeline and appendices. By not being selective, this almost always led to superficial analysis with the majority of this type of answer being purely descriptive.

A better approach was to find the data which clearly linked to the operations strategy and then to focus the answer on this. The very best responses did not attempt to analyse individual pieces of evidence, but merge these into strategic strands, which could be analysed as a whole. For example, in the data, Nala used a network diagram and critical path analysis. This can be part of operations strategy, and many candidates chose to analyse Nala's use of this technique. However, networks and critical path analysis is all part of operations planning and there are other aspects of planning that are used in the data, such as planning to introduce lean production and planning to introduce artificial intelligence. The best responses combined all the evidence in the case about operations planning and analysed what aspects were positive and negative and the extent to which planning (not just network analysis) led to the failure of the city Z branch.

Strategies by their nature include more than one element. So strategic analysis required analysis of more than one element. The most convincing strategic analysis combined two or pieces of data and analysed the impact of the entire strategy, not just the element.

Strategic analysis can also come from looking at evidence from both sides. For example, the use of lean production had faults that may have led to the failure of the city Z branch. However, Nala must have hoped for a more positive outcome from the use of lean production. Strategic analysis can be used to analyse not just the negative impacts, but also the potential positive aspects to give better depth to the analysis.

Candidates have started to use more strategic analysis and centres should support this development by focusing on this top level of analytical skill.

In many responses evaluation was offered at the end of an answer. However, most candidates did not give enough time and effort to evaluating their answer. Evaluation (AO4) marks make up 40 per cent of the total marks for this question and therefore, 40 per cent of a candidate's response should be evaluative. The most successful route into evaluation was to use mid-answer evaluation of each point being made. For example, the majority of candidates argued that the introduction of lean production was poorly managed by Nala. There was often good analysis of the problems of lean production (evidenced by the data) and occasionally analysis of the potential benefits of lean production as well. However it was relatively rare for a candidate to make a judgement about the extent to which lean production led to the failure of the city Z branch. Such a judgement, done well, would gain valuable AO4 marks and if every point was dealt with in this way, the final conclusion had more of a foundation upon which to base the final judgement.

Inevitably, some candidates did not focus on just the operations aspects of the data. It was not uncommon to read how making employees redundant may have been the cause of the city Z branch failure. Whilst this may be true, candidates often did not relate their analysis and evaluation of this issue back to answering the question. Candidates often became lost in their answer and ended up making a judgement that did not answer the question. For example, a candidate who reached the judgement that it was the HRM strategy that led to the failure of the city Z branch was not answering the question. However, if the candidate had stated that it was not the operations strategy that led to the failure of the city Z branch, it was the failure of the HRM strategy, then this did answer the question and could be rewarded.

Question 2

The command word 'advise' aims to put the candidate in the position of a business leader – in this case to advise Nala on the most important elements to be included in a corporate plan.

The expectation was that candidates would choose a few (two or three) of what they believed were the most important elements that the context suggested Nala would need in her corporate plan. There was no expectation that candidates would attempt to explain, analyse and evaluate every possible element of a corporate plan.

As long as a candidate chose appropriate and valid elements to be included in a corporate plan, then two or three points was enough to gain all of the marks.

Sadly, many candidates had been prepared to answer a question about strategic approaches and, despite the question not asking for these, they still wrote about what approaches Nala could use. The majority of these responses did not achieve many marks and centres must encourage candidates to fully read and understand the question before attempting a response.

This question looked to the future of the city Z branch and, since the data only referred to the past, candidates were looking to use specific pieces of the data. Instead they should have used the data as the context to show where the business was now and how this might have affected their choice of elements to be included in the corporate plan. For example, the context showed that the city Z branch moved from a small profit in 2021 (\$0.05 m compared to city A's profit of \$0.2 m) to a loss in 2023 (\$0.1 m). This might suggest that Nala lacked the ability to effectively manage the finances of the city Z branch. Combine this with the fact that she had little management experience before becoming Operations manager in 2019 and this might suggest that Nala should hire an accountant and produce a forecast of the financial statement and cashflow so that the bank would be more likely to support this venture. Those candidates who used the context in this way, to spot the most important aspects (in their opinion) to be included in the corporate plan, usually produced excellent answers.

However, there was no bias shown in terms of what were the most important elements to be included. Despite the context hinting at what were likely to be the most straightforward elements to include, any element that might belong in a corporate plan could achieve marks if it was applied, analysed and evaluated.

As with **Question 1**, the best evaluation happened throughout an answer. Each element to be included should be evaluated and then the final conclusion could be used to rank the elements in terms of their level of importance. Relatively few candidates chose this route, but when they did it almost always resulted in high marks.

Understanding the purpose of the corporate plan was an important aspect to being able to produce good analysis and evaluation for this question. The text stated that the plan was to 'gain finance from a bank' and candidates who focused on this for their analysis (how it might and might not have helped to convince the bank) and their evaluation (what was most likely to be important for the bank to know before they provided finance) usually produced valid answers.

BUSINESS

Paper 9609/43
Business Strategy

Key messages

For the A level Business qualification candidates are assessed across four assessment objectives.

- **AO1 Knowledge and understanding:** For this objective a candidate needs to demonstrate knowledge and understanding of business concepts, terms and theories. One of the best ways to do this is to show knowledge from the specification area that is being examined, for example in human resources showing knowledge of recruitment, training, management etc., as well as knowledge of strategy and how it works for Paper 4.
- **AO2 Application:** For this objective candidates are expected to apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts. It is important to use the information in the case study as a guide and to quote from the case study where necessary. This is especially important in **Question 1** where candidates should reflect on what has happened and refer to the case study material and appendices that are rich in content.
- **AO3 Analysis:** For this objective candidates are expected to then analyse business problems, issues and situations by:
 - using appropriate methods and techniques to make sense of qualitative and quantitative business information
 - searching for causes, impact and consequences
 - distinguishing between factual evidence and opinion or value judgement
 - drawing valid inferences and making valid generalisations.

This is an opportunity to identify an issue, consider its impact on the business, both positive and negative, and potentially offer an alternative route of action. This is especially important in **Question 2** where candidates are expected to offer ideas on approaches to business strategy.

- **AO4 Evaluation:** For the final objective candidates need to evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation. This is an important, but usually the hardest, skill for candidates to develop. Good candidates will evaluate at least two different approaches to the strategy presented to gain level three marks.

General comments

In this paper the strategy questions, two worth 20 marks each, have been given their own case study. As such the primary focus when preparing for this paper should be the strategy sections of the functional areas of the A level content in the specification alongside the strategy section and its different approaches to developing business strategy, a key element of answering **Question 2**.

This session the case study focused on Kitchen Favourites (KF). This was a cloud kitchen business set up by Liam and Samir to provide catering spaces to rent out to restaurants so they could fulfil their online delivery orders. The focus of the case study was on how they managed the human resource elements of their business. Information was provided about the contracts used, the way staff were treated by using a tracking application and decisions that were made in light of government legislation about zero-hour contracts. This also took place during the pandemic years, offering a business that actually boomed rather

than struggled, but then faced a downturn once customers were no longer in lockdown. That then became the focus on the future, how do they survive as the market changes.

It is important to remember in this paper that there are two different approaches required for the two questions. In this paper, **Question 1** required reflection; looking back at the human resource strategy that had already happened and trying to work out if it had been successful or not. Some human resource elements may have worked better than others and this needed to be discussed.

For **Question 2** in this paper candidates were asked to advise on a future strategy that is yet to have happened. In the first instance Liam's idea of using Ansoff's matrix, but then also contrasting this with other possible approaches, of which there are eight more in the syllabus – although focusing on maybe two alternatives is more than enough. Candidates should then make a recommendation as to whether the Ansoff's matrix was suitable enough to help KF survive in the future.

Comments on specific questions

Question 1

For this question candidates were expected to write about the human resource strategy used between 2018–2023. There were a number of human resource elements which could have been discussed:

- the use of full time and flexitime contracts for the initial staff
- the flat organisation it has and communication within it
- recruitment of delivery riders and the use of zero-hour contracts to do this
- hard HRM approach of using the delivery app to monitor progress
- the switching of riders to become self-employed instead of employees of KF.

Within these, areas such as motivation, communication, job security and management approaches could have been discussed.

There was no expectation for candidates to fully analyse all these elements. Candidates should choose two or three human resource elements and look at why that may have been chosen and then point out the successful and less successful elements to create a balanced argument. Part of this could include the wider impact on the business but should not be the primary focus as the question asked candidates to look at the success of the human resource activity. Candidates also had to be careful not to discuss in too much detail the impact on the employee, unless this linked to how this would affect the success of Kitchen Favourites as the question was about the business not its employees.

Good responses took two of those elements, defined what those concepts were and then pulled evidence from the case study to support the answer. This would achieve AO1 and AO2 marks. Then responses needed to explain the advantages and disadvantages of the concept chosen. It was important for candidates to consider the impact on the business as part of this analysis. For example, the zero-hour contracts would help keep staff costs down as people would not be used if they were not needed. This would help KF achieve the objective of profit maximisation. This sort of chain needed to be developed for the negative side of zero-hour contracts too if candidates were to achieve full AO3 Level 3 marks.

Some responses provided superficial analysis of all the elements mentioned above and would have achieved Level 1 for this as it is the detailed, balanced analysis of one point which matters.

Once the analysis was complete candidates needed to then provide a judgement on the success of the human resource strategy between 2018–2023, to effectively answer this question. Good responses were based on the prior analysis without repetition, offering more insight to the success by comparing with theory. This needed to be in context to achieve the Level 3 AO4 marks.

This approach should be encouraged moving forward if candidates want to have enough time to tackle both questions.

Weaker responses simply restated the case study. This was not application when not being used to support any analysis. Others offered advice on how to do things differently, which did not answer the question. Reflection was required to answer this question -looking back on past decisions – these decisions cannot be changed. Some responses discussed other functional areas, operations and finance being the most

frequent. These would to a degree affect what could be possible within human resources but did not answer the question if the focus was solely on whether there was finance for the new application.

Some responses did not offer any evaluation, losing available marks. It was imperative that a judgment be made on the success of the HR strategy and whether it had worked to access AO4 marks.

Some candidates saw this as the strategy question and started to analyse this through the SWOT/Ansoff/PESTLE approach which did not lend itself to the question asked. Others suggested strategies KF could use to help with human resource decisions – Blue Ocean/Decision trees/force field analysis – again this did not answer the question and these strategies need to be discussed in **Question 2** as a way of proceeding into the future of KF.

Question 2

For this question candidates were expected to advise KF on whether Ansoff's matrix was sufficient to develop a suitable growth strategy for the future of KF.

The key word here was sufficient. This implied that KF wanted to only use this strategic method, therefore an analysis of this strategy method would have ideally been given. Once this had been discussed then a contrast to two other possible approaches would have then been appropriate. Other than Ansoff's matrix the syllabus highlights the following alternative approaches:

- blue ocean strategy
- scenario planning
- SWOT analysis
- PEST analysis
- Porter's five forces
- Core competencies framework
- force field analysis
- decision trees

A similar approach to structure was needed in **Question 2** as for **Question 1**.

As with **Question 1** there was no expectation for candidates to discuss all of these strategies. A discussion on Ansoff's matrix as a strategic tool that was then compared to one or two other approaches from the list above would have been sufficient to reach Level 3 in AO3 and 4. Each method discussed needed a balanced argument with a chain of analysis both on the positive and the negative of each approach chosen. As previously mentioned, the evaluation is a difficult skill and candidates needed to evaluate the strategies discussed as well as offer an answer to the question – whether Ansoff's matrix is sufficient to develop a growth strategy.

Good responses explored Ansoff's uses by KF, picking up AO2 marks for recognising the fall out from the change in zero-hour contract legislation and the fact that the demand for deliveries of fast food had fallen. By pointing out how Ansoff could be used to develop a growth strategy and then discussing the drawbacks of the approach – with many focused on the lack of quantifiable data or external data – candidates would have a balanced argument reaching level 3 of AO3. If answers then offered the same type of analysis on one or two other approaches full marks for AO3 would have been achieved.

The most popular alternatives were SWOT and PEST analysis with Porter and Blue Ocean Strategy also being explored.

It should be noted that candidates are not required to carry out a SWOT/PEST/Five force analysis or develop a growth strategy for each quadrant of Ansoff's matrix in their answer – this does not answer the question. The aim of this question is to discuss the validity of the approaches to business strategy and not to provide that strategy for Liam and Samir.

For AO4 candidates must answer the question – is Ansoff's matrix sufficient? Then build on their analysis of the approaches to support their judgement. It should be noted that candidates did not have to discuss Ansoff in detail to gain full marks. Answers could have stated it was not sufficient and then discussed in depth the merits of 2 or 3 of the alternative strategic approaches and still have gained full marks.

Weaker responses simply defined and explained all the strategic approaches, often with no application to the case study. This gained a maximum of two AO2 marks and three AO3 marks (Level 1) and should be discouraged as an approach to answer this question. Others simply continued to analyse the data in the appendices in the context of Ansoff. This did not answer the question which is about the future of the business not the past.

There was less evidence of candidates running out of time which showed a better, balanced approach to allocating time across the two questions and candidates should continue to be encouraged to make sure they leave ample time for finishing this question.