

Sample Question Paper

A Level Business

H436/01 Business 1: business activity, marketing and people

Time allowed: 2 hours

You must have:

- the Formula Sheet

You can use:

- a scientific or graphical calculator



Please write clearly in black ink. **Do not write in the barcodes.**

Centre number

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Candidate number

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First name(s)

Last name

INSTRUCTIONS

- Use black ink.
- Write your answer to each question in the space provided. You can use extra paper if you need to, but you must clearly show your candidate number, the centre number and the question numbers.
- Answer **all** the questions.

INFORMATION

- The total mark for this paper is **90**.
- The marks for each question are shown in brackets [].
- Quality of extended response will be assessed in questions marked with an asterisk (*).
- This document has **20** pages.

ADVICE

- Read each question carefully before you start your answer.

Section A

Put a tick (✓) in the box next to the **one** correct answer for each question.

1 Coaching is:

- (a) a physical channel of distribution
- (b) an employee development technique
- (c) an extension strategy
- (d) an induction training method

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[1]

2 What is a works council?

- (a) A meeting to discuss unfair dismissal
- (b) A method used to increase employee participation
- (c) A primary market research method
- (d) A type of industrial action

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[1]

3 Which is **most** likely to be a role of the HRM function at a web design agency?

- (a) To advertise special deals on social media for pay per click functionality
- (b) To encourage customers to include gamification on their websites
- (c) To offer voluntary redundancy packages to surplus content creators
- (d) To use collective bargaining to improve coders' working conditions

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[1]

4 The rail fare for a journey rises from £4.00 to £5.00. Demand falls from 200 000 journeys to 180 000 journeys.

The price elasticity of demand for this journey is:

- (a) -0.4
- (b) -0.5
- (c) -2.0
- (d) -2.5

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[1]

5 Which is **not** an advantage of a laissez-faire leadership style?

- (a) It encourages creativity and innovation
- (b) It gives workers freedom and control
- (c) It fosters trust and high morale
- (d) It treats workers like family members

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[1]

6 Market research data for four of a company's advertising campaigns aimed at increasing sales are shown below.

Advertising campaign	Average weekly sales	
	During the advertising campaign	After the advertising campaign
A	£4 million	£2 million
B	£4 million	£4 million
C	£6 million	£4 million
D	£6 million	£2 million

According to the data, which advertising campaign was most effective?

- (a) Advertising campaign A
- (b) Advertising campaign B
- (c) Advertising campaign C
- (d) Advertising campaign D

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[1]

7 A matrix structure:

- (a) creates an inclusive work environment
- (b) focuses on an organisation's core values
- (c) permits responsibility to be delegated
- (d) requires subordinates to report to multiple managers

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[1]

- 8 A bakery has a vacancy for a bread-making supervisor.

Which would be included in the job description **and** job advertisement for this vacancy?

- (a) Desirable leadership qualities, such as being motivational and supportive
- (b) Main duties of the role, including mentoring apprentice bread-makers
- (c) Required food technology, cookery or hygiene qualifications
- (d) The number of years of bread-making experience required

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[1]

- 9 A clothing manufacturer selling aprons to a hospital is an example of:

- (a) a brand awareness exercise
- (b) a business-to-business transaction
- (c) multi-channel distribution
- (d) product differentiation

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[1]

- 10 Which are measurements of business size?

- (a) Capital employed, number of customers, profit
- (b) Diseconomies of scale, diversification, mergers
- (c) Market capitalisation, number of outlets, revenue
- (d) Market power, number of employees, output

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[1]

Section B

Read the case study and answer the questions.

Wm Morrison Supermarkets Limited (Morrisons)

Founded in 1899, Morrisons currently operates a chain of 497 supermarkets selling groceries across the UK. Together with its various online home delivery channels, Morrisons covers 97% of UK postcodes.

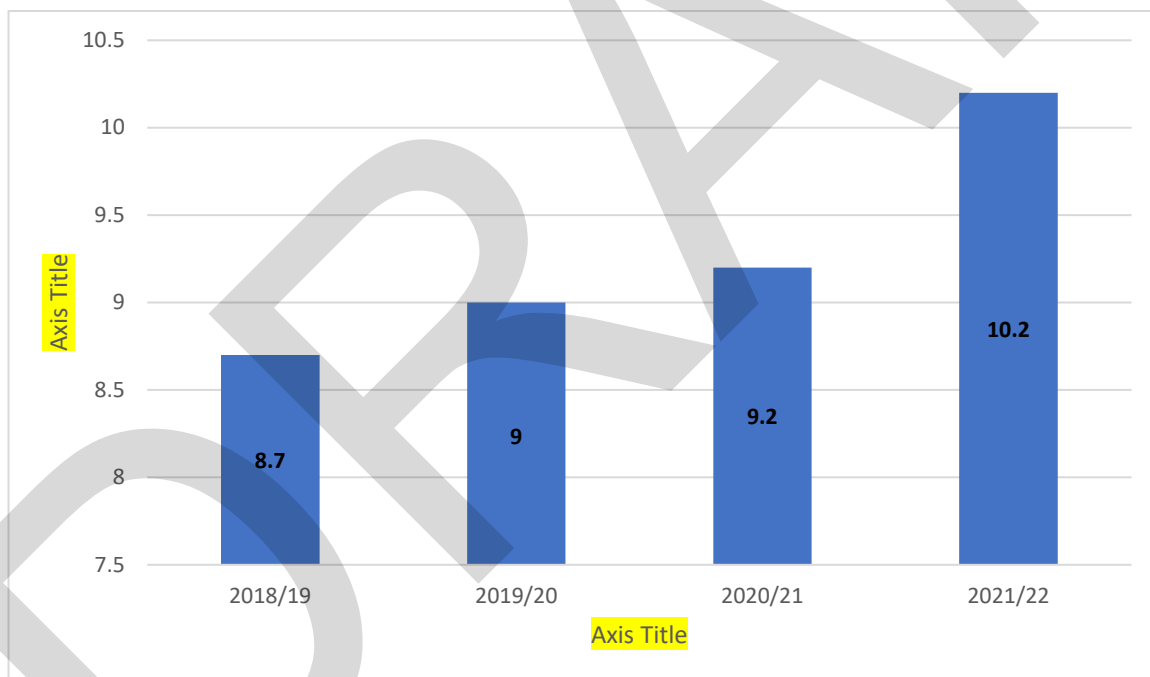
The company focuses on:

- having friendly employees in its store
- providing a wide choice of fresh, high-quality produce
- setting the right prices for its customers.

In 2022 the company reported revenue of £18 479m and profit after taxation of £153m. Every week around 9 million customers pass through its doors, serviced by over 118 000 employees.

To recognise the contribution of employees, Morrisons regularly increases its base rate pay for hourly paid frontline shopworkers (see **Fig. 1**, below). Its base rate of £10.20 per hour came into effect in October 2022. The National Minimum Wage rate at that time was £9.50. Morrisons is committed to paying a fair day's wage for a fair day's work.

Fig. 1 Morrisons' base rate pay for hourly paid frontline shop workers from 2018 to 2022



In 2022, Morrisons also launched fringe benefits to support employees' health and mental wellbeing. These included giving employees access to a digital GP. This service allows employees to obtain doctor's appointments for themselves or a family member from the comfort of their own home, or even in their lunch break, often within 24 hours of the initial enquiry.

Morrisons' business model includes being a food manufacturer as well as a retailer. Uniquely among UK supermarkets, Morrisons makes half of the fresh food that it sells in its own manufacturing facilities. Morrisons' unique way of operating has been primarily achieved through backwards vertical integration. Recent takeovers include: Rathbones bakery (2005), Flowerworld nursery (2011), Winford meat processing plant (2012), Carnoustie potato packing plant (2017), Chippingdale Foods free range eggs (2018) and Falfish fish and seafood (2021).

13 Morrisons uses the following methods to motivate its shopworkers:

- regularly increasing base rate pay for hourly paid employees
- fringe benefits to support employees' health and wellbeing.

Analyse both methods.

Recommend which method is the most beneficial to Morrisons.

Justify your answer.

[14]

DRAFT

14* Evaluate whether Morrisons should continue to use backwards vertical integration to grow the business. **[14]**

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Section C

Read the case study and answer the questions.

AVQ Photography

Alex Quinn is a sole trader. Alex owns AVQ Photography, a wedding photography business based in an affluent town in the Midlands. The town has a population of approximately 50 000, with an average age of 34.

AVQ Photography's wedding package, as advertised on its website, is shown below.

WEDDING PACKAGE – ONLY £2500	
<ul style="list-style-type: none"> • Full day coverage (including pre-wedding, wedding ceremony, wedding reception) • Experienced, award-winning photographer • High quality images, expertly edited • Online gallery, with unlimited downloads 	<ul style="list-style-type: none"> • 30cm x 30cm 40-page luxury wedding album with bespoke album cover • Unlimited revisions to album cover • Unlimited changes to contents of album • Album delivered by hand or by post

Alex started her business nine months ago when her youngest child began infant school. Having experienced redundancy when working as a fashion designer, she is determined to take control of her own career. Using her passion for photography seems the ideal way to provide financially for her family and provide a channel for her creativity.

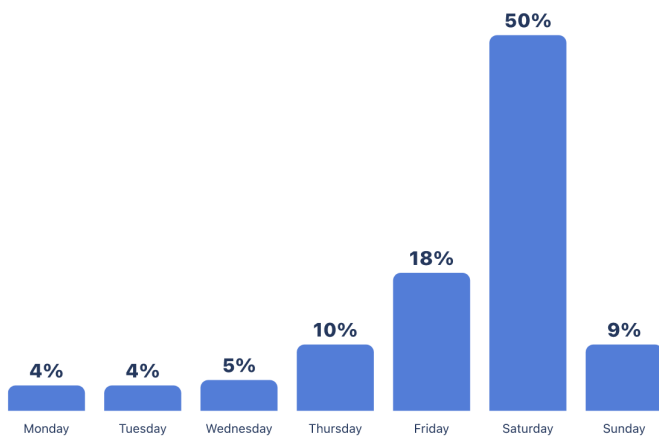
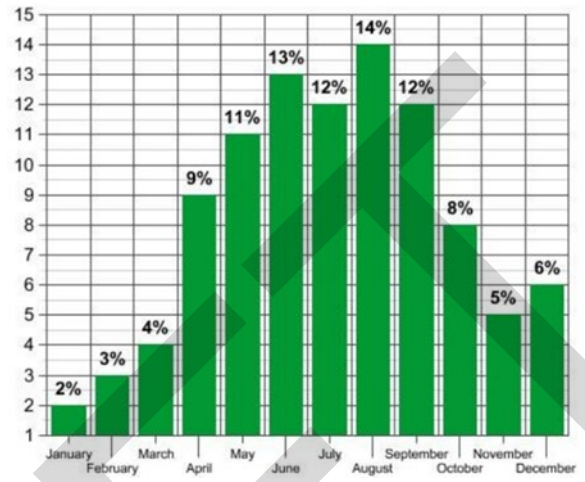
Taking a measured risk, Alex took out a 5-year bank loan for £30 000 to buy a second-hand car, a computer and the necessary photographic and printing equipment. Alex takes all of the photographs herself, edits them and creates the albums. The business cannot afford to employ staff. Nevertheless, Alex is confident that the business will be a success.

Certain days and months are more common for weddings than others (see **Figs. 3 and 4**, below). Consequently, AVQ Photography has several bookings for Saturdays next summer but is less well booked at other times. Alex is considering the following options to promote AVQ Photography:

- Sponsoring the shirts of a local women's amateur football team, for one football season. The team's average home attendance is 320.
- Using a marketing company to create weekly posts for her business' social media accounts, for one year. The agency would charge £400 a month to post several stories each week.

During peak periods, finding time to update the website, order supplies and track payments is challenging. Lacking experience, Alex finds the financial management very time consuming.

Alex is considering asking a friend to become a business partner. Zac, who sometimes helps her with childcare, is a retired accountant. He has already suggested that sales forecasting might help the business.

Fig. 3 UK Weddings, by day of week**Fig. 4** UK Weddings, by month of year

15

- (a)** Explain what is meant by the term 'sole trader'.

[2]

- (b)** Explain **one** advantage to an entrepreneur of operating as a partnership rather than as a sole trader.

[2]

- 16** Analyse **two** entrepreneurial characteristics which Alex appears to possess.

..... [8]

17 Alex is considering the following options to promote her business:

- sponsor the shirts of a local women's amateur football team, for one football season
- use a marketing company to create weekly posts for her business' social media accounts, for one year.

Analyse both options.

Recommend which option Alex should use to promote AVQ Photography.

Justify your answer.

[14]

DRAFT

18* Evaluate the usefulness of sales forecasting to AVQ Photography.

[14]

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END OF QUESTION PAPER

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Sample Mark Scheme

A Level Business H436/01 Business activity, marketing and people

MARK SCHEME

Duration: 2 hours

MAXIMUM MARK 90

Version: **Sample**

This document has xx pages

MARKING INSTRUCTIONS

PREPARATION FOR MARKING RM ASSESSOR

1. Make sure that you have accessed and completed the relevant training packages for on-screen marking: *RM Assessor Assessor Online Training*; *OCR Essential Guide to Marking*.
2. Make sure that you have read and understood the mark scheme and the question paper for this unit. These are posted on the RM Cambridge Assessment Support Portal <http://www.rm.com/support/ca>
3. Log-in to RM Assessor and mark the **required number** of practice responses (“scripts”) and the **number of required** standardisation responses.

YOU MUST MARK 10 PRACTICE AND 10 STANDARDISATION RESPONSES BEFORE YOU CAN BE APPROVED TO MARK LIVE SCRIPTS.

MARKING

1. Mark strictly to the mark scheme.
2. Marks awarded must relate directly to the marking criteria.
3. The schedule of dates is very important. It is essential that you meet the RM Assessor 50% and 100% (traditional 40% Batch 1 and 100% Batch 2) deadlines. If you experience problems, you must contact your Team Leader (Supervisor) without delay.
4. If you are in any doubt about applying the mark scheme, consult your Team Leader by telephone or the RM Assessor messaging system, or by email.
5. **Crossed Out Responses**
Where a candidate has crossed out a response and provided a clear alternative then the crossed out response is not marked. Where no alternative response has been provided, examiners may give candidates the benefit of the doubt and mark the crossed out response where legible.

Rubric Error Responses – Optional Questions

Where candidates have a choice of question across a whole paper or a whole section and have provided more answers than required, then all responses are marked and the highest mark allowable within the rubric is given. Enter a mark for each question answered into RM assessor, which will select the highest mark from those awarded. *(The underlying assumption is that the candidate has penalised themselves by attempting more questions than necessary in the time allowed.)*

Multiple Choice Question Responses

When a multiple choice question has only a single, correct response and a candidate provides two responses (even if one of these responses is correct), then no mark should be awarded (as it is not possible to determine which was the first response selected by the candidate).

When a question requires candidates to select more than one option/multiple options, then local marking arrangements need to ensure consistency of approach.

Contradictory Responses

When a candidate provides contradictory responses, then no mark should be awarded, even if one of the answers is correct.

Short Answer Questions (requiring only a list by way of a response, usually worth only **one mark per response**)

Where candidates are required to provide a set number of short answer responses then only the set number of responses should be marked. The response space should be marked from left to right on each line and then line by line until the required number of responses have been considered. The remaining responses should not then be marked. Examiners will have to apply judgement as to whether a 'second response' on a line is a development of the 'first response', rather than a separate, discrete response. *(The underlying assumption is that the candidate is attempting to hedge their bets and therefore getting undue benefit rather than engaging with the question and giving the most relevant/correct responses.)*

Short Answer Questions (requiring a more developed response, worth **two or more marks**)

If the candidates are required to provide a description of, say, three items or factors and four items or factors are provided, then mark on a similar basis – that is downwards (as it is unlikely in this situation that a candidate will provide more than one response in each section of the response space.)

Longer Answer Questions (requiring a developed response)

Where candidates have provided two (or more) responses to a medium or high tariff question which only required a single (developed) response and not crossed out the first response, then only the first response should be marked. Examiners will need to apply professional judgement as to whether the second (or a subsequent) response is a 'new start' or simply a poorly expressed continuation of the first response.

6. Always check the pages (and additional objects if present) at the end of the response in case any answers have been continued there. If the candidate has continued an answer there, then add a tick to confirm that the work has been seen.

7. Award No Response (NR) if:
- there is nothing written in the answer space

Award Zero '0' if:

- anything is written in the answer space and is not worthy of credit (this includes text and symbols).

Team Leaders must confirm the correct use of the NR button with their markers before live marking commences and should check this when reviewing scripts.

8. The RM Assessor **comments box** is used by your team leader to explain the marking of the practice responses. Please refer to these comments when checking your practice responses. **Do not use the comments box for any other reason.** If you have any questions or comments for your team leader, use the phone, the RM Assessor messaging system, or e-mail.
9. Assistant Examiners will send a brief report on the performance of candidates to their Team Leader (Supervisor) via email by the end of the marking period. The report should contain notes on particular strengths displayed as well as common errors or weaknesses. Constructive criticism of the question paper/mark scheme is also appreciated.
10. For answers marked by levels of response:
- To determine the level** – start at the highest level and work down until you reach the level that matches the answer
 - To determine the mark within the level**, consider the following

Descriptor	Award mark
On the borderline of this level and the one below	At bottom of level
Just enough achievement on balance for this level	Above bottom and either below middle or at middle of level (depending on number of marks available)
Meets the criteria but with some slight inconsistency	Above middle and either below top of level or at middle of level (depending on number of marks available)
Consistently meets the criteria for this level	At top of level

11. Annotations

Annotation	Meaning

12. Subject Specific Marking Instructions**Section A: Multiple Choice**

SECTION A			
Question	Answer	Marks	Assessment Objective
1	B	1	1
2	B	1	1
3	C	1	2
4	A	1	2Q
5	D	1	1
6	C	1	2Q
7	D	1	1
8	B	1	2
9	B	1	2
10	C	1	1

Section B: **Title**

Question	Answer	Mark	Guidance
11	<p>Calculate the size of the UK grocery market in <u>2022</u>. Show your workings.</p> <p>Indicative content:</p> <p>Morrisons' market share (by value) in 2022 = 9.1% (1)</p> <p>Morrisons' revenue in 2022 = £18,479m (1)</p> <p>Size of market in 2022 = £18,479m x 100/9.1 (1)</p> <p>= £203,065.93m = £203,066m (1)</p>	<p>4</p> <p>(AO2 4)</p>	<p>Credit four marks for correct answer (with or without working) i.e. £203066m/£203065m/£203.07bn/£203.06bn. ✓</p> <p>Credit three marks for a correct numerical answer but with incorrect units/no pound sign or a power of ten/decimal point error.</p> <p>Else award one mark for use of each of the following if seen:</p> <ul style="list-style-type: none"> • 9.1 (identification of correct market share) (% sign not required). • 18479 (identification of correct sales figure) (£ sign/m not required).

Question	Answer	Mark	Guidance
12	<p>Analyse <u>two</u> measures Morrisons could use to assess the performance of its shopworkers.</p> <p>Responses include:</p> <ul style="list-style-type: none"> • Employee turnover • Absenteeism • Employee productivity <p>Application may include:</p> <ul style="list-style-type: none"> • 118,000 employees • Company focuses on having friendly employees in store • 497 supermarkets • Home delivery channels cover 97% of postcodes • Wide choice of fresh, high-quality produce • Serve 9m customers per week • Base pay-rate increasing • Morrisons paid £10.20 ph in 2022 <p style="text-align: right;">ARA</p>	<p>8</p> <p>(AO1 2) (AO2 2) (AO3 4)</p>	<p>Use level of response marking grid to assess skill levels.</p> <p>Annotate as:</p> <p>Up to two marks for knowledge and understanding [KU]</p> <p>Up to two marks for application [APP]</p> <p>Up to four marks for analysis [AN]/[DEV]</p>

Q12 Analyse two measures Morrisons could use to assess the performance of its shopworkers.

[8]

	Knowledge & Understanding (2 marks)	Application (2 marks)	Analysis (4 marks)
Strong	2 marks Knowledge of two measures of HR performance. [KU]	2 marks Application to Morrisons of two measures of HR performance. [APP]	4 marks Developed analysis of two measures of HR performance. [DEV]
Good			3 marks Developed analysis of one measure of HR performance. [DEV]
Reasonable	1 mark Knowledge of one measure of HR performance. [KU]	1 mark Application to Morrisons of one measure of HR performance. [APP]	2 marks Basic analysis of two measures of HR performance. [AN]
Limited			1 mark Basic analysis of one measure of HR performance. [AN]

Question	Answer	Mark	Guidance
13	<p>Analyse both motivational methods. Recommend which method is the most beneficial to Morrisons. Justify your answer.</p> <p>Responses include:</p> <ul style="list-style-type: none"> • Regularly increasing base rate pay e.g. high financial cost, regular increases in cost, repeated incentives, direct comparison with competition is easy, likely to aid retention, all workers can benefit, improves employee standard of living, etc • Fringe benefits to support health and wellbeing e.g. charge for package, one off financial cost, convenient for workers, minimises absence due to sickness, minimises absence due to family commitments, reduces stress, only benefits those who are ill, etc <p>Application may include:</p> <ul style="list-style-type: none"> • Cost will reduce profit levels, £153m in 2022 • 118,000 employees • 2022 paid 70p per hour above the minimum • Increased by £1.50 ph/17% over 5 years • Some annual increases were only for 20p <p style="text-align: right;">ARA</p>	<p>14</p> <p>(AO1 2) (AO2 2) (AO3 4) (AO4 6)</p>	<p>Use level of response marking grid to assess skill levels.</p> <p>Annotate as:</p> <p>Up to two marks for knowledge and understanding [KU] Up to two marks for application [APP] Up to four marks for analysis [AN]/[DEV] Up to six marks for evaluation [EVAL]/[EE]</p> <p>Justification is likely to weigh up the effectiveness of method for increasing motivation, use cost-benefit arguments or judge the appropriateness for Morrisons.</p> <p>Do not credit general advantages of motivation. Advantages of using the given methods of motivation required.</p>

Q13 Morrisons uses the following methods to motivate its shopworkers:

- regularly increasing base rate pay for hourly paid employees
- fringe benefits to support employees' health and wellbeing.

Analyse both methods. Recommend which method is the most beneficial to Morrisons. Justify your answer.

[14]

	Knowledge & Understanding (2 marks)	Application (2 marks)	Analysis (4 marks)	Evaluation (6 marks)
Strong	2 marks Knowledge of an advantage/disadvantage of both of the motivational methods. [KU]	2 marks Application to Morrisons of an advantage/disadvantage of both of the motivational methods. [APP]	4 marks Developed analysis of an advantage/disadvantage of both of the motivational methods. [DEV]	5-6 marks A justified evaluation as to which motivational method is the most beneficial to Morrisons, including why the alternative is less beneficial (with explicit use of the context). [EE][EE]
Good			3 marks Developed analysis of an advantage/disadvantage of one of the motivational methods. [DEV]	4 marks A justified evaluation as to which motivational method is most beneficial to Morrisons (with explicit use of the context). [EE]
Reasonable	1 mark Knowledge of an advantage/disadvantage of one of the motivational methods. [KU]	1 mark Application to Morrisons of an advantage/disadvantage of one of the motivational methods. [APP]	2 marks Basic analysis of an advantage/disadvantage of both of the motivational methods. [AN]	2-3 marks A justified evaluative comment as to which motivational method is the most beneficial to a business. [EVAL] [EVAL]
Limited			1 mark Basic analysis of an advantage/disadvantage of one of the motivational methods. [AN]	1 mark A basic assertion as to which motivational method is the most beneficial to a business. [EVAL]



Question	Answer	Mark	Guidance
14*	<p>Evaluate whether Morrisons should continue to use backwards vertical integration to grow the business.</p> <p>Responses include:</p> <ul style="list-style-type: none"> • Reliability of suppliers • Flexibility of suppliers • Control of quality of suppliers • Straightforward distribution • Reduced product costs • R&D improvements • Economies of scale • Diseconomies of scale • Initial cost • Additional capital employed • Additional organisational complexity <p>Application may include:</p> <ul style="list-style-type: none"> • Food manufacturer as well as retailer • Morrisons makes half of fresh food it sells • Rathbones bakery, supply of bread/cakes • Flowerworld nursery, supply of cut flowers • Winford meat, supply of beef/lamb/chicken • Carnoustie potato, supply of chips/crisps • Chippingdale Foods, supply of eggs • Falfish, supply of fish and seafood <p style="text-align: right;">ARA</p>	<p>14</p> <p>(AO1 2) (AO2 2) (AO3 4) (AO4 6)</p>	<p>Use level of response marking grid to assess skill levels.</p> <p>Annotate as:</p> <p>Up to two marks for knowledge and understanding [KU] Up to two marks for application [APP] Up to four marks for analysis [AN]/[DEV] Up to six marks for evaluation [EVAL]/[EE]</p> <p>Correct answers only need to come from component 1, additional answers from other components are provided for examples of acceptable 'other' content</p> <p><i>See appendix A for Quality of Extended Response marking grid – statements with appendix A should be taken into account when marking AO4.</i></p> <p>Evaluation might include cost-benefit arguments, ranking of advantages/disadvantages or consideration of alternative methods of growth which may be more beneficial (including forwards vertical integration, horizontal integration, diversification, and internal growth).</p>

Q14* Evaluate whether Morrisons should continue to use backwards vertical integration to grow the business.

[14]

	Knowledge & Understanding (2 marks)	Application (2 marks)	Analysis (4 marks)	Evaluation (6 marks)
Strong	2 marks Breadth of knowledge of advantages/disadvantages of backwards vertical integration. [KU]	2 marks Breadth of application to Morrisons of advantages/disadvantages of backwards vertical integration. [APP]	4 marks Developed analysis of advantages/disadvantages of backwards vertical integration. [DEV]	5-6 marks A justified two-sided evaluation weighing up whether Morrisons should continue to use backwards vertical integration to grow the business (with explicit <u>use of the context</u>). [EE][EE]
Good			3 marks Developed analysis of an advantage/disadvantage of backwards vertical integration. [DEV]	4 marks A justified one-sided evaluation weighing up whether Morrisons should continue to use backwards vertical integration to grow the business. (with explicit use of the context). [EE]
Reasonable	1 mark Knowledge of an advantage or disadvantage of backwards vertical integration. [KU]	1 mark Application to Morrisons of an advantage or disadvantage of backwards vertical integration. [APP]	2 marks Basic analysis of advantages/disadvantages of backwards vertical integration. [AN]	2-3 marks A justified evaluative comment as to the value to a business of backwards vertical integration. [EVAL] [EVAL]
Limited			1 mark Basic analysis of an advantage/disadvantage of backwards vertical integration. [AN]	1 mark A basic assertion as to the value to a business of backwards vertical integration. [EVAL]

Section C: **Title**

Question	Answer	Mark	Guidance
15a	<p>Explain what is meant by the term ‘sole trader’.</p> <p>Responses include:</p> <ul style="list-style-type: none"> • Business owned by one person • Business controlled by one person • Unlimited liability • Unincorporated <p style="text-align: right;">ARA</p>	<p>2</p> <p>(AO1 2)</p>	<p>One mark for each of two explanatory points. </p> <p>Answers do not need to relate to AVQ Photography.</p> <p>Example response:</p> <p>An unincorporated business (1) with only one owner (1).</p>
15b	<p>Explain <u>one</u> advantage to an entrepreneur of operating as a partnership rather than as a sole trader.</p> <p>Responses include:</p> <ul style="list-style-type: none"> • Share workload • Share decision-making • Capital injection • Additional skills and expertise • More ideas <p style="text-align: right;">ARA</p>	<p>2</p> <p>(AO1 2)</p>	<p>One mark for identification of an advantage plus one further mark for explanation. </p> <p>Answers do not need to relate to AVQ Photography.</p> <p>Example response:</p> <p>The partner is likely to bring more capital into the business (1), which can be spent on growing the business internally (1).</p>

Question	Answer	Mark	Guidance
16	<p>Analyse <u>two</u> entrepreneurial characteristics which Alex appears to possess.</p> <p>Responses include:</p> <ul style="list-style-type: none"> • Determined • Passionate • Creative • Risk-taker • Confident <p>Application may include:</p> <ul style="list-style-type: none"> • After redundancy Alex is determined to take control of her own career • She has a passion for photography • Photography is a creative activity • Took a measured risk by taking out a £30,000 5-year bank loan • Confident that with careful budgeting the business will be a success <p style="text-align: right;">ARA</p>	<p>8</p> <p>(AO1 2) (AO2 2) (AO3 4)</p>	<p>Use level of response marking grid to assess skill levels.</p> <p>Annotate as:</p> <p>Up to two marks for knowledge and understanding [KU] Up to two marks for application [APP] Up to four marks for analysis [AN]/[DEV]</p> <p>NB Characteristics must be evidenced in the text.</p>

Q16 Analyse two entrepreneurial characteristics which Alex appears to possess.

[8]

	Knowledge & Understanding (2 marks)	Application (2 marks)	Analysis (4 marks)
Strong	2 marks Knowledge of two of the entrepreneurial characteristics. [KU]	2 marks Application to Alex of two of the entrepreneurial characteristics. [APP]	4 marks Developed analysis of two of the entrepreneurial characteristics. [DEV]
Good			3 marks Developed analysis of one of the entrepreneurial characteristic. [DEV]
Reasonable	1 mark Knowledge of one of the entrepreneurial characteristics. [KU]	1 mark Application to Alex of one of the entrepreneurial characteristics. [APP]	2 marks Basic analysis of two of the entrepreneurial characteristics. [AN]
Limited			1 mark Basic analysis of one entrepreneurial characteristic. [AN]

Question	Answer	Mark	Guidance
17	<p>Analyse both promotional options. Recommend which option Alex should use to promote AVQ Photography. Justify your answer.</p> <p>Responses include:</p> <ul style="list-style-type: none"> Sponsor shirts of local women's football team e.g. low cost, one-off cost, targets local area, targets female market segment, small audience, etc Use a marketing company to advertise on social media e.g. high cost, repeated cost, professional standard, multiple channel, multiple stories, etc <p>Application may include:</p> <ul style="list-style-type: none"> Image of business - luxury, high quality Award winning photographer Town has average age of 34 Sole trader, unlimited liability Business funds are tight, needs to budget carefully May not be able to afford to pay a marketing company as has £30,000 bank loan to repay Football team only has a home attendance of 320 out of town's population of 50,000, 0.64% Away fans may also live in the Midlands Agency cost £4800 for the year Limited time due to child care <p style="text-align: right;">ARA</p>	<p>14</p> <p>(AO1 2) (AO2 2) (AO3 4) (AO4 6)</p>	<p>Use level of response marking grid to assess skill levels.</p> <p>Annotate as:</p> <p>Up to two marks for knowledge and understanding [KU] Up to two marks for application [APP] Up to four marks for analysis [AN]/[DEV] Up to six marks for evaluation [EVAL]/[EE]</p> <p>Justification is likely to weigh up the appropriateness of methods for promotional purposes including cost, market reach and effectiveness for AVQ Photography.</p>

Q17 Alex is considering the following options to promote her business:

- sponsor the shirts of a local women's amateur football team, for one season
- use a marketing company to create weekly posts for her business' social media accounts, for a year.

Analyse both options. Recommend which option Alex should use to promote AVQ Photography. Justify your answer. [14]

	Knowledge & Understanding (2 marks)	Application (2 marks)	Analysis (4 marks)	Evaluation (6 marks)
Strong	2 marks Knowledge of an advantage/disadvantage for both of the promotional methods. [KU]	2 marks Application to AVQ Photography of an advantage/disadvantage for both of the promotional methods. [APP]	4 marks Developed analysis of an advantage/disadvantage for both of the promotional methods. [DEV]	5-6 marks A justified evaluation as to which promotional method AVQ Photography should use, including why the alternative is less suitable (with explicit use of the context). [EE][EE]
Good			3 marks Developed analysis of an advantage/disadvantage for one of the promotional methods. [DEV]	4 marks A justified evaluation as to which promotional method AVQ Photography should use (with explicit use of the context). [EE]
Reasonable	1 mark Knowledge of an advantage/disadvantage for one of the promotional methods. [KU]	1 mark Application to AVQ Photography of an advantage/disadvantage for one of the promotional methods. [APP]	2 marks Basic analysis of an advantage/disadvantage for both of the promotional methods. [AN]	2-3 marks A justified evaluative comment as to which promotional method a business should use. [EVAL] [EVAL]
Limited			1 mark Basic analysis of an advantage/disadvantage for one of the promotional methods [AN]	1 mark A basic assertion as to which promotional method a business should use. [EVAL]

Question	Answer	Mark	Guidance
18*	<p>Evaluate the usefulness of sales forecasting to AVQ Photography.</p> <p>Responses include:</p> <ul style="list-style-type: none"> • Can identify trends • Can predict future sales/seasonality • Make data-driven decisions • Improved allocation of resources • Improved objective setting • Can help schedule advertising • Can increase/reduce prices in peak/low season • Time consuming • Complex • Degree of accuracy/market unpredictability <p>Application may include:</p> <ul style="list-style-type: none"> • Sole trader, unlimited liability • 50% weddings on Saturday • 62% weddings April to September • Peak times Friday/Saturday, April to September • Low times Monday to Wednesday, November to March • Difficulty finding time to update website, order supplies, track payments • Finds financial management time consuming <p>ARA</p>	<p>14</p> <p>(AO1 2) (AO2 2) (AO3 4) (AO4 6)</p>	<p>Use level of response marking grid to assess skill levels.</p> <p>Annotate as:</p> <p>Up to two marks for knowledge and understanding [KU] Up to two marks for application [APP] Up to four marks for analysis [AN]/[DEV] Up to six marks for evaluation [EVAL]/[EE]</p> <p><i>See appendix A for Quality of Extended Response marking grid—statements with appendix A should be taken into account when marking AO4.</i></p> <p>Evaluation might include cost-benefit arguments, ranking of advantages by magnitude, considerations about the degree of accuracy of any forecast Alex could produce and market variation and unpredictability, as well as consideration of Alex's business and her personal circumstances.</p>

Q18* Evaluate the usefulness of sales forecasting to AVQ Photography.

[14]

	Knowledge & Understanding (2 marks)	Application (2 marks)	Analysis (4 marks)	Evaluation (6 marks)
Strong	2 marks Breadth of knowledge of advantages/disadvantages of sales forecasting. [KU]	2 marks Breadth of application to AVQ Photography of advantages/disadvantages of sales forecasting. [APP]	4 marks Developed analysis of advantages/disadvantages of sales forecasting. [DEV]	5-6 marks A justified two-sided evaluation of the usefulness of sales forecasting to AVQ Photography (with explicit <u>use of the context</u>). [EE][EE]
Good			3 marks Developed analysis of an advantage/disadvantage of sales forecasting. [DEV]	4 marks A justified one-sided evaluation of the usefulness of sales forecasting to AVQ Photography (with explicit use of the context). [EE]
Reasonable	1 mark Knowledge of an advantage or disadvantage of sales forecasting. [KU]	1 mark Application to AVQ Photography of an advantage or disadvantage of sales forecasting. [APP]	2 marks Basic analysis of advantages/disadvantages of sales forecasting. [AN]	2-3 marks A justified evaluative comment as to the value to a business of sales forecasting. [EVAL] [EVAL]
Limited			1 mark Basic analysis of an advantage/disadvantage of sales forecasting. [AN]	1 mark A basic assertion as to the value to a business of sales forecasting. [EVAL]

Appendix A – Quality of Extended Response (*) marking grid

Level	Marking Criteria (AO4)
4	<i>There is a well-developed and sustained line of reasoning which is clear and logically structured. Information presented is relevant/appropriate and substantiated.</i>
3	<i>There is a line of reasoning presented with some structure. Information presented is mostly relevant/ appropriate and supported by some evidence.</i>
2	<i>The response has limited structure. Information presented is sometimes appropriate.</i>
1	<i>The response is poorly structured. Information presented is rarely relevant/appropriate.</i>