

# Sample Question Paper

## A Level Business

### H436/03 Business 3: strategy, risk and managing change

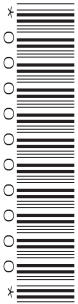
**Time allowed: 2 hours**

**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

--	--	--	--	--

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 The initials in a PEST analysis stand for:

- (a) people, enterprise, strategy, training
- (b) people, ethics, stakeholders, technological
- (c) political, economic, social, technological
- (d) political, economic, society, technical

☐  
☐  
☐  
☐

[1]

2 In a SWOT analysis for a fruit shop, which would be classified as a weakness?

- (a) A poor harvest of apples and pears worldwide
- (b) Delays in the transportation of the fresh produce
- (c) Owner's lack of knowledge of local tastes
- (d) Wholesalers charging higher prices for bananas

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[1]

3 Which is **not** a role of a business plan?

- (a) To identify markets
- (b) To identify resource requirements
- (c) To increase competition
- (d) To obtain a grant

☐  
☐  
☐  
☐

[1]

4 A farm has employer liability insurance.

This insurance would provide financial protection against:

- (a) a customer being run over by a tractor
- (b) a fire causing severe damage to a barn
- (c) a labourer injuring their back tripping over a barrel
- (d) a trailer being stolen from one of the fields

☐  
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☐

[1]

5 Which organisation is **most** likely to have a person culture?

- (a) A call centre where gaining a promotion gives employees more power ☐
- (b) A design agency where teamwork is more important than each creative's objectives ☐
- (c) A GPs' surgery where doctors work independently but share resources ☐
- (d) A small café where the entrepreneur makes all of the catering decisions ☐

[1]

6 Four stages of strategic decision making are shown below.

- (1) Analyse approaches
- (2) Define the problem
- (3) Evaluate solutions
- (4) Research the context

In what order should the four stages be completed?

- (a) (2), (3), (4), (1) ☐
- (b) (2), (4), (1), (3) ☐
- (c) (4), (2), (1), (3) ☐
- (d) (4), (2), (3), (1) ☐

[1]

7 New ownership is an example of:

- (a) a budget variance ☐
- (b) a cause of change ☐
- (c) diversification ☐
- (d) the business cycle ☐

[1]

- 8 A business ranks the three options it is considering as follows:

First choice = Option X  
Second choice = Option Y  
Third choice = Option Z

The opportunity cost of choosing Option X is:

- (a) not being able to pursue Option Y
- (b) not being able to pursue Options Y and Z
- (c) not being able to pursue Options Y or Z
- (d) not being able to pursue Option Z

☐  
☐  
☐  
☐

[1]

- 9 Which would be a barrier to change at a hair salon?

- (a) Charging higher prices for highlights than competitors
- (b) Customers requesting more modern hairstyles
- (c) Hair stylists wanting to use a new range of hair dyes
- (d) Poor leadership by the salon owner

☐  
☐  
☐  
☐

[1]

- 10 Which is an example of an IT retailer breaking consumer protection legislation?

- (a) Charging higher prices for its tablets than all other retailers in the area
- (b) Choosing not to stock printers and scanners made outside of Europe
- (c) Knowingly selling a laptop with a slow processor as a hi-spec machine
- (d) Refusing to give a refund on a faulty hard drive without proof of purchase

☐  
☐  
☐  
☐

[1]

## Section B

Read the case study and answer the questions.

### Coca Cola Europacific Partners plc (CCEP)

CCEP, Coca Cola's Europacific arm, manufactures and distributes canned and bottled drinks to millions of customers in Western Europe and Australasia. Its products include well-known fizzy soft drink brands such as Coca Cola, Sprite, Fanta and Monster, as well as non-fizzy soft drinks such as juices, coffee, tea and water.

CCEP has many competitors including PepsiCo, AG Barr, Britvic and Red Bull. CCEP's closest competitor (in terms of market share) is PepsiCo whose brands include Pepsi, 7UP, Mountain Dew and Lipton Ice Tea. Market share data is shown in the table below.

	Coca Cola Europacific Partners	PepsiCo
Share of Western Europe's fizzy soft drinks market (excluding water)	51.8%	11.8%
Share of Western Europe's total soft drinks market (fizzy and non-fizzy)	21.6%	6.3%

CCEP sources its ingredients including sugar, artificial sweeteners, plastic and aluminium from over 16 000 suppliers worldwide. Its main customers are supermarkets, wholesalers, restaurants and sports stadiums. CCEP's market dominance allows it to dictate the prices that others must follow. In 2023 with employed capital of €29.31bn and 32 315 employees, the company made a net profit of €1.17bn.

In 2023 CCEP used impact analysis and scenario planning to modernise and standardise its business continuity planning. Any strategic risks it identifies are included in its annual report (see **Fig. 1**).

**Fig. 1** A selection of strategic risks taken from CCEP's 2023 annual report

<b>Strategic risks:</b>
Business disruption due to natural or manmade catastrophic events
Cyberattacks or a deficiency in the company's IT resilience related to the protection of data
Deteriorating economic conditions, including increased uncertainty
Changes in buying trends, especially in relation to health concerns and lifestyle
Failure to attract, retain and motivate existing and future employees

CCEP is a member of a group of businesses focussed on improving gender equality. In addition, in 2023 CCEP introduced a new disability pledge, a company-wide commitment to support employees with disabilities. The company also started a programme to support the skills development of people facing barriers in its local labour markets.

CCEP pays fairly and offers good pensions to all of its employees. It provides training and support to line managers to ensure that they make appropriate pay decisions. CCEP also participates in activities that contribute to a fairer workplace.

CCEP holds forums with employees to give them a voice and to make them feel valued. Works councils meet regularly, as do meetings with the 55 trade unions that represent the workforce. CCEP uses social media and its careers website to showcase its philosophy that everyone is welcome.

The company sets targets for some of its Diversity, Equity and Inclusion (DEI) commitments (see **Fig. 2**).

**Fig. 2** Data on some of CCEP's DEI metrics from its 2023 annual report

<b>DEI metrics</b>	<b>Target by 2030</b>	<b>2023</b>	<b>2022</b>
Percentage of women in management positions (senior manager level and above)	45%	38.4%	37.2%
Percentage of women in total workforce	33%	25.1%	23.8%
Percentage of people self-declaring as having a disability in the workforce	10%	12.6%	No data
Number of people supported in skills development	500 000	16 400	No data

**11** Explain how **two** of Porter's 5 forces apply to CCEP.



[4]

**12** Analyse **one** advantage and **one** disadvantage for CCEP of business continuity planning

[8]

**13** Two of the strategic risks that CCEP has identified are the possibility of:

- deteriorating economic conditions, including increased uncertainty
- changes in buying trends, especially in relation to health concerns and lifestyle.

Analyse both risks.

Recommend which risk is likely to be of greatest concern to CCEP.

Justify your answer.

**[14]**

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DRAFT

**14\*** Using the data in **Fig. 2** and any other relevant information, evaluate CCEP's progress towards diversity, equity and inclusion (DEI). **[14]**

DRAFT

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## Section C

Read the case study and answer the questions.

### The Thirl

The Thirl is an independently owned 210-bedroomed hotel. It is located in Northern England, close to the Scottish border. The hotel has a 4-star rating for its wide range of facilities, including a golf course, and offers exceptional service.

The Thirl employs 104 expertly trained, highly motivated, workers. It has an excellent reputation for the quality of its operations. Daily housekeeping and routine maintenance are carried out discreetly and politely. Customer satisfaction is high. Its 78% room occupancy rate is higher than competitors nearby and has remained stable for the last two years.

The Thirl does not use social media or pay for premium listings with search engines. Instead, it uses traditional methods of advertising, with emphasis on the luxurious experience that it offers guests. The hotel's typical guests are couples aged 50+, with goals and values consistent with an affluent lifestyle. With an average rate of £339 per room per night, its prices are high. Last year the hotel made £20m revenue from accommodation and an additional £5m from its restaurants. It recorded a profit for the year of £350 000.

Two years ago, The Thirl owners made a strategic decision to improve the environmental profile of the hotel. They set a goal to reach net zero by 2045. A summary of their action plan for the first three stages is shown below.

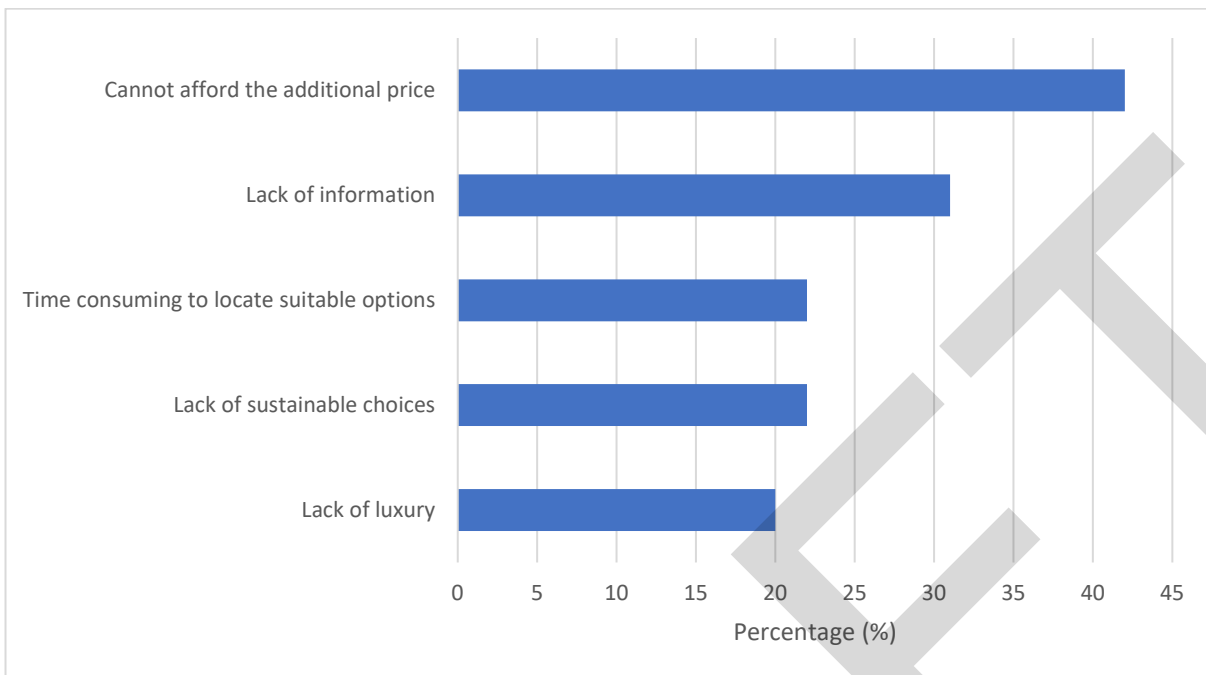
### Environmental action plan

	What?	How?
<b>STAGE 1</b> Reduce waste	Water, plastics, glass, paper, textiles, food	Low flush toilets, smart showers, towel rails, recycling, food banks
<b>STAGE 2</b> Purchase sustainably	Cleaning fluids, toiletries, bedding, food, utilities	Supply chain management, source locally, renewable energy
<b>STAGE 3</b> Improve energy efficiency	Lighting, heating and air conditioning	Solar panels, sensors, timers, LED bulbs, smart controls

Stages 1 and 2 of the plan were completed last year with minimal disruption. However, The Thirl will need to close for Stage 3 because it affects all areas of the hotel including the bedrooms, conference rooms, kitchens, restaurants, gym, pool, beauty salon and gift shop. Stage 3 is scheduled for October this year. Bookings recommence on 1 November, so it is essential that the work is completed within 31 days. The estimated cost of Stage 3 is £3m and will be financed externally.

The results of a survey by industry experts about challenges to consumers choosing environmentally friendly holiday options is shown in **Fig 3**.

**Fig. 3** Survey question: What stops you from booking an environmentally friendly holiday option?



- 15** The owners of The Thirl have set a goal to reach net zero by 2045 and intend to implement Stage 3 of their action plan in October this year.

**(a)** Explain what is meant by the term 'net zero'.

.....

.....

.....

..... **[2]**

- (b)** The net present value (NPV) for Stage 3 is negative. Using a discount factor of 10%, calculated over five years, the NPV is (£0.5m).

Explain what this tells The Thirl owners about their £3m investment in Stage 3.

.....


.....

.....

..... **[2]**



**16** Activity F has been delayed by 12 days due to waiting for a replacement control panel being dispatched from Asia.



[8]

- 17** The owners of The Thirl made a strategic decision to improve the environmental profile of the hotel. This decision affects all business functions including:

- finance
- marketing.

Analyse likely impacts on both business functions.

Recommend which business function is likely to be affected the most.

Justify your answer

**[14]**

DRAFT

- 18\*** Using your knowledge and understanding from across the full course of study, evaluate whether the strategic decision to improve the environmental profile of the hotel is the best way to secure The Thirl's future success. **[14]**

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END OF QUESTION PAPER

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**Sample Mark Scheme**

**A Level Business H436/03 Strategy, risk and managing change**

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:
  - a. **To determine the level** – start at the highest level and work down until you reach the level that matches the answer
  - b. **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**

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

## Section B

Question	Answer	Mark	Guidance
11	<p><b>Explain how <u>two</u> of Porter's 5 forces apply to CCEP.</b></p> <p><b>Indicative content:</b></p> <ul style="list-style-type: none"> <li>Competitive Rivalry</li> <li>Supplier Power</li> <li>Buyer Power</li> <li>Threat of Substitution</li> <li>Threat of New Entry</li> </ul> <p><b>Application may include:</b></p> <ul style="list-style-type: none"> <li>High market share 51.8%, 21.6%</li> <li>Pepsi a strong challenger brand, market share 11.8%, 6.3%</li> <li>Supplies of sugar, artificial sweeteners, plastic, aluminium</li> <li>18,000 suppliers</li> <li>Main customers are supermarkets, wholesalers, restaurants and sports stadiums</li> <li>Coca Cola is able to dictate the prices that others must follow</li> <li>CCEP employed capital of €29.31bn</li> </ul>	<p>4</p> <p>(AO1 2) (AO2 2)</p>	<p>✓ One mark for a valid force.</p> <p><i>No application marks can be gained without understanding.</i></p> <p><b>APP</b></p> <p>One further mark for application to CCEP.</p> <p><b>Example responses:</b></p> <p>Competitive rivalry (1) will be high because other brands will be trying to gain some of CCEP's 51.8% market share (APP).</p> <p>Supplier power (1) is low as CCEP buys from over 18 000 suppliers and can easily switch to a different supplier if necessary (APP).</p> <p>Buyer power (1) is low as CCEP has the power to command its own price for its branded drinks (APP).</p> <p>Threat of substitution (1) is high, not only from PepsiCo with a market share of 11.8% of the fizzy soft drinks market, but from other soft drink manufacturers such as AG Barr, Britvic and Red Bull (APP).</p> <p>Threat of new entry (1) will be low because new firms would be unlikely to be able to match the €29bn capital employed by CCEP (APP).</p>

Question	Answer	Mark	Guidance
12	<p><b>Analyse <u>one</u> advantage and <u>one</u> disadvantage for CCEP of business continuity planning.</b></p> <p><b>Advantages include:</b></p> <ul style="list-style-type: none"> <li>• Reduces costs/time/risk in the future if negative events occur</li> <li>• Helps to identify worst case scenarios</li> <li>• Can reassure stakeholders you are aware of risks</li> <li>• Allows business to react quickly to negative events</li> <li>• May prevent/minimise an extreme situation</li> </ul> <p><b>Disadvantages include:</b></p> <ul style="list-style-type: none"> <li>• Can take a lot of time to carry out</li> <li>• Can distract managers from their normal work</li> <li>• Only as good as the risk assessments</li> <li>• Time is spent on something which may never happen</li> <li>• Opportunity cost</li> </ul> <p><b>Application may include:</b></p> <ul style="list-style-type: none"> <li>• Many competitors including PepsiCo, AG Barr, Britvic and Red Bull</li> <li>• Recover quickly to avoid a drop in profit levels, €1.17bn</li> <li>• Avoid a fall in 51.8%/21.6% market share</li> <li>• Maintain market dominance</li> <li>• Continue to supply millions of customers</li> </ul> <p style="text-align: right;"><b>ARA</b></p>	<p><b>8</b></p> <p>(AO1 2) (AO2 2) (AO3 4)</p>	<p><b>Use level of response marking grid to assess skill levels.</b></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>

**Q12 Analyse one advantage and one disadvantage for CCEP of its business continuity planning.**

**[8]**

	<b>Knowledge &amp; Understanding</b> (2 marks)	<b>Application</b> (2 marks)	<b>Analysis</b> (4 marks)
<b>Strong</b>	<b>2 marks</b>  Knowledge of <b>one</b> advantage and <b>one</b> disadvantage of business continuity planning. <b>[KU]</b>	<b>2 marks</b>  Application to CCEP of <b>one</b> advantage and <b>one</b> disadvantage of business continuity planning. <b>[APP]</b>	<b>4 marks</b>  <b>Developed</b> analysis of <b>one</b> advantage and <b>one</b> disadvantage of business continuity planning. <b>[DEV]</b>
<b>Good</b>			<b>3 marks</b>  <b>Developed</b> analysis of <b>one</b> advantage/disadvantage of business continuity planning. <b>[DEV]</b>
<b>Reasonable</b>	<b>1 mark</b>  Knowledge of <b>one</b> advantage/disadvantage of business continuity planning. <b>[KU]</b>	<b>1 mark</b>  Application to CCEP of <b>one</b> advantage/disadvantage of business continuity planning. <b>[APP]</b>	<b>2 marks</b>  <b>Basic</b> analysis of <b>one</b> advantage and <b>one</b> disadvantage of business continuity planning. <b>[AN]</b>
<b>Limited</b>			<b>1 mark</b>  <b>Basic</b> analysis of <b>one</b> advantage/disadvantage of business continuity planning. <b>[AN]</b>

Question	Answer	Mark	Guidance
13	<p><b>Analyse both strategic risks. Recommend which risk is likely to be of greatest concern to CCEP. Justify your answer.</b></p> <p><b>Knowledge/understanding includes:</b></p> <ul style="list-style-type: none"> <li><b>deteriorating economic conditions, including increased uncertainty</b> e.g. types of risk (unemployment, exchange rates, interest rates, consumer income), impacts of risk, impact on planning due to uncertainty, etc</li> <li><b>changes in buying trends, especially in relation to health concerns and lifestyle</b> e.g. types of risk (social trends, buyer behaviour, tastes), impacts of risks, impact on demand of health concerns and lifestyle, etc</li> </ul> <p><b>Application may include:</b></p> <ul style="list-style-type: none"> <li><b>Example needed for first side of arg.</b></li> <li>Many competitors including PepsiCo, AG Barr, Britvic and Red Bull</li> <li>Maintain profit levels, €1.17bn in 2023</li> <li>Avoid a fall in 51.8%/21.6% market share</li> <li>Source ingredients from suppliers worldwide</li> <li>Drinks contain sugar, artificial sweeteners</li> <li>Social trends promoting water as best form of hydration</li> <li>More emphasis on a healthy lifestyle</li> </ul> <p><b>ARA</b></p>	<p><b>14</b></p> <p>(AO1 2) (AO2 2) (AO3 4) (AO4 6)</p>	<p><b>Use level of response marking grid to assess skill levels.</b></p> <p>Annotate as:</p> <p>Up to two marks for knowledge and understanding <b>[KU]</b> Up to two marks for application <b>[APP]</b> Up to four marks for analysis <b>[AN]/[DEV]</b> Up to six marks for evaluation <b>[EVAL]/[EE]</b></p> <p>Justification is likely to consider the overall likelihood of the risks, the severity of each risk or the timeframe of impact i.e. short-term or long-term impact, to reach a judgement as to the degree of concern.</p>

**Q13 Two of the strategic risks that CCEP has identified are the possibility of:**

- **deteriorating economic conditions, including increased uncertainty**
- **changes in buying trends, especially in relation to health concerns and lifestyle.**

**Analyse both risks. Recommend which risk is likely to be of greatest concern to CCEP. Justify your answer.**

**[14]**

	<b>Knowledge &amp; Understanding</b> (2 marks)	<b>Application</b> (2 marks)	<b>Analysis</b> (4 marks)	<b>Evaluation</b> (6 marks)
<b>Strong</b>	<b>2 marks</b>  Knowledge relating to <b>both</b> of the strategic risks. <b>[KU]</b>	<b>2 marks</b>  Application to CCEP relating to <b>both</b> of the strategic risks. <b>[APP]</b>	<b>4 marks</b>  <b>Developed</b> analysis relating to <b>both</b> of the strategic risks. <b>[DEV]</b>	<b>5-6 marks</b>  A <b>justified</b> evaluation as to which strategic risk is likely to be of greatest concern to CCEP, including why the alternative is less of a concern (with explicit use of the context). <b>[EE][EE]</b>
<b>Good</b>			<b>3 marks</b>  <b>Developed</b> analysis relating to <b>one</b> of the strategic risks. <b>[DEV]</b>	<b>4 marks</b>  A <b>justified</b> evaluation as to which strategic risk is likely to be of greatest concern to CCEP (with explicit use of the context). <b>[EE]</b>
<b>Reasonable</b>	<b>1 mark</b>  Knowledge relating to <b>one</b> of the strategic risks. <b>[KU]</b>	<b>1 mark</b>  Application to CCEP relating to <b>one</b> of the strategic risks. <b>[APP]</b>	<b>2 marks</b>  <b>Basic</b> analysis relating to <b>both</b> of the strategic risks. <b>[AN]</b>	<b>2-3 marks</b>  A <b>justified</b> evaluative comment as to which is likely to be of greatest concern to a business. <b>[EVAL] [EVAL]</b>
<b>Limited</b>			<b>1 mark</b>  <b>Basic</b> analysis relating to <b>one</b> of the strategic risks. <b>[AN]</b>	<b>1 mark</b>  A <b>basic assertion</b> as to which is likely to be of greatest concern to a business. <b>[EVAL]</b>

Question	Answer	Mark	Guidance
14*	<p>Using the data in <b>Fig. 2</b> and any other relevant information, evaluate CCEP's progress towards diversity, equity and inclusion.</p> <p><b>Knowledge/Understanding includes:</b></p> <ul style="list-style-type: none"> <li><b>Diversity</b> e.g. culture and heritage, disability, gender, sexual orientation and age; parity, under-represented groups, disadvantaged groups</li> <li><b>Equity</b> e.g. Fair pay, fair working conditions</li> <li><b>Inclusion</b> e.g. workforce feel valued, welcomed, have a voice</li> </ul> <p><b>Application (quantitative) may include:</b></p> <ul style="list-style-type: none"> <li>Women in management positions e.g. 6.6 percentage points below target, 1.2 percentage point improvement in 2023</li> <li>Women in work force e.g. 7.9 percentage points below target, 1.3 percentage point improvement in 2023</li> <li>Disability e.g. 2.6 percentage points above target; 26% above target</li> <li>Skills development e.g. only 3.28% achieved, shortfall of 483,600 people</li> </ul> <p><b>Analysis may stem from</b></p> <ul style="list-style-type: none"> <li>quantitative application i.e. calculation or interpretation of the data in Fig. 2</li> <li>qualitative observations e.g. no information on CCEP's practices relating to culture and heritage, LGBTQ+ or age; nature of new disability pledge and skills development programme; training provided to line manager,</li> </ul>	<p><b>14</b></p> <p>(AO1 2) (AO2 2) (AO3 4) (AO4 6)</p>	<p><b>Use level of response marking grid to assess skill levels.</b></p> <p>Annotate as:</p> <p>Up to two marks for knowledge and understanding <b>[KU]</b>  Up to two marks for quantitative application* <b>[APP]</b>  Up to four marks for analysis <b>[AN]/[DEV]</b>  Up to six marks for evaluation <b>[EVAL]/[EE]</b></p> <p>*Application refers to the use of data in Fig. 2 to demonstrate quantitative skill.</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 is likely to include consideration of one or more of the following points. Disability target already reached, this is self-reported. All other metrics fall short.</p> <p>Gender targets on course to be reached by 2030 if year on year progress replicated. However, can yearly improvements be replicated? Skills development in local labour force well under target. Even if targets are reached are they high enough to meet DEI? E.g. gender 45%/33% - why not 50%. Performance on other diversity criteria?</p>

	forums, works councils and meetings with 55 trade unions, and the use of social media and CCEP's career website get across the message that everyone is welcome. <b>ARA</b>		
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**Q14\*** Using the data in **Fig. 2** and any other relevant information, evaluate CCEP's progress towards diversity, equity and inclusion (DEI).

**[14]**

	<b>Knowledge &amp; Understanding</b> (2 marks)	<b>Application</b> (2 marks)	<b>Analysis</b> (4 marks)	<b>Evaluation</b> (6 marks)
<b>Strong</b>	<b>2 marks</b>  <b>Breadth</b> of knowledge relating to DEI. [KU]	<b>2 marks</b>  <b>Two quantitative</b> uses of DEI data in Fig. 2. [APP]	<b>4 marks</b>  <b>Developed</b> analysis of <b>quantitative</b> factors relating to DEI. [DEV]	<b>5-6 marks</b>  A <b>justified</b> evaluation as to CCEP's progress towards DEI with explicit <u>use</u> of <b>quantitative</b> argument. [EE][EE]
<b>Good</b>			<b>3 marks</b>  <b>Developed</b> analysis of <b>a quantitative</b> factor relating to DEI. [DEV]	<b>4 marks</b>  A <b>justified</b> evaluation as to CCEP's progress towards DEI (with explicit use of the context, but no quantitative argument). [EE]
<b>Reasonable</b>	<b>1 mark</b>  A piece of knowledge relating to DEI. [KU]	<b>1 mark</b>  <b>One quantitative</b> use of DEI data in Fig. 2. [APP]	<b>2 marks</b>  <b>Basic</b> analysis of factors relating to DEI. [AN]	<b>2-3 marks</b>  A <b>justified</b> evaluative comment as to how a business can progress towards DEI. [EVAL] [EVAL]
<b>Limited</b>			<b>1 mark</b>  <b>Basic</b> analysis of <b>a</b> factor relating to DEI. [AN]	<b>1 mark</b>  A <b>basic assertion</b> as to the how a business can progress towards DEI. [EVAL]

Section C: **Title**

Question	Answer	Mark	Guidance
15a	<p><b>Explain what is meant by the term ‘net zero’.</b></p> <p><b>Responses include:</b></p> <ul style="list-style-type: none"> <li>• Sustainable business practice</li> <li>• Relating to carbon emissions</li> <li>• Balancing any emissions with removal methods</li> <li>• Overall impact of business activity on the environment is neutral</li> </ul> <p style="text-align: right;"><b>ARA</b></p>	<p><b>2</b></p> <p><b>(AO1 2)</b></p>	<p>One mark for each of two valid points. ✓</p> <p>Answers do not need to relate to The Thirl.</p> <p><b>Example response:</b></p> <p>Offsetting any carbon emissions (1) created by the business (1) using carbon reduction methods (1).</p>
15b	<p><b>The net present value (NPV) for Stage 3 is negative. Using a discount factor of 10%, calculated over five years, the NPV is (£0.5m). Explain what this means for The Thirl’s £3m investment in Stage 3.</b></p> <p><b>Responses include:</b></p> <ul style="list-style-type: none"> <li>• Invest for non-financial reasons only</li> <li>• Returns in today’s money fall short by £0.5m</li> <li>• Return only total £2.5m (in today’s money)</li> <li>• Returns when discounted to today’s value do not cover costs</li> <li>• The predicted fall in the value of money negates any positive returns on this investment</li> <li>• It is not financially viable</li> <li>• Will cost more than it earns</li> </ul> <p style="text-align: right;"><b>ARA</b></p>	<p><b>2</b></p> <p><b>(AO2 2)</b></p>	<p>One mark for each of two valid points. ✓</p> <p><b>Example response:</b></p> <p>Returns for Stage 3 when discounted to today’s money value is only £2.5m (1), so in pure financial terms the investment is not viable (1).</p>

Question	Answer	Mark	Guidance
16	<p><b>Activity F has been delayed by 12 days due to waiting for a replacement control panel being dispatched from Asia.</b></p> <p><b>Using the critical path diagram and relevant calculations, analyse the value of critical path analysis to the effective management of Stage 3.</b></p> <p><b>Responses include:</b></p> <ul style="list-style-type: none"> <li>• Indicates minimum completion time</li> <li>• Shows earliest start times and latest finish times</li> <li>• Identifies float time</li> <li>• Identifies critical path</li> <li>• Helps identify spare/slack resources</li> <li>• Helps identify how resources could be better employed</li> <li>• Helps manage contractor scheduling</li> <li>• Helps avoid delays in activities and completion/hotel reopening</li> <li>• Only as good as the estimated timescales which may be inaccurate</li> <li>• Further unexpected event may occur, possibly delaying the reopening</li> <li>• May cause a focus on speed of completion rather than quality.</li> </ul> <p><b>Application may include:</b></p> <ul style="list-style-type: none"> <li>• Activity F has 10 days of free float</li> <li>• Delay will increase completion time by 2 days</li> <li>• Minimum completion time now 26 days</li> <li>• Expected completion now 26 October/5 days before planned reopening</li> <li>• Activity F now a critical activity</li> </ul>	<p><b>8</b></p> <p>(AO1 2) (AO2 2) (AO3 4)</p>	<p><b>Use level of response marking grid to assess skill levels.</b></p> <p>Annotate as:</p> <p>Up to two marks for knowledge and understanding <b>[KU]</b> Up to two marks for application* <b>[APP]</b> Up to four marks for analysis <b>[AN]/[DEV]</b></p> <p>*Application refers to the use of given data to demonstrate quantitative skill. Candidate should demonstrate quantitative skills of calculation or interpretation using the information on the CPA network diagram.</p>

Question	Answer	Mark	Guidance
	<ul style="list-style-type: none"><li>Activities G and H no longer critical</li><li>Critical path now ABEFIJKL</li></ul> <b>ARA</b>		

**Q16** Activity F has been delayed by 12 days due to waiting for a replacement control panel being dispatched from Asia. Using the critical path diagram and relevant calculations, analyse the value of critical path analysis to the effective management of Stage 3.

[8]

	<b>Knowledge &amp; Understanding</b> (2 marks)	<b>Application</b> (2 marks)	<b>Analysis</b> (4 marks)
<b>Strong</b>	<b>2 marks</b>  <b>Knowledge of two</b> advantages/disadvantages of CPA. <b>[KU]</b>	<b>2 marks</b>  <b>Two</b> relevant <b>quantitative</b> uses of the CPA network diagram. <b>[APP]</b>	<b>4 marks</b>  <b>Developed (quantitative)</b> analysis of <b>two</b> advantages/disadvantages of CPA. <b>[DEV]</b>
<b>Good</b>			<b>3 marks</b>  <b>Developed (quantitative)</b> analysis of <b>one</b> advantage/disadvantage of CPA. <b>[DEV]</b>
<b>Reasonable</b>	<b>1 mark</b>  Knowledge of <b>one</b> advantage/disadvantage of CPA. <b>[KU]</b>	<b>1 mark</b>  <b>One</b> relevant <b>quantitative</b> use of the CPA network diagram. <b>[APP]</b>	<b>2 marks</b>  <b>Basic</b> analysis of <b>two</b> advantages/disadvantages of CPA. <b>[AN]</b>
<b>Limited</b>			<b>1 mark</b>  <b>Basic</b> analysis of <b>one</b> advantage/disadvantage of CPA. <b>[AN]</b>

Question	Answer	Mark	Guidance
17	<p><b>Analyse likely impacts of improving the environmental profile on both business functions. Recommend which business function is likely to be affected the most. Justify your answer.</b></p> <p><b>Responses include:</b></p> <ul style="list-style-type: none"> <li><b>Finance</b> e.g. loss of 31 days/1 month of revenue, impact on cash flow, update cash flow forecasting, need to source finance, gearing, higher costs, impact on future revenue (increased or reduced sales), impact on profit, etc</li> <li><b>Marketing</b> e.g. adapt marketing strategy, emphasise environmental profile in advertising media, promote using social media, use search engine optimisation (SEO), use PR to emphasise maintenance of quality, increase prices, changing pricing strategy, change in target market, etc</li> </ul> <p><b>Application may include:</b></p> <ul style="list-style-type: none"> <li>4 star rating and exceptional service</li> <li>Typical customer - couples, 50+, affluent</li> <li>£339 per room per night</li> <li>£25m annual total revenue</li> <li>£350,000 profit</li> <li>No revenue in October</li> <li>£3m capital cost</li> </ul> <p style="text-align: right;"><b>ARA</b></p>	<p><b>14</b></p> <p>(AO1 2) (AO2 2) (AO3 4) (AO4 6)</p>	<p><b>Use level of response marking grid to assess skill levels.</b></p> <p>Annotate as:</p> <p>Up to two marks for knowledge and understanding <b>[KU]</b> Up to two marks for application <b>[APP]</b> Up to four marks for analysis <b>[AN]/[DEV]</b> Up to six marks for evaluation <b>[EVAL]/[EE]</b></p> <p>Evaluation is likely to consider the magnitude of the impacts on both functions or the longevity of the impacts. A judgement of comparison is required i.e. which is bigger rather than impacts on both are high.</p>

**Q17** The owners of The Thirl have made a strategic decision to improve the environmental profile of the hotel. This decision affects all business functions including:

- finance
- marketing.

Analyse likely impacts on both business functions. Recommend which business function is likely to be affected the most.

	<b>Knowledge &amp; Understanding</b> (2 marks)	<b>Application</b> (2 marks)	<b>Analysis</b> (4 marks)	<b>Evaluation</b> (6 marks)
<b>Strong</b>	<b>2 marks</b>  Knowledge of an impact on <b>both</b> of the business functions. <b>[KU]</b>	<b>2 marks</b>  Application to The Thirl of an impact on <b>both</b> of the business functions. <b>[APP]</b>	<b>4 marks</b>  <b>Developed</b> analysis of an impact on <b>both</b> of the business functions. <b>[DEV]</b>	<b>5-6 marks</b>  A <b>justified</b> evaluation as to which business function at The Thirl is likely to be most affected by improvements to its environmental profile, including why the alternative would be less affected (with explicit <u>use</u> of the context). <b>[EE][EE]</b>
<b>Good</b>			<b>3 marks</b>  <b>Developed</b> analysis of an impact on <b>one</b> of the business functions. <b>[DEV]</b>	<b>4 marks</b>  A <b>justified</b> evaluation as to which business function at The Thirl is likely to be most affected by improvements to its environmental profile (with explicit use of the context). <b>[EE]</b>
<b>Reasonable</b>	<b>1 mark</b>  Knowledge of an impact on <b>one</b> of the business functions. <b>[KU]</b>	<b>1 mark</b>  Application to The Thirl of an impact on <b>one</b> of the business functions. <b>[APP]</b>	<b>2 marks</b>  <b>Basic</b> analysis of an impact on <b>both</b> of the business functions. <b>[AN]</b>	<b>2-3 marks</b>  A <b>justified</b> evaluative comment as to which business function is likely to be most affect by improvements to environmental profile. <b>[EVAL] [EVAL]</b>
<b>Limited</b>			<b>1 mark</b>  <b>Basic</b> analysis of an impact of <b>one</b> of the business functions. <b>[AN]</b>	<b>1 mark</b>  A <b>basic assertion</b> as to which business function is likely to be most affected by improvements to environmental profile. <b>[EVAL]</b>

Question	Answer	Mark	Guidance
18*	<p>Using your knowledge and understanding from across the full course of study, evaluate whether the strategic decision to improve the environmental profile of the hotel is the best way to ensure The Thirl's future success.</p> <p><b>Responses include:</b></p> <ul style="list-style-type: none"> <li>• <b>Positive impacts of improving the environmental profile</b> e.g. widen target market, good publicity, might be able to increase prices, etc</li> <li>• <b>Negative impacts of improving the environmental profile</b> e.g. closure may lead to customers moving to the competition, inference on quality, could lose some of existing market, high cost, etc</li> <li>• <b>Other solutions to secure the success of the hotel</b> e.g. mergers, acquisitions, expansion, public relations, promotional packages, change target market, recruitment, staff development, training provision, improved cash flow management, improved investment appraisal, change of ownership, change of strategic direction, etc</li> </ul> <p><b>Application may include:</b></p> <ul style="list-style-type: none"> <li>• May attract golfers since courses nearby</li> <li>• Conflict between quality/luxury image and environmentally friendliness</li> <li>• £339 per room per night</li> <li>• £25m annual total revenue</li> <li>• £350,000 profit</li> <li>• High occupancy rate of 78%</li> </ul>	<p><b>14</b></p> <p>(AO1 2) (AO2 2) (AO3 4) (AO4 6)</p>	<p><b>Use level of response marking grid to assess skill levels.</b></p> <p>Annotate as:</p> <p>Up to two marks for knowledge and understanding <b>[KU]</b> Up to two marks for application <b>[APP]</b> Up to four marks for analysis <b>[AN]/[DEV]</b> Up to six marks for evaluation <b>[EVAL]/[EE]</b></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 may consider whether improving the environmental profile leads to more or less success for The Thirl, especially since its competitive advantage relates to quality and the perceived lack of quality of being environmentally friendly and the magnitude of any impact given the high room occupancy rate where Stages 1 and 2 led to no improvement in occupancy and consideration of the average customer demographic. Evaluation may also suggest that another strategic decision would have been better, possibly related to the activities of one of the business functions or more generally relating to a change of ownership or strategic direction. It might also consider likely future changes in the external environment and the mitigation of risk.</p> <p><b>NB SYNOPTIC QUESTION</b> – All points can be supported with any appropriate knowledge and understanding that a student may have learned whilst studying the course.</p>

	<ul style="list-style-type: none"><li>• Occupancy rate stable in last two years</li><li>• 42% cannot afford higher price of environmentally friendly holidays</li><li>• 22% suggest they find it difficult to locate environmentally friendly options</li><li>• 20% equate environmentally friendly with lack of luxury</li></ul> <p><b>ARA</b></p>		
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**Q18\* Using your knowledge and understanding from across the full course of study, evaluate whether the strategic decision to improve the environmental profile of the hotel is the best way to secure The Thirl's future success. [14]**

	<b>Knowledge &amp; Understanding</b> (2 marks)	<b>Application</b> (2 marks)	<b>Analysis</b> (4 marks)	<b>Evaluation</b> (6 marks)
<b>Strong</b>	<b>2 marks</b>  Breadth of knowledge relating to business success drawn from across the full course of study. [KU]	<b>2 marks</b> Breadth of application to The Thirl of knowledge relating to business success drawn from across the full course of study. [APP]	<b>4 marks</b> Developed analysis relating to business success drawn from across the full course of study. [DEV]	<b>5-6 marks</b> A <b>justified</b> evaluation as to whether improving its environmental profile is the best way for The Thirl to secure future success, including why an alternative way has been rejected (with explicit use of the context). [EE][EE]
<b>Good</b>			<b>3 marks</b> A piece of <b>developed</b> analysis relating to business success. [DEV]	<b>4 marks</b> A <b>justified</b> evaluation as to whether improving its environmental profile is the best way for The Thirl to secure future success. (with explicit use of the context). [EE]
<b>Reasonable</b>	<b>1 mark</b>  A piece of knowledge relating to business success. [KU]	<b>1 mark</b> Application to The Thirl of a piece of knowledge relating to business success. [APP]	<b>2 marks</b> Two pieces of <b>basic</b> analysis relating to business success. [AN]	<b>2-3 marks</b> A <b>justified</b> evaluative comment as to the best way a business can secure future success. [EVAL] [EVAL]
<b>Limited</b>			<b>1 mark</b>  One piece of <b>basic</b> analysis relating to business success. [AN]	<b>1 mark</b>  A <b>basic assertion</b> as to the best way a business can secure future success. [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>