



Edexcel A-level Business exam practice answers

How your exams are marked

Questions worth 1 or 2 marks test your knowledge. Aspects of definitions will earn a mark each. These answers show these as a [1] for each aspect that would earn a mark.

Questions worth 3 to 12 marks which contain the command word 'analyse' or 'explain why' will earn marks for each of three skills: Knowledge, Application of knowledge, and Analysis of the question. These answers indicate how these skills can be shown for each question.

Questions worth 10 or more marks expecting a judgement (e.g. command words will include evaluate, to what extent, discuss, or may simply ask you to recommend a course of action) test four skills: Knowledge, Application, Analysis and Evaluation (your ability to make a supported judgement). These are marked using a levels of response grid — this asks the examiner to judge how well you have shown all four skills in your response. Top level answers will:

- 'show accurate and thorough understanding throughout, using the business context'
- 'use well-developed and logical, coherent chains of reasoning, showing a range of cause and/or effect(s)'
- 'use information well to support judgements, showing a full awareness of the validity and significance of competing arguments/factors'.

As a guide:

- For questions worth 10–14 marks, develop two arguments fully before making a judgement.
- For questions worth more than 14 marks, develop three arguments before making a judgement.

These answers will indicate points on which valid arguments can be developed and suggest typical ways to demonstrate all relevant skills for the question asked.

Mark scheme for 20 mark questions

| Level | Mark | Descriptor |
|-------|------|---|
| | 0 | A completely inaccurate response. |
| 1 | 1–4 | Isolated elements of knowledge and understanding. Weak or no relevant application of business examples. An argument may be attempted, but will be generic and fail to connect causes and/or consequences. |
| 2 | 5–8 | Elements of knowledge and understanding, which are applied to the business example. |



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|---|-------|--|
| | | <p>Arguments and chains of reasoning are presented, but connections between causes and/or consequences are incomplete.</p> <p>Attempts to address the question.</p> <p>A comparison or judgement may be attempted, but it will not successfully show an awareness of the key features of business behaviour or business situation.</p> |
| 3 | 9–14 | <p>Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context.</p> <p>Uses developed chains of reasoning, so that causes and/or consequences are complete, showing an understanding of the question.</p> <p>Arguments are well developed.</p> <p>Quantitative and/or qualitative information is introduced in an attempt to support judgements, a partial awareness of the validity and/or significance of competing arguments and may lead to a conclusion.</p> |
| 4 | 15–20 | <p>Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context.</p> <p>Uses well-developed and logical, coherent chains of reasoning, showing a range of cause and/or effect(s).</p> <p>Arguments are fully developed.</p> <p>Quantitative and/or qualitative information is/are used well to support judgements. A full awareness of the validity and significance of competing arguments/factors, leading to balanced comparisons, judgements and an effective conclusion that proposes a solution and/or recommendations.</p> |

Mark scheme for 10 mark questions

| Level | Mark | Descriptor |
|---------|------|--|
| Level 1 | 1–2 | <p>Isolated elements of knowledge and understanding; recall based.</p> <p>Weak or no relevant application to business examples.</p> <p>Generic assertions may be presented.</p> |
| Level 2 | 3–4 | <p>Elements of knowledge and understanding, which are applied to the business example.</p> <p>Chains of reasoning are presented, but may be assertions or incomplete.</p> <p>A generic or superficial assessment is presented.</p> |
| Level 3 | 5–6 | <p>Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the</p> |



| | | |
|---------|------|--|
| | | <p>business behaviour/context.</p> <p>Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s).</p> <p>An attempt at an assessment is presented, using quantitative and/or qualitative information, although unlikely to show the significance of competing arguments.</p> |
| Level 4 | 7–10 | <p>Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context.</p> <p>A coherent and logical chain of reasoning, showing cause(s) and/or effect(s).</p> <p>Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors leading to a supported judgement.</p> |

11: Business objectives and strategy

- 1 Indicative content: (20)
- SWOT, PESTLE and Porter's analysis frameworks are designed to assess a firm's current position.
 - Technological change can render the results of the analysis redundant in months.
 - Other external factors, such as social or political change, can shift radically in a short space of time.
 - Globalisation has increased the threat of new international rivals, changing the competitive landscape quickly.
- Possible counterbalance:
- These methods can be used to assess potential future situations in the market, especially looking at the opportunities and threats of SWOT.
 - Regularly carrying out situational analysis (once or twice a year) allows a firm to stay abreast of changes.
 - Businesses must assess their current position to contextualise strategic decisions; these methods provide a valuable structure for this.
 - Not all markets are changing as rapidly as those mentioned in the question (mobile phones and consumer electronics).
- 2 (a) (4)
- 1 mark for identifying the strategy correctly as market development.
 - 1 mark for identifying that this involves entering a new



market with existing products.

- Up to 2 marks for explaining why entering a new market is risky, including a lack of understanding of customer behaviour and tastes, along with possibly underestimating this lack of understanding.

(b) Assess how weak economic growth and intense competition among UK rivals might affect N and N Ltd. (10)

Possible issues:

- Stalling growth could reduce spending on luxuries.
- Intense rivalry may lead to price competition.
- Higher production costs than rivals may prevent price reductions as an option.

All three of these issues suggest a reduction in sales volume and sale value. This would reduce gross profit, and subsequently operating profit unless the business can cut expenses.

(c) Possible issues: (10)

- The mission defines their point of differentiation, offering a competitive advantage.
- The mission will help new staff hoping to enter the new market understand what the business is trying to achieve.
- The clear sense of mission should underpin decision-making, enabling the business to ensure that the correct choices are made when entering new markets.
- Their mission may help to recruit the best staff if their personal values align with N and N's mission.