



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 7 marks 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 8 or more marks 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 8–10 marks, develop two arguments fully before making a judgement
- for questions worth more than 10 marks, develop three arguments before making a judgement.

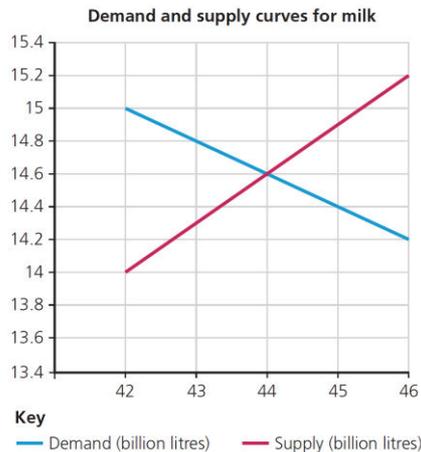
These answers will indicate points on which valid arguments can be developed and suggest typical ways to demonstrate all relevant skills for the question asked.



2: The market

1 Demand and supply curves for milk.

[4]



2
$$\frac{\% \text{ change in demand}}{\% \text{ change in price}} = \frac{((-0.2/14.6) \times 100)}{((1/44) \times 100)} = \frac{-1.37}{2.27} = -0.6$$
 [3]

3
$$+0.1 = \frac{\% \text{ change in demand}}{-5\%} + 0.1 \times -5\% = -0.5\%$$
 [3]

$$15 \times 0.995 = 14.925 \text{ (bn ltrs)}$$

4 Answers could include:

[10]

- changes in the costs of production
- introduction of new technology
- indirect taxes
- government subsidies
- external shocks.

Application will come from contextualising each within the scenario of milk production (new milking techniques, higher yielding cattle, withdrawal of EU subsidies following Brexit, etc.).

Analysis will be shown by explaining the process by which a particular shock would affect the supply of milk in the UK, for example, new milking techniques may speed up the milking process, enabling farmers to reduce the cost per litre of milk produced, which would encourage them to raise the amount supplied with the potential for higher profits.