

Past-paper walk-through

Stakeholders in a business ■ 1.5

eXercise

Questions in this set

- 9609/21 N25 Q2 ■ 30 marks
- 9609/22 N25 Q2 ■ 30 marks
- 9609/13 J25 Q6 ■ 20 marks
- 9609/21 J25 Q1 ■ 30 marks

Reading the mark scheme

- **B1** a mark that stands on its own – the point is either made or not.
- **M1** a *method* mark: the right approach, even if the number is wrong.
- **A1** an *answer* mark, and it usually needs its M mark first.
- **C1** a working mark on the way to the answer.
- **//** separates answers the examiner accepts equally.
- **ecf** = error carried forward: a later part is marked on your own earlier answer.
- **owtte** = “or words to that effect” – the wording need not match.

Question 2

9609/21 N25 ■ Q2 ■ 30 marks

2 Natalia's Naturals (NN)

NN is a small business owned by Natalia. NN produces and sells a range of natural skincare products.

In 2020, Natalia started making her own skincare products at home using natural ingredients. She realised that there was a demand for her products among her friends and family. Natalia then decided to turn her hobby into a business and launched NN in 2021.

5

Natalia operates her business from a rented workshop with limited space, where she makes her products by hand. She buys her ingredients from local suppliers who share her values of environmentally friendly production.

Question 2

NN has been growing steadily and has gained a loyal customer base. NN has received positive reviews from beauty magazines. Natalia's skincare products are sold through her own website, social media platforms and local retailers who specialise in selling natural products.

10

Natalia is developing a new face cream. Table 2.1 shows price and cost estimates for the new face cream.

Table 2.1 Price and cost estimates

15

Product	Price	Allocated fixed costs	Variable costs per unit
Face cream	\$5	\$12 000	\$2

The skincare market is very competitive. There are many established brands that offer similar products to NN, but with wider distribution channels.

Question 2

Natalia needs to balance her time between production, managing orders, delivery, marketing and other administrative tasks. She works long hours and is stressed and exhausted. 20

Natalia is considering outsourcing to increase NN's production capacity.

- (a) (i) Identify **one** internal stakeholder of a business. [1]
- (ii) Explain the term *distribution channels*. [3]
- (b) (i) Refer to Table 2.1. Calculate the break-even level of output of the new face cream. [3]
- (ii) Explain **one** limitation to NN of break-even analysis. [3]
- (c) Analyse **one** advantage and **one** disadvantage to NN of being a small business. [8]

Question 2

- (d) Evaluate whether outsourcing is the most suitable way to increase NN's production capacity.
[12]

Solution 2

(a)(i) Mark scheme

- Identify one internal stakeholder of a business.
- AO1 Knowledge and understanding
- Indicative content
- Responses may include:
 - ■
 - employees
 - ■
 - owners

Solution 2

- ■
- shareholders
- ■
- managers
- ■
- directors
- ■
- investors
- Accept all valid responses.
- 1

Solution 2

- 9609/21
- October/November 2025

Solution 2

(a)(ii) Mark scheme

- Explain the term 'distribution channels.'
- AO1 Knowledge and understanding
- 1 mark
- AO2 Application
- 2 marks
- 2 marks
- Developed application of one relevant point to a business
- context.

Solution 2

- 1 mark
- Knowledge of one relevant point is used to answer the question.
- 1 mark
- Limited application of one relevant point to a business context.
- 0 marks
- No creditable response.
- 0 marks
- No creditable response.

Solution 2

- Responses may include:
 - AO1 Knowledge and understanding
 - (max 1 mark), including:
 - ■
 - stages/routes/path a good/service passes through to the final buyer/customer/consumer
 - ■
 - how a product or service gets from the producer to the final customer/from supplier to consumer
- AO2 Application
- Explanation of distribution channels

Solution 2

- (max 1 mark), including:
 - ■
 - can be direct/indirect/digital
 - ■
 - help businesses access wider markets
 - ■
 - efficient for getting products to customers
 - ■
 - convenient for customers
 - ■

Solution 2

- reduce costs through specialisation
- ■
- help gain brand recognition
- 3
- 9609/21
- October/November 2025
- Application for distribution channels
- (max 1 mark), including:
- ■
- vary according to business type

Solution 2

- ■
- business can use more than one channel such as selling through website and retail shop
- ■
- examples of distribution channels such as:
 - producer sells direct to the consumer
 - involves intermediaries such as wholesalers/retailers/agents
 - digital platforms/websites/apps/social media
- ■
- example of a business distribution channel

Solution 2

- Accept all valid responses

Solution 2

(b)(i) Mark scheme

- Refer to Table 2.1. Calculate the break-even level of output of the new face cream.
- Indicative content
- formula: break-even output = fixed costs / selling price-variable costs (contribution per unit) ①
- calculation of contribution per unit = $\$5 - \$2 = \$3$ ①
- calculation of output = $12\,000/3 (1) = 4000$ units
- Answer = 4000 ③
- OFR applies

Solution 2

- 3
- 9609/21
- October/November 2025

Solution 2

(b)(ii) Mark scheme

- Explain one limitation to NN of break-even analysis.
- AO1 Knowledge and understanding
- 1 mark
- AO2 Application
- 2 marks
- 2 marks
- Developed application of one relevant point to a business
- context.

Solution 2

- 1 mark
- Knowledge of one relevant point is used to answer the question.
- 1 mark
- Limited application of one relevant point to a business context.
- 0 marks
- No creditable response.
- 0 marks
- No creditable response.

Solution 2

- Responses may include:
- AO1 Knowledge and understanding – Knowledge of a limitation
- (max 1 mark), including:
 - ■
 - may be based on unrealistic assumptions
 - ■
 - price can change
 - ■
 - fixed costs can change
 - ■

Solution 2

- variable costs do not always stay the same
- ■
- some costs semi-fixed/variable
- ■
- sales not the same as output
- ■
- hard to calculate for a single product in a business.
- ■
- does not take account of changes in the external environment
- 3

Solution 2

- 9609/21
- October/November 2025
- Dis AO2 Application
- Explanation of a limitation
- (max 1 mark), including:
 - ■
 - leads to inaccurate analysis
 - ■
 - assumes all units produced are sold
 - ■

Solution 2

- example of changing fixed costs such as rent/salaries/investments
- ■
- example of changing variable costs
- ■
- example of semi-fixed/variable costs
- ■
- example of difference between sales and output such as unsold inventory/returns/discounts
- ■
- products may have different profit margins

Solution 2

- Context applied to a limitation
- (max 1 mark), including:
 - ■
- answer to 2(b)(i) (OFR)
- ■
- price of \$5
- ■
- sells other products that contribute to fixed costs
- ■
- use of table 2.2

Solution 2

- ■
- rents workshop
- ■
- competitive market
- Accept all valid response
- 9609/21
- October/November 2025

Solution 2

(c) Mark scheme

- Analyse one advantage and one disadvantage to NN of being a small business.
- Level AO1 Knowledge and understanding
- 2 marks
- AO2 Application
- 2 marks
- AO3 Analysis
- 4 marks

Solution 2

- 2
- 3–4 marks
- Developed analysis
- ■
- Developed analysis that
- identifies connections between
- causes, impacts and/or
- consequences of two points.
- ■
- Developed analysis that

Solution 2

- identifies connections between
- causes, impacts and/or
- consequences of one point.
- 1
- 1–2 marks
- ■
- Knowledge of two relevant
- points is used to answer the
- question.
- ■

Solution 2

- Knowledge of one relevant
- point is used to answer the
- question.
- 1–2 marks
- ■
- Application of two relevant
- points to a business context.
- ■
- Application of one relevant
- point to a business context.

Solution 2

- 1–2 marks
- Limited analysis
- ■
- Limited analysis that identifies
- connections between causes,
- impacts and/or consequences
- of two points.
- ■
- Limited analysis that identifies
- connections between causes,

Solution 2

- impacts and/or consequences
- of one point.
- 0
- 0 marks
- No creditable response.
- 0 marks
- No creditable response.
- 0 marks
- No creditable response.

Solution 2

- Annotate the advantage in the left-hand margin and the disadvantage in the right-hand margin.
- 8
- 9609/21
- October/November 2025
- Responses may include:
- AO1 Knowledge and understanding
- Knowledge of an advantage
- (max 1 mark), including:
- ■

Solution 2

- more flexible and adaptable to changing customer needs or market conditions
- ■
- more personal and responsive customer service
- ■
- lower overheads and operating costs
- ■
- easier to control and manage
- ■
- able to target niche markets or segments
- Knowledge of a disadvantage

Solution 2

- (max 1 mark), including:
 - ■
 - lower economies of scale
 - ■
 - high unit costs.
 - ■
 - low bargaining power
 - ■
 - difficult to be competitive
 - ■

Solution 2

- may not be able to fulfil all orders
- ■
- smaller customer base
- ■
- fewer distribution channels
- ■
- limited funding opportunities
- AO2 Application Max one
- for application to an advantage and Max one
- for application to a disadvantage

Solution 2

- ■
- needs to sell 4000 units of new product to break even (OFR from 2(b)(i))
- ■
- high fixed costs of one product such as the new face cream \$12 000
- ■
- niche market for natural ingredients in skincare
- ■
- competitive market with large chains/established brands
- ■
- can quickly adapt products for different skin types

Solution 2

- ■
- hand-made products
- ■
- Natalia manages all tasks/no employees
- ■
- Natalia works long hours/stressed and exhausted
- 9609/21
- October/November 2025
- AO3 Analysis
- Limited analysis

Solution 2

- – candidate shows one link in the chain of analysis.
- Developed analysis
- candidate shows two or more links in the chain of analysis or a two-sided analysis.
- Advantages, including:
 - ■
 - can be more flexible and adaptable as a small business – such as by being able to modify its
 - products/prices/promotions/places quickly and easily according to customer feedback or market trends.
 - ■
 - increase customer satisfaction – leading to customer loyalty/retention.

Solution 2

- ■
- reduced fixed costs – more profit
- Disadvantages, including:
 - ■
 - small market and high costs – lead to a lower profit margin
 - ■
 - less potential for growth – limited access to capital
 - ■
 - difficult to compete in the market – less brand recognition
 - ■

Solution 2

- limited sources of finance – difficult to attract investors/obtain loans
- Accept all valid responses
- 9609/21
- October/November 2025

Solution 2

(d) Mark scheme

- Evaluate whether outsourcing is the most suitable way to increase NN's production capacity.
- Level AO1 Knowledge
- and understanding
- 2 marks
- AO2 Application
- 2 marks
- AO3 Analysis

Solution 2

- 2 marks
- AO4 Evaluation
- 6 marks
- 3
- 5–6 marks
- Developed evaluation in context
- ■
- A developed judgement/conclusion is
- made in the business context.
- ■

Solution 2

- Developed evaluative comments
- which balance some key arguments in
- the business context.
- 2
- 2 marks
- Developed
- knowledge of
- relevant key term(s)
- and/or factor(s) is
- used to answer the

Solution 2

- question.
- 2 marks
- Developed
- application of
- relevant point(s) to
- the business
- context.
- 2 marks
- Developed analysis
- that identifies

Solution 2

- connections
- between causes,
- impacts and/or
- consequences.
- 3–4 marks
- Developed evaluation
- ■
- A developed judgement/conclusion is
- made.
- ■

Solution 2

- Developed evaluative comments
- which balance some key arguments.
- 1
- 1 mark
- Limited knowledge
- of relevant key
- term(s) and/or
- factor(s) is used to
- answer the question.
- 1 mark

Solution 2

- Limited application
- of relevant point(s)
- to the business
- context.
- 1 mark
- Limited analysis
- that identifies
- connections
- between causes,
- impacts and/or

Solution 2

- consequences.
- 1–2 marks
- Limited evaluation
- ■
- A judgement/conclusion is made with
- limited supporting comment/evidence.
- ■
- An attempt is made to balance the
- arguments.
- 0

Solution 2

- 0 marks
- No creditable response.
- 0 marks
- No creditable response.
- 0 marks
- No creditable response.
- 0 marks

Solution 2

- No creditable response.
- 12
- 9609/21
- October/November 2025
- Responses may include:
 - AO1 Knowledge and understanding – of outsourcing (max 2
 - s), including:
 - ■
 - the process of contracting out a business activity or function to another business/organisation

Solution 2

- ■
- pay other businesses to take on some tasks
- ■
- can help reduce unit costs
- ■
- a business can concentrate on what it does best
- ■
- can reduce risks
- ■
- specialists skilled in function

Solution 2

- ■
- specialist facilities
- AO2 Application
- Limited application
- applies knowledge of outsourcing to NN once.
- Developed application
- +
- applies knowledge of outsourcing to NN twice.
- ■
- growing demand for its products

Solution 2

- ■
- small business
- ■
- Natalia works long hours/stressed and exhausted
- ■
- NN's values/standards
- ■
- Natalia's passion and satisfaction as an entrepreneur
- ■
- competitive market

Solution 2

- ■
- loyal customer base
- ■
- narrow distribution channels
- ■
- organic ingredients
- ■
- natural, handmade products
- ■
- local suppliers

Solution 2

- ■
- small, rented workshop
- ■
- answer to 2(b)(i), required output/sales to break-even
- 9609/21
- October/November 2025
- AO3 Analysis
- Limited analysis
- – candidate shows one link in the chain of analysis.
- Developed analysis

Solution 2

- candidate shows two or more links in the chain of analysis or a two-sided analysis.
- Arguments for outsourcing:
 - ■
 - outsourcing allows a business to scale up production – no need to invest in larger premises or equipment.
 - ■
 - would free up time to focus on other tasks – like product development/marketing.
 - ■
 - external manufacturers may have better equipment and processes – leading to improved efficiency/product consistency.
 - ■

Solution 2

- this could enhance reputation – supporting growth/sales
- Arguments against outsourcing:
 - ■
 - could compromise product quality – resulting on dissatisfied customers
 - ■
 - customers may perceive outsourced products as less personal – reducing demand
 - ■
 - may conflict with values – especially if the external firm does not share the same environmental standards.
 - ■

Solution 2

- may involve high initial costs or long-term contracts- risky for a small business with limited financial resources.
- AO4 Evaluation
- Limited evaluation
 - – unsupported judgement and/or a weak attempt at evaluative comment
- Developed evaluation
 - – supported judgement and/or reasonable evaluative comment
- Developed evaluation in context
 - – supported judgement in context and/or reasonable evaluative comment in context.

Solution 2

- Outsourcing could help NN expand production and reduce Natalia's workload, but it also poses risks to quality, brand identity, and cost control. A hybrid approach may be more suitable – Natalia could outsource part of the production while
- maintaining control over key processes. This would allow NN to grow sustainably while preserving its unique brand values.
- Other points might include:
 - ■
 - depends on various factors – such as her objectives, resources, capabilities, market conditions
 - ■

Solution 2

- judgement over the most important/influential factor affecting growth of NN
 - ■
- elements that the judgement could depend upon, such as losing control over the quality and consistency of the
 - products, compromising on the natural and organic ingredients used in the products, or damaging the reputation and
- image of NN
 - ■
- judgement on the implications for cost and NN's ability to compete with big brands
 - ■

Solution 2

- weighing up of the factors and their relative influence on NN's options
- Accept all valid responses

Question 2

9609/22 N25 ■ Q2 ■ 30 marks

2 Law Advice Forum (LAF)

Drake has a law degree and works for a partnership of lawyers during the day. Drake owns a website that gives free legal advice. He works on the website in the evenings and at the weekend.

He started the website as a hobby, but the website has grown to over 20 000 users and he now sells advertising on his videos and on the website.

5

Drake uses outsourcing for some areas of his website. He has recently been sent a report showing variances in the budget from the previous month (see Table 2.1).

Table 2.1 Budget report for Drake's website in the previous month

Question 2

	Budget	Actual
Total revenue	\$4500	\$4000
Total costs	\$600	\$750
Profit	\$3900	\$3250

10

Drake has now left his job and is focusing full time on the website. He rebranded the website as Law Advice Forum (LAF). Drake's business plan for LAF included:

Question 2

- Operating as a sole trader. 15
- Continuing to develop and expand the website to provide legal advice and paid legal services.
- Renting an office in city G where all employees would work.
- Hiring five fully qualified lawyers.
- Hiring three administrators. 20
- Leasing IT equipment.

However, Drake is concerned about the limitations LAF will face as a labour intensive operation.

- (a) (i) Identify **one** external stakeholder of a business partnership. [1]
- (ii) Explain the term *outsourcing*. [3]
- (b) (i) Refer to Table 2.1. Calculate the profit variance for Drake's website in the previous month. State whether the variance is favourable or adverse. [3]

Question 2

- (ii) Explain **one** way Drake could use the budget data in Table 2.1. [3]
- (c) Analyse **two** possible limitations for LAF as a labour intensive operation. [8]
- (d) Evaluate the most important responsibility that Drake has as the owner of LAF. [12]

Solution 2

(a)(i) Mark scheme

- Identify one external stakeholder of a business partnership.
- Responses may include:
- Knowledge of an external stakeholder of a partnership
- ■
- Customers / consumers
- ■
- Suppliers
- ■

Solution 2

- Competitors
 - ■
- Government
 - ■
- Local community
 - ■
- Potential investors/owners
 - ■
- Banks
- Do not accept owners, investors or shareholders, as these are internal stakeholders.

Solution 2

- Accept all valid responses.
- 1
- 9609/22
- October/November 2025

Solution 2

(a)(ii) Mark scheme

- Explain the term outsourcing.
- AO1 Knowledge and understanding
- 1 mark
- AO2 Application
- 2 marks
- 2 marks
- Developed application of one relevant point to a
- business context.

Solution 2

- 1 mark
- Knowledge of one relevant point is used to answer the question.
- 1 mark
- Limited application of one relevant point to a business context.
- 0 marks
- No creditable response.
- 0 marks
- No creditable response.

Solution 2

- Responses may include:
- AO1 Knowledge and understanding
- Knowledge of outsourcing
- (max 1 mark), including:
 - ■
 - Using another business (a third party) to undertake a business function
 - ■
 - Using an external business/producer to undertake a business function
- AO2 Application
- Limited application

Solution 2

- applies knowledge of outsourcing to a business context
- Developed application
- +
- applies knowledge of outsourcing to a business context
- ■
- Examples of an outsourcing function; manufacturing, accounting and finance, HRM etc.
- ■
- Allow explanations of reasons for outsourcing; lack of skills, cost advantage, increasing capacity etc.
- ■

Solution 2

- Not using the business's own resources; employees, machines etc.
- Accept all valid responses.
- 3
- 9609/22
- October/November 2025
- Exemplar and annotations
- Mark Rationale
- Another business producing for you
- . To increase capacity
- by using the other business's facilities

Solution 2

- .
- 3
- Knowledge of outsourcing, a
- reason to outsource and
- explanation of how this might
- happen.
- Using a third party to do tasks for your business
- , such as
- outsourcing HR tasks
- if they can do it cheaper

Solution 2

- .
- 3
- Knowledge of outsourcing, with an
- example of an outsourced task and
- a reason.
- Contracting another business to do a job
- such as marketing
- 2
- Knowledge of outsourcing and an
- example of an outsourced task.

Solution 2

- Using another business to do a business function
- . Drake uses
- outsourcing for some areas of his website.
- 1
- Knowledge of outsourcing. Do not
- credit copied sections from the
- case.
- Partnering with another business to sell goods.
- 0
- This is not outsourcing – this could

Solution 2

- be a distribution agreement.
- Drake uses another business for some areas of his website, such
- as keeping it up to date.
- 0
- No knowledge of outsourcing. Do
- not credit copying of the case
- material.
- 9609/22
- October/November 2025

Solution 2

(b)(i) Mark scheme

- Refer to Table 2.1. Calculate the profit variance for Drake's website in the previous month. State whether the
- variance is favourable or adverse.
- Formula:
- $\text{Actual} - \text{Budget} = \text{Variance (1)}$ OR $\text{Budget} - \text{Actual}$ (1)
- Calculation:
- $\text{Variance} = \$3250 - \$3900 = \$650$ (1)
- Adverse (1) – only award if this is evidenced by the working/answer

Solution 2

- Ans = \$650 adverse (3 marks)
- Accept 16.67% (must include % sign and be correctly rounded, i.e. 17%, 16.7% etc.) adverse as a correct answer
- Examples and annotations
- Rationale
- 3 marks
- Correct answer
- \$650 adverse
- Accept 16.67% adverse
- Working and \$ do not matter.

Solution 2

- Award one
- to denote the three marks.
- Do not award the minus sign as adverse.
- 2 marks
- ■
- A correct answer with incorrect or
- missing variance (650)
- To award two marks, there must be
- ■
- Two

Solution 2

- and a
- OR
- ■
- One
- , one
- and one
- 1 mark
- One of the following:
 - ■
 - Correct formula (can be implied)

Solution 2

- To award one mark, there must be:
 - ■
 - One
 - and two
 - 0 marks
 - No creditable content.
- To award zero marks, there must be
 - ■
 - One
 - 9609/22

Solution 2

- October/November 2025

Solution 2

(b)(ii) Mark scheme

- Explain one way Drake could use the budget data in Table 2.1.
- AO1 Knowledge and understanding
- 1 mark
- AO2 Application
- 2 marks
- 2 marks
- Developed application of one relevant point to a
- business context.

Solution 2

- 1 mark
- Knowledge of one relevant point is used to answer the question.
- 1 mark
- Limited application of one relevant point to a business context.
- 0 marks
- No creditable response.
- 0 marks
- No creditable response.

Solution 2

- Responses may include:
- AO1 Knowledge and understanding
- Identification of a way to use budget data
- (max 1 mark), including:
 - ■
 - measuring performance
 - ■
 - allocating resources
 - ■
 - controlling

Solution 2

- ■
- monitoring a business
- ■
- decision making (or examples of decision making, e.g. pricing, costing)
- ■
- planning.
- AO2 Application
- Explanation of a way to use budget data
- (max 1 mark), including:
- ■

Solution 2

- measuring performance; by comparing actual data with budgeted data
- ■
- allocating resources; by allocating more budget to priorities
- ■
- controlling; by allocating less budget to low priority functions
- ■
- monitoring a business; to see areas of a business with greater variances.
- 3
- 9609/22
- October/November 2025

Solution 2

- Context applied to Drake/LAF
- (max 1 mark), including:
 - ■
- Drake ran his website in the weekends and evenings
- ■
- Drake gave free legal advice
- ■
- LAF still provides free legal advice but paid legal services
- ■
- Drake was the only internal stakeholder of his website

Solution 2

- ■
- Drake uses outsourcing
- ■
- Use of data in Table 2.1
- ■
- Drake has expanded LAF
- ■
- Will employ five lawyers
- ■
- Will employ three administrators

Solution 2

- ■
- Labour intensive business
- ■
- Sole trader
- Accept all valid responses.
- Exemplar and annotations
- Mark Rationale
- To identify variances
- of areas where LAF is overspending
- leading to the adverse profit variance of \$650

Solution 2

- .
- 3
- A way identified, explained and in
- context, so all 3 marks.
- To monitor the business
- to decide if Drake should continue
- outsourcing
- .
- 2
- A way identified, and in context for

Solution 2

- Drake/LAF.
- To know how much money is left
- 1
- Identification of a way.
- To grow the business
- 0
- No specific way identified.
- 9609/22
- October/November 2025

Solution 2

(c) Mark scheme

- Analyse two possible limitations for LAF as a labour intensive operation.
- Level
- AO1 Knowledge and understanding
- 2 marks
- AO2 Application
- 2 marks
- AO3 Analysis

Solution 2

- 4 marks
- 2
- 3–4 marks
- Developed analysis
- ■
- Developed analysis that
- identifies connections
- between causes, impacts
- and/or consequences of
- two points.

Solution 2

- ■
- Developed analysis that
- identifies connections
- between causes, impacts
- and/or consequences of
- one point.
- 1
- 1–2 marks
- ■
- Knowledge of two relevant

Solution 2

- points is used to answer the
- question.
- ■
- Knowledge of one relevant
- point is used to answer the
- question.
- 1–2 marks
- ■
- Application of two relevant
- points to a business

Solution 2

- context.
- ■
- Application of one relevant
- point to a business context.
- 1–2 marks
- Limited analysis
- ■
- Limited analysis that
- identifies connections
- between causes, impacts

Solution 2

- and/or consequences of
- two points.
- ■
- Limited analysis that
- identifies connections
- between causes, impacts
- and/or consequences of
- one point.
- 8
- 9609/22

Solution 2

- October/November 2025
- Level
- AO1 Knowledge and understanding
- 2 marks
- AO2 Application
- 2 marks
- AO3 Analysis
- 4 marks
- 0

Solution 2

- 0 marks
- No creditable response.
- 0 marks
- No creditable response.
- 0 marks
- No creditable response.
- Annotate the first reason in the left-hand margin and the second reason in the right-hand margin
- Answers must be about the limitations of operating as a labour intensive business, not simply the limitations of
- managing/having labour.

Solution 2

- Responses may include:
- AO1 Knowledge and understanding
- Identification of a limitation of operating as a labour intensive operations
- , including:
 - ■
 - High labour cost
 - ■
 - Ongoing costs of labour (wages, salary, health care, training, induction etc.)
 - ■
 - Inconsistent quality – human error

Solution 2

- ■
- Labour relations problems
- ■
- Potential shortage of skilled employees
- ■
- Slower production
- 9609/22
- October/November 2025
- AO2 Application
- Application of the advantage to LAF

Solution 2

- , including:
 - ■
 - Drake ran his website in the weekends and evenings
 - ■
 - Drake gave free legal advice
 - ■
 - LAF still provides free legal advice but paid legal services
 - ■
 - Drake was the only internal stakeholder of his website
 - ■

Solution 2

- Drake uses outsourcing
 - ■
- Use of data in Table 2.1
 - ■
- Drake has expanded LAF
 - ■
- Will employ five lawyers
 - ■
- Will employ three administrators
 - ■

Solution 2

- Developed a business plan
- ■
- All employees would work in the same office in city G
- ■
- Employees will need to be able to use IT equipment
- ■
- Sole trader
- AO3 Analysis
- Limited analysis of a limitation of operating as a labour intensive business
- – developed analysis

Solution 2

- , including:
 - ■
 - High labour cost: increasing the pressure on the business to increase revenue – so that it does not make a loss.
 - ■
 - Ongoing costs of labour (wages, salary, health care etc.); which may make the business unprofitable – leading to
 - bankruptcy.
 - ■
 - Inconsistent quality: leading to customer dissatisfaction and being sued in court – increasing business costs.

Solution 2

- ■
- Labour relations problems: workers may not get on together leading to high labour turnover – which may increase the
- business costs of recruitment and training and reduce profit / lead to loss.
- ■
- Potential shortage of skilled employees; so, the business is unable to meet demand and loses sales – reduced
- profitability.
- Accept all valid responses.
- 9609/22
- October/November 2025

Solution 2

- Exemplar and annotations
- AO1 Knowledge
- AO2 Application
- AO3 Analysis
- High wage costs
- ,
- of the five lawyers
- ,
- Which will increase the total costs of
- the business

Solution 2

- leading to lower
- profit
- .
- A slower service
- .
- Because LAF will be using five
- human lawyers
- ,
- Which may reduce demand for LAF's
- services

Solution 2

- and therefore decrease
- the profit
- .
- 9609/22
- October/November 2025

Solution 2

(d) Mark scheme

- Evaluate the most important responsibility that Drake has as the owner of LAF.
- Level
- AO1 Knowledge
- and understanding
- 2 marks
- AO2 Application
- 2 marks
- AO3 Analysis

Solution 2

- 2 marks
- AO4 Evaluation
- 6 marks
- 3
- 5–6 marks
- Developed evaluation in
- context
- ■
- A developed
- judgement/conclusion is

Solution 2

- made in the business
- context.
- ■
- Developed evaluative
- comments which balance
- some key arguments in
- the business context.
- 2
- 2 marks
- Developed

Solution 2

- knowledge of
- relevant key term(s)
- and/or factor(s) is
- used to answer the
- question.
- 2 marks
- Developed
- application of
- relevant point(s) to
- the business

Solution 2

- context.
- 2 marks
- Developed analysis
- that identifies
- connections
- between causes,
- impacts and/or
- consequences.
- 3–4 marks
- Developed evaluation

Solution 2

- ■
- A developed
- judgement/conclusion is
- made.
- ■
- Developed evaluative
- comments which balance
- some key arguments.
- ■
- 12

Solution 2

- 9609/22
- October/November 2025
- Level
- AO1 Knowledge
and understanding
- 2 marks
- AO2 Application
- 2 marks
- AO3 Analysis
- 2 marks

Solution 2

- AO4 Evaluation
- 6 marks
- 1
- 1 mark
- Limited knowledge
- of relevant key
- term(s) and/or
- factor(s) is used to
- answer the question.
- 1 mark

Solution 2

- Limited application
- of relevant point(s)
- to the business
- context.
- 1 mark
- Limited analysis
- that identifies
- connections
- between causes,
- impacts and/or

Solution 2

- consequences.
- 1–2 marks
- Limited evaluation
- ■
- A judgement/conclusion
- is made with limited
- supporting
- comment/evidence.
- ■
- An attempt is made to

Solution 2

- balance the arguments.
- 0
- 0 marks
- No creditable
- response.
- 0 marks
- No creditable
- response.
- 0 marks
- No creditable

Solution 2

- response.
- 0 marks
- No creditable response.
- Responsibility is the duty or state of being accountable for something, meaning Drake has the obligation to take care of it or
- to ensure this is done.
- Do not reward characteristics/qualities of an entrepreneur – it must be something that an owner/manager is responsible for
- in a business.
- 9609/22
- October/November 2025

Solution 2

- Responses may include:
- AO1 Knowledge and understanding
- Knowledge of owner responsibilities
- (max 2 marks), including:
 - ■
 - To create a business plan
 - ■
 - To develop aims, objectives, strategy and tactics
 - ■
 - To keep track of finances and accounting

Solution 2

- ■
- To manage marketing and sales
- ■
- To make sure the business is operating legally and compliantly
- ■
- Ensure excellent customer service
- ■
- To employ and co-ordinate human resources
- ■
- Manage day-to-day operations

Solution 2

- ■
- Plan new initiatives
- ■
- To train the employees
- ■
- To facilitate operations
- ■
- To oversee purchasing
- AO2 Application
- Application to Drake/LAF

Solution 2

- , including:
 - ■
 - Drake ran his website in the weekends and evenings
 - ■
 - Drake gave free legal advice
 - ■
 - LAF still provides free legal advice but paid legal services
 - ■
 - Drake was the only internal stakeholder of his website
 - ■

Solution 2

- Drake uses outsourcing
- ■
- Use of data in Table 2.1
- ■
- Drake has expanded LAF
- ■
- Will employ five lawyers
- ■
- Will employ three administrators
- ■

Solution 2

- Labour intensive business
- ■
- Developed a business plan
- ■
- All employees would work in the same office in city G
- ■
- Employees will need to be able to use IT equipment
- ■
- Sole trader.
- 9609/22

Solution 2

- October/November 2025
- AO3 Analysis
- Limited analysis of owner responsibilities
- – developed analysis
- , including:
 - ■
 - To create a business plan; to give the business direction so that it can operate efficiently – reduce costs / increase
 - revenue.
 - ■

Solution 2

- To develop aims, objectives, strategy and tactics – to give the business direction so that it can operate efficiently –
- reduce costs / increase revenue.
- ■
- To keep track of finances and accounting; so that the business does not go into debt – and go bankrupt.
- ■
- To manage marketing and sales; so that the business can gain revenue – to increase profit.
- ■

Solution 2

- To make sure the business is operating legally and compliantly; so that the business is not sued – which could
- increase the costs.
- ■
- Ensure excellent customer service; so that customers return – increasing revenue.
- ■
- To employ and co-ordinate human resources; so that the business can operate efficiently – reducing costs and
- increasing profitability.
- ■

Solution 2

- Manage day-to-day operations; to enable to business to meet its customers' needs – increasing revenue and repeat purchases.
- ■
- Plan new initiatives; to expand the business – increasing revenue.
- ■
- To train the employees; to increase customer satisfaction – increasing profit.
- ■
- To facilitate operations; to enable revenue to be created – increasing profitability.
- ■

Solution 2

- To oversee purchasing; to enable efficient operations – reducing average costs and increasing profitability.
- AO4 Evaluation
- Limited evaluation of the most important owner responsibility
- – developed
- – developed in context
- , including:
 - ■
- A judgement of the most important responsibility of Drake as the owner of LAF.
- ■

Solution 2

- What the judgement may depend upon; Drake's own objectives/skills, the likely success of LAF as it expands, the
- finances available to Drake etc.
- ■
- It is unknown what the legal structure of LAF is – as a shareholder, Drake would have different responsibilities than a
- sole trader.
- ■
- Whether Drake is able to expand LAF as he plans to – his responsibilities as a 'one-person' business are different than
- his responsibilities as LAF grows and employs more people.

Solution 2

- ■
- The type of legal advice that Drake may be providing and the laws pertaining to legal advice in the countries where
- LAF operates.
- ■
- A judgement about the importance of one responsibility or a weighing up of the comparative importance of more than
- one responsibility.
- Accept all valid responses
- 9609/22
- October/November 2025

Solution 2

- Exemplars for awarding evaluation
- Evaluate the most important responsibility that Drake has as the owner of LAF.
- L1
- (limited supporting
- evidence)
- L2
- (developed supporting
- evidence)
- L3
- (developed supporting

Solution 2

- evidence with context)
- The most important responsibility is
- to pay the lawyers.
- The most important responsibility is
- to pay the lawyers because without
- them, the business has no service
- to provide and will go bankrupt.
- The most important responsibility is
- to pay the five lawyers because
- without them, the business has no

Solution 2

- service to provide and will go
- bankrupt.
- The most important depends on the
- size of the business.
- The most important depends on the
- size of the business. As a small
- business, Drake might need to
- focus on making sure there is
- enough finance. When the
- business grows, this might change

Solution 2

- to customer satisfaction.
- The most important depends on the
- size of the business. As a sole
- trader, Drake might need to focus
- on making sure there is enough
- finance. When the business grows,
- this might change to customer
- satisfaction.

Question 6

9609/13 J25 ■ Q6 ■ 20 marks

- 6 (a) Analyse **two** advantages to a business of making ethical decisions. [8]
- (b) 'Employees are the most important stakeholder group in a primary sector oil and gas business.'

Evaluate this view. [12]

Solution 6

(a) Mark scheme

- Analyse two advantages to a business of making ethical decisions.
- There are 8 marks in total for Q6(a)
- 4 marks for each advantage given.
- These 4 marks consist of
 - 1 mark for
 - 1 mark for
 - 2 marks for
- Indicative content

Solution 6

- Responses may include:
- AO1 Knowledge and understanding
- 1 mark for
- identifying one advantage
- ■
- Enhanced business reputation
- ■
- Increased employee morale
- ■
- Improved customer trust/loyalty

Solution 6

- ■
- Mitigate legal risks/pressure group criticism
- ■
- Positive social impact
- ■
- May give competitive advantage
- ■
- Ensures long term sustainability
- ■
- Ensures business success

Solution 6

- ■
- Attracts more investors
- ■
- Government support
- ■
- Higher sales
- ■
- Attracts employees
- ■
- Reduce costs

Solution 6

- ■
- Reduce conflict between employees
- 8
- 9609/13
- May/June 2025
- AO2 Application
- 1 mark for
- of the chosen way. Repeat this for the chosen advantage
- ■
- Paying fair/living wages – not employ child labour

Solution 6

- ■
- Committing to sustainability – reduce carbon footprint, recycle, energy efficiency
- ■
- Using Fairtrade suppliers – pay fair price for goods
- ■
- Reducing workforce without layoffs – through consultation with unions
- ■
- Reduce pollution – use more eco-friendly machines
- ■
- Limit advertising to children/parents – ‘pester power’

Solution 6

- ■
- Not take bribes – written into code of conduct
- ■
- Investors feel that their money is being used in a responsible way
- AO3 Analysis
- 2 marks for developed analysis of the chosen analysis
- 1 mark for limited analysis of the chosen analysis
- ■
- Can lead to good publicity and brand image/usp – customers may become loyal
- ■

Solution 6

- Attract ethical customers – a potentially increasing customer base in today's market
- ■
- Ethical businesses are more likely to be awarded government contracts – increase revenue
- ■
- Well qualified staff may be attracted to work for businesses who are the most ethical – competitive advantage.
- ■
- Fosters a culture of fairness and respect within the business – help reduce labour turnover and increase efficiency.

Solution 6

- ■
- Improves the public image of the business – people want to work there, customers want to purchase goods, investment
- ■
- Improves the bottom line of the business – loyal customers – increased profits
- ■
- Appeals to shareholders as there is a growing number of ethical investors – greater investment
- Accept all valid responses.
- 9609/13
- May/June 2025

Solution 6

Solution 6

(b) Mark scheme

- 'Employees are the most important stakeholder group in a primary sector oil and gas business.'
- Evaluate this view.
- There are 12 marks for Q6(b)
 - 2 marks for
 - 2 marks for
 - 2 marks for
 - 6 marks for

Solution 6

- Indicative content
- Responses may include:
- AO1 Knowledge and understanding
- 2 marks for developed knowledge and understanding
- 1 mark for limited knowledge and understanding
- ■
- Stakeholders are persons who have an interest in/are affected by a business, such as owners, shareholders,
- customers, suppliers, employees, local communities, government, special interest groups
- ■

Solution 6

- Primary sector oil and gas businesses exist in the energy sector and often span many countries with huge revenues
- and profits.
- ■
- They engage in the exploration and extraction of oil and gas.
- 12
- 9609/13
- May/June 2025
- AO2 Application
- 2 marks for developed application/context

Solution 6

- 1 mark for limited application/context
- ■
- Employees are important as they provide skilled labour and without them the business would not be able to operate
- and make profits.
- ■
- Employees ensure new sites are found, oil and gas is extracted efficiently and safely.
- ■
- Primary sector oil and gas industries can be dangerous and risky- health and safety policies needed to protect

Solution 6

- employees
- ■
- Oil and gas sector produce energy services to power vehicles, heat homes and manufacture steel
- ■
- Sold to petrol/gas stations
- AO3 Analysis
- 2 marks for developed analysis
- 1 mark for limited analysis
- ■

Solution 6

- If the workforce is unhappy about a change in work practices though it might reduce costs in the short run, it may be
 - detrimental if a demotivated workforce affects the quality of production.
 - ■
- If there is strong trade union membership then strike action may occur if demands are not met – this would affect
 - image, stop production, delay deliveries.
 - ■
- Good relationships with employees would improve morale and motivate – lead to improved productivity and lower staff
 - turnover

Solution 6

- ■
- Skilled employees ensure that the business is able to locate and extract the raw materials (oil) thus ensuring sales
- revenue and profits.
- 9609/13
- May/June 2025
- AO4 Evaluation: Up to 6 marks for evaluation:
- Developed/Supported judgement in context
- 6 marks
- Developed/Reasonable evaluative comments in context

Solution 6

- 5 marks
- Developed/Supported judgement without context
- 4 marks
- Developed/Reasonable evaluative comments without context
- 3 marks
- Limited supported judgement
- 2 marks
- An attempt to balance the arguments/Weak attempt at evaluative comments
- 1 mark

Solution 6

- A judgement/conclusion is made as to the view that the main reason for new business failure is the pursuit of growth too
- quickly. Such judgements/conclusions may be made at any point in the essay, not just in a concluding section.
- ■
- A judgement is made that there are a number of factors that impact on the importance of employees as stakeholders
- such as how strong trade unions are, how skilled they are and how easy it is to find new employees.
- ■

Solution 6

- If employees are easy to recruit i.e. unemployment is high, then employee's importance might not be too significant.
- ■
- Business might place more importance on keeping shareholders happy with dividends.
- ■
- A judgement is made that most businesses need to balance the needs of all stakeholders for a successful business
- especially a business as large and complex as those in the oil and gas primary sector.
- ■

Solution 6

- A judgement is made that in the modern era local communities are more willing to protest if their local community will
- potentially be polluted and the resulting negative impact in the news. This however may depend on which country the
- business is operating in.
- ■
- A judgement is made that pressure groups are becoming more visible and any business would be foolish not to take
- them seriously as the impact on brand image and the ability to operate can be significant especially in light of global
- warming.

Solution 6

- ■
- A judgement is made to that very often compromises need to be made in business with negotiations occurring with all
- stakeholder groups.
- ■
- How important are other stakeholders such as shareholders, local communities, suppliers, governments?
- Accept all valid responses.
- 9609/13
- May/June 2025
- Mark Grids for Section B

Solution 6

- Used for Q5(a) and Q6(a)
- Level
- AO1 Knowledge and understanding
- 2 marks
- AO2 Application
- 2 marks
- AO3 Analysis
- 4 marks
- 2

Solution 6

- 3–4 marks
- Developed analysis
- ■
- Developed analysis that identifies connections
- between causes, impacts and/or
- consequences of two points.
- ■
- Developed analysis that identifies connections
- between causes, impacts and/or
- consequences of one point.

Solution 6

- 1
- 1–2 marks
- ■
- Knowledge of two relevant
- points is used to answer the
- question.
- ■
- Knowledge of one relevant
- point is used to answer the
- question.

Solution 6

- 1–2 marks
- ■
- Application of two relevant points to a
- business context.
- ■
- Application of one relevant point to a
- business context.
- 1–2 marks
- Limited analysis
- ■

Solution 6

- Limited analysis that identifies connections
- between causes, impacts and/or
- consequences of two points.
- ■
- Limited analysis that identifies connections
- between causes, impacts and/or
- consequences of one point.
- 0
- 0 marks
- No creditable response.

Solution 6

- 0 marks
- No creditable response.
- 0 marks
- No creditable response.
- 9609/13
- May/June 2025
- Mark Grids for Section B
- Used for Q5(b) and Q6(b)
- Level
- AO1 Knowledge and

Solution 6

- understanding
- 2 marks
- AO2 Application
- 2 marks
- AO3 Analysis
- 2 marks
- AO4 Evaluation
- 6 marks
- 3
- 5–6 marks

Solution 6

- Developed evaluation in context
- ■
- A developed judgement/conclusion is
- made in the business context.
- ■
- Developed evaluative comments which
- balance some key arguments in the
- business context.
- 2
- 2 marks

Solution 6

- Developed knowledge of
- relevant key term(s)
- and/or factor(s) is used to
- answer the question.
- 2 marks
- Developed application of
- relevant point(s) to the
- business context.
- 2 marks
- Developed analysis

Solution 6

- that identifies connections
- between causes, impacts
- and/or consequences.
- 3–4 marks
- Developed evaluation
 - ■
- A developed judgement/conclusion is
- made.
- ■
- Developed evaluative comments which

Solution 6

- balance some key arguments.
- 1
- 1 mark
- Limited knowledge
- of relevant key term(s)
- and/or factor(s) is used to
- answer the question.
- 1 mark
- Limited application
- of relevant point(s) to the

Solution 6

- business context.
- 1 mark
- Limited analysis
- that identifies connections
- between causes, impacts
- and/or consequences.
- 1–2 marks
- Limited evaluation
- ■
- A judgement/conclusion is made with

Solution 6

- limited supporting comment/evidence.
- ■
- An attempt is made to balance the
- arguments.
- 0
- 0 marks
- No creditable response.
- 0 marks
- No creditable response.
- 0 marks

Solution 6

- No creditable response.
- 0 marks
- No creditable response.

Question 1

9609/21 J25 ■ Q1 ■ 30 marks

1 Natural Shampoos (NS)

NS is a private limited company set up by Saira and Chantal as a social enterprise. NS sells natural hair care products and focuses on customer (market) orientation. The main aims of Saira and Chantal include donating to local charities and improving gender equality in the workplace.

NS began by selling its products to small, independent businesses in country H. NS expanded its range slowly based on customer feedback, specific requests on its blog, and sales data. 5

NS explored additional finance opportunities required for expansion. NS approached John, who owns manufacturing facilities in country H and has significant marketing experience. He invested into NS in return for ownership of one third of the business. John's main aim is to increase long-term profits in order to maximise the return on his investment. 10

Question 1

In the five years since John's investment, NS has become the market leader in country H for natural hair care products. NS products are now sold in major cosmetic retailers.

NS recently analysed its output in 2024 (see Table 1.1).

Table 1.1 NS output data for 2024

15

	Units
Actual output level	145 000
Capacity	150 000

Saira and Chantal have decided to employ a Marketing Manager for NS. Fig 1.2 shows an extract from the job advertisement.

20

Question 1

Marketing Manager

- Experience of growing brand awareness and using online channels of distribution.
- Using budgets to monitor the performance of marketing campaigns.
- Developing and maintaining relationships with external stakeholders.

25

Fig 1.2 Extract from job advertisement for NS's new Marketing Manager

- (a) (i) Identify **one** feature of a private limited company. [1]
- (ii) Explain the term *customer (market) orientation*. [3]
- (b) (i) Refer to Table 1.1. Calculate NS's capacity utilisation in 2024. [3]

Question 1

- (ii) Explain **one** possible disadvantage to NS of high capacity utilisation. [3]
- (c) Analyse **two** selection methods that NS could use to choose a new Marketing Manager. [8]
- (d) Evaluate the most likely reason for conflict to arise between the owners of NS. [12]

Solution 1

(a)(i) Mark scheme

- Identify one feature of a private limited company.
- Indicative content
- Identification of a feature
- may include:
 - ■
- Owned by shareholders
- ■
- Cannot sell shares on the open market / stock market

Solution 1

- ■
- Sell shares for family/friends
- ■
- Can raise extra capital by selling shares
- ■
- Limited liability
- ■
- Continuity of operations
- ■
- Legal personality

Solution 1

- ■
- Incorporation
- If more than one answer is given, only mark the first, reading from top left to bottom right.
- Do not reward vague points that apply to any private sector organisation, including a private limited company, e.g. not
- owned by government.
- 1
- 9609/21
- May/June 2025

Solution 1

(a)(ii) Mark scheme

- Explain the term customer (market) orientation
- AO1 Knowledge and understanding
- 1 mark
- AO2 Application
- 2 marks
- 2 marks
- Developed application of one relevant point to a business
- context.

Solution 1

- 1 mark
- Knowledge of one relevant point is used to answer the question.
- 1 mark
- Limited application of one relevant point to a business context.
- 0 marks
- No creditable response.
- 0 marks
- No creditable response.

Solution 1

- Indicative content
- AO1 Knowledge and understanding
- Knowledge of customer orientation
- will include (max 1 mark):
 - ■
- Knowledge of customer, including:
 - –
 - Purchaser/buyer (accept consumer/end-user/target audience)
 - –
 - Who they sell to

Solution 1

- –
- Demand-based (accept demand)
- OR
- ■
- Knowledge of orientation, including:
 - –
 - Focused on customer/purchaser/buyer/consumer/end-user/market
 - –
 - Customer at the heart/centre
 - –

Solution 1

- Satisfying their needs
- –
- Outward looking approach
- AO2 Application
- Explanation of customer orientation
- will include (1 mark):
 - ■
- Knowledge of customer, including:
 - –
- Purchaser/buyer (accept consumer/end-user/target audience)

Solution 1

- –
- Who they sell to
- –
- Demand-based (accept demand)
- 3
- 9609/21
- May/June 2025
- AND
- ■
- Knowledge of orientation, including:

Solution 1

- –
- Focused on customer/purchaser/buyer/consumer/end-user/market
- –
- Customer at the heart/centre
- –
- Satisfying their needs
- –
- Outward looking approach
- Context applied to customer orientation
- , including (max 1 mark):

Solution 1

- ■
- Any example of customer orientation, including:
 - –
 - Putting the customer at the centre of decision making
 - –
 - An example of a customer orientated decision
 - –
 - Methods of identifying customer wants/needs, e.g. customer feedback / specific requests on NS's blog / sales data
 - –

Solution 1

- Benefit of customer orientation, e.g. increased customer satisfaction, market leadership
- Accept all valid responses.
- Exemplar and annotations
- Mark
- Rationale
- Buyers
- are at the centre of operations
- . By
- responding to customer requests on its blog

Solution 1

- NS
- was able to decide what products to expand its range
- with.
- 3
- An answer which starts with the knowledge and then
- applies it to customer demand and NS.
- Basing product decisions
- on purchaser demand
- . A business could decide which products to make
- , in response to market research.

Solution 1

- 3
 - Again, knowledge first, followed by application to a
 - decision (production) and to the demand (market
 - research data).
 - Focused
 - on the buyer
 - .
- 2
 - Clear knowledge. Some application
 - Managers think about purchasers' needs

Solution 1

- .
- 1
- Not a perfect definition, but enough to award the
- knowledge mark. No attempt to apply.
- It is about choices that have to be made by a
- business, for example how to allocate resources.
- 0
- No knowledge of customer orientation. Too vague.
- 9609/21
- May/June 2025

Solution 1

(b)(i) Mark scheme

- Refer to Table 1.1. Calculate NS's capacity utilisation in 2024.
- Indicative content
- $\text{Rate of capacity utilisation} = \frac{\text{Current output level}}{\text{Maximum output level}} \times 100$
- (1 mark – formula only)
- $\text{NS capacity utilisation} = \frac{145000}{150000} \times 100$
- (1 mark – use of correct figures in formula)

Solution 1

- Answer = 96.67(%) or 96.7 or 97
- (3 marks – correct answer no working or % needed)
- OFR applies
- Exemplar and annotations
- 3 marks
- Correct answer (including minus)
- 96.67(%) or 96.7 or 97
- Working and % do not matter.
- Must be three
- to denote the three marks.

Solution 1

- 2 marks
- Two of the following:
 - ■
- Correct formula
 - ■
- Correct identification of figures
- OR
- An incorrect answer with one mistake allowing OFR
- for final stage.
- OR

Solution 1

- Correct workings, but the final answer is incorrectly
- rounded
- To award two marks, there must be
- ■
- Two
- and a
- OR
- ■
- One
- , one

Solution 1

- and one
- 3
- 9609/21
- May/June 2025
- 1 mark
- Correct formula
- To award one mark, there must be:
 - ■
 - One
 - and two

Solution 1

- 0 marks
- No creditable content.
- To award zero marks, there must be
 - ■
- One
- 9609/21
- May/June 2025

Solution 1

(b)(ii) Mark scheme

- Explain one possible disadvantage to NS of high capacity utilisation.
- AO1 Knowledge and understanding
- 1 mark
- AO2 Application
- 2 marks
- 2 marks
- Developed application of one relevant point to a business
- context.

Solution 1

- 1 mark
- Knowledge of one relevant point is used to answer the question.
- 1 mark
- Limited application of one relevant point to a business context.
- 0 marks
- No creditable response.
- 0 marks
- No creditable response.

Solution 1

- Indicative content
- AO1 Knowledge and understanding
- Identification of a disadvantage of high capacity utilisation
- (max. 1 mark), including:
 - ■
 - Pressure on employees to work at full/near capacity constantly (accept anxiety / stress / need to work overtime)
 - ■
 - Pressure to keep employees motivated
 - ■

Solution 1

- No margin for production errors / scheduling mistakes
- ■
- Cannot accept increased/additional orders
- ■
- No time for maintenance of machinery / machines break down a lot
- ■
- Over-production (accept inventory going off before it can be sold)
- ■
- Low inventory of inputs/raw materials / run out of materials
- ■

Solution 1

- No space left for finished product
- ■
- Not sustainable in the long-term
- AO2 Application
- ■
- Explanation of a disadvantage of high capacity utilisation
- (max 1 mark), including:
- ■
- Pressure on employees to work at full/near capacity constantly – increased employee absenteeism / demotivation /

Solution 1

- increased labour turnover – reduced productivity long-term
- 3
- 9609/21
- May/June 2025
- ■
- No margin for production errors / scheduling mistakes – may lead to customer dissatisfaction due to lower quality
- ■
- Cannot take on increased/additional orders – may lead to customer dissatisfaction / customers may go to competitors
- who are able to accept increased/additional orders

Solution 1

- ■
- Machines break down a lot – no output
- Context applied to NS
- (max 1 mark), including:
 - ■
 - Answer to Q1(b)(i) (OFR)
 - ■
 - Market leader for natural hair care
 - ■
 - Five years since John's investment

Solution 1

- ■
- Sold in major retailer
- ■
- Private limited company operated as a social enterprise
- ■
- Focuses on customer (market) orientation
- ■
- Aim to donate to local charities and improving gender equality in the workplace
- Accept all valid responses.
- Exemplar and annotations

Solution 1

- Mark
- Rationale
- A disadvantage would be high pressure on
- employees
- , due to lack of spare capacity
- because NS is working at 97% capacity
- .
- 3
- High pressure is a reasonable factor, explained in
- the specific context of NS by using the data in Table

Solution 1

- 1.1.
- There is insufficient time for maintenance
- , as
- machines are always working
- which could cost
- NS the title of market leader
- .
- 3
- Lack of maintenance time is
- and there are two

Solution 1

- specific pieces of context based on this so two
- .
- NS is market leader
- and capacity utilisation is
- already at 97%
- so NS may have to refuse other
- large orders
- .
- 3
- Although the

Solution 1

- appears first, it cannot be awarded
- until the
- has been found. However, there is
- obvious
- , so you can go back and award the
- .
- 9609/21
- May/June 2025
- Exemplar and annotations
- Mark

Solution 1

- Rationale
- There is no margin for errors in production
- to its
- major retail customers
- .
- 2
- No margin for error is
- . The context to major retail
- customers is reasonable
- , but only one point of

Solution 1

- application.
- Regular customers cannot increase their orders
- if
- demand increases which could be a huge
- opportunity cost in terms of future sales.
- 1
- Cannot increase orders is a factor. The rest of the
- answer is not applying it to the context, so
- (Not
- Answering Question).

Solution 1

- Capacity utilisation is the proportion of maximum
- output capacity currently being achieved, currently
- 97%. It shows the total possible sustained output of
- a business in a given time period. It is a major factor
- in determining the operational efficiency of a
- business which in this case is very high
- .
- 0
- Although there is some relevant context, there is no
- knowledge of a factor, so no marks can be awarded.

Solution 1

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Solution 1

(c) Mark scheme

- Analyse two selection methods that NS could use to choose a new Marketing Manager.
- Level
- AO1 Knowledge and understanding
- 2 marks
- AO2 Application
- 2 marks

Solution 1

- AO3 Analysis
- 4 marks
- 2
- 3–4 marks
- Developed analysis
- ■
- Developed analysis that identifies connections
- between causes, impacts and/or consequences
- of two points.
- ■

Solution 1

- Developed analysis that identifies connections
- between causes, impacts and/or consequences
- of one point.
- 1
- 1–2 marks
- ■
- Knowledge of two
- relevant points is used
- to answer the
- question.

Solution 1

- ■
- Knowledge of one
- relevant point is used
- to answer the
- question.
- 1–2 marks
- ■
- Application of two
- relevant points to a
- business context.

Solution 1

- ■
- Application of one
- relevant point to a
- business context.
- 1–2 marks
- Limited analysis
- ■
- Limited analysis that identifies connections
- between causes, impacts and/or consequences
- of two points.

Solution 1

- ■
- Limited analysis that identifies connections
- between causes, impacts and/or consequences
- of one point.
- 0
- 0 marks
- No creditable response.
- 0 marks
- No creditable response.
- 0 marks

Solution 1

- No creditable response.
- Annotate Method 1 in the left hand side column, method 2 in the right hand side column
- 8
- 9609/21
- May/June 2025
- Indicative content
- AO1 Knowledge and understanding
- Identification of a method of selection (max 2
- s), including:

Solution 1

- ■
- Curriculum vitae (CV)
- ■
- Résumé
- ■
- Application forms
- ■
- Interviews
- ■
- References

Solution 1

- ■
- Testing
- ■
- Assessment centres
- ■
- Role play
- ■
- Presentations
- ■
- Appraisal records

Solution 1

- Note: A selection method is about the candidate, rather than the process the employer uses, e.g. shortlisting, screening or
- sifting.
- AO2 Application
- Max one
- for application in the first selection method and max one
- for application in the second selection method.
- Application of the selection method to NS for the new Marketing Manager (max 2
- s), including:
- ■

Solution 1

- Market leader for natural hair care
- ■
- Five years since John's investment
- ■
- Sold in major retailer
- ■
- Private limited company operated as a social enterprise
- ■
- Focuses on customer (market) orientation
- ■

Solution 1

- Aim to donate to local charities and improving gender equality in the workplace
- ■
- Expanded its range slowly based on customer feedback, specific requests on its blog, and sales data.
- ■
- NS products are now sold in major cosmetic retailers
- 9609/21
- May/June 2025
- AO3 Analysis
- Limited analysis

Solution 1

- – candidate shows one link in the chain of analysis.
- Developed analysis
- candidate shows two or more links in the chain of analysis or a two-sided analysis.
- ■
- Curriculum vitae shows the applicant has required skills; reduces training costs / increases productivity – increasing
- profitability
- ■
- Application forms show required experience; all information is on the form so managers can save time when selecting
- candidates – this time can be used to make other operational decisions

Solution 1

- ■
- Interviews show understanding of aims; candidate understands what the business is aiming to achieve to do – which
- helps the aims to be met
- ■
- References provide proof of experience; improves customer service leading to customer satisfaction – increased
- market share
- Accept all valid responses.
- Exemplar and annotations
- AO1 Knowledge

Solution 1

- AO2 Application
- AO3 Analysis
- Curriculum vitae
- .
- Proves experience of working in a
- customer orientated industry
- Enabled trust in candidates' abilities
- which can be used in promotion
- to
- approach more cosmetic retailers

Solution 1

- .
- Assessment centres
- Can check whether values align with
- the values of the social enterprise
- To continue to improve gender
- equality and avoid costly
- marketing
- mistakes from a lack of knowledge
- and experience. Cost reduction will
- lead to increased profits

Solution 1

- .
- 9609/21
- May/June 2025

Solution 1

(d) Mark scheme

- Evaluate the most likely reason for conflict to arise between the owners of NS
- Level
- AO1 Knowledge and understanding
- 2 marks
- AO2 Application
- 2 marks
- AO3 Analysis

Solution 1

- 2 marks
- AO4 Evaluation
- 6 marks
- 3
- 5–6 marks
- Developed evaluation in
- context
- ■
- A developed
- judgement/conclusion

Solution 1

- is made in the
- business context.
- ■
- Developed evaluative
- comments which
- balance some key
- arguments in the
- business context.
- 2
- 2 marks

Solution 1

- Developed knowledge
 - of relevant key term(s)
 - and/or factor(s) is used to
 - answer the question.
- 2 marks
- Developed application
 - of relevant point(s) to the
 - business context.
- 2 marks
- Developed analysis

Solution 1

- that identifies connections
- between causes, impacts
- and/or consequences.
- 3–4 marks
- Developed evaluation
- ■
- A developed
- judgement/conclusion
- is made.
- ■

Solution 1

- Developed evaluative
- comments which
- balance some key
- arguments.
- 12
- 9609/21
- May/June 2025
- Level
- AO1 Knowledge and
- understanding

Solution 1

- 2 marks
- AO2 Application
- 2 marks
- AO3 Analysis
- 2 marks
- AO4 Evaluation
- 6 marks
- 1
- 1 mark
- Limited knowledge

Solution 1

- of relevant key term(s)
- and/or factor(s) is used to
- answer the question.
- 1 mark
- Limited application
- of relevant point(s) to the
- business context.
- 1 mark
- Limited analysis
- that identifies connections

Solution 1

- between causes, impacts
- and/or consequences.
- 1–2 marks
- Limited evaluation
- ■
- A judgement/
- conclusion is made
- with limited
- supporting
- comment/evidence.

Solution 1

- ■
- An attempt is made
- to balance the
- arguments.
- 0
- 0 marks
- No creditable response.
- 0 marks
- No creditable response.
- 0 marks

Solution 1

- No creditable response.
- 0 marks
- No creditable response.
- Indicative content
- AO1 Knowledge and understanding
- Knowledge of likely reasons for conflict to arise (max 2
- s), may include:
 - ■
- Aims / objectives / vision / mission
- ■

Solution 1

- Idea / suggestions
- ■
- Personal disagreements (brought into the workplace)
- ■
- Communication
- ■
- Speed of expansion
- ■
- Cultures
- ■

Solution 1

- Leadership styles / power
 - ■
- Choice of employees
 - ■
- Part-ownership / loss of control
 - ■
- Change of business ownership, e.g. move from private limited to public limited company
- 9609/21
- May/June 2025

Solution 1

- ■
- Finance
- ■
- Personality (clash) / morale
- ■
- Experience / job roles
- ■
- Location
- AO2 Application
- Limited application

Solution 1

- applies knowledge of NS aims and objectives and/or stakeholder groups once.
- Developed application
- +
- applies knowledge of NS aims and objectives and/or stakeholder groups twice.
- ■
- Market leader for natural hair care
- ■
- Five years since John's investment
- ■
- Sold in major retailer

Solution 1

- ■
- Private limited company operated as a social enterprise
- ■
- Focuses on customer (market) orientation
- ■
- Aim to donate to local charities and improving gender equality in the workplace
- ■
- Use of data from Table 1.1
- ■

Solution 1

- NS expanded its range slowly, based on customer feedback, sales data and specific requests on its blog
- ■
- NS products are now sold in major cosmetic retailers
- ■
- John's main aim is to increase long-term profits to maximise return on investment
- AO3 Analysis
- Limited analysis
- – candidate shows one link in the chain of analysis.
- Developed analysis

Solution 1

- – candidate shows two or more links in the chain of analysis.
- ■
- Aims/objectives; differing objectives may lead to fewer charitable donations – reduce marketing opportunities
- ■
- Idea/suggestions; longer decision making due to disagreements – competitors launch a new product before NS
- ■
- Communication; employees are given different instructions by different owners causing employee confusion and
- productivity reductions – leading to less profits

Solution 1

- ■
- Speed of expansion; one owner wants quicker expansion which the other owner does not want, leading to inefficiency
- – reducing profits
- ■
- Cultures; the culture of the two owners differ leading to inefficiency – increasing costs
- ■
- Choice of employees; the orientation may be lost leading to poor decision making – less profit
- ■

Solution 1

- Loss of control; the original owners' aims may not be considered in decision making – reducing customer satisfaction
- Note: Accept answers about an impact on either the owners or NS.
- 9609/21
- May/June 2025
- AO4 Evaluation
- Limited evaluation – an unsupported judgement and/or weak attempt at an evaluative comment
- Developed evaluation – supported judgement and/or reasonable evaluative comment

Solution 1

- Developed evaluation in context – supported judgement in context and/or reasonable evaluative comment in context
- .
- ■
- Relative importance of aims and objectives – are other issues more important, e.g. potential personal income, the
- opportunity to take the brand to an international market
- ■
- The likely impact on the business's performance / achievement of aims and objectives
- ■

Solution 1

- The likely impact on different stakeholders
- ■
- A judgement on the most likely reason for conflict between the owners of NS
- Accept all valid responses.
- Exemplars for awarding evaluation
- L1
- (limited supporting
- evidence)
- L2
- (developed supporting

Solution 1

- evidence)
- L3
- (developed supporting
- evidence with context)
- The most likely reason is the differing
- aims of the owners.
- The most likely reason is the differing
- aims of the owners, increasing the
- time to make decisions.
- The most likely reason is the differing

Solution 1

- aims of the owners, increasing the
- time to make decisions, leading to the
- loss of market leadership.
- NS has grown very quickly which
- could cause the greatest conflict.
- NS has grown very quickly which
- could cause the greatest conflict. This
- could lead to diseconomies of scale.
- NS has grown very quickly which
- could cause the greatest conflict. This

Solution 1

- could lead to diseconomies of scale
- which could lead to reduced long-term
- profits disappointing John.
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- May/June 2025