

Past-paper walk-through

Market research ■ 3.2

eXercise

Questions in this set

- 9609/13 N25 Q5 ■ 20 marks
- 9609/22 N25 Q1 ■ 30 marks
- 9609/23 N25 Q2 ■ 30 marks
- 9609/1 23 Q1 ■ 5 marks
- 9609/2 23 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 5

9609/13 N25 ■ Q5 ■ 20 marks

- 5** (a) Analyse **two** limitations for a business of sampling during market research. [8]
- (b) Evaluate the view that new product development is the most important activity for the success of a toy manufacturer. [12]

OR

Solution 5

(a) Mark scheme

- Analyse two limitations for a business of sampling during market research.
- Indicative content
- Responses may include:
- AO1 Knowledge and understanding
- 1 mark for identifying ONE limitation for a business of sampling during market research
- ■
- sampling methods used may not be appropriate for a given situation

Solution 5

- ■
- researchers may be inexperienced/incompetent
- ■
- sample size too small
- ■
- sample may not be representative of the population
- ■
- may be very time-consuming
- ■
- may be very expensive

Solution 5

- ■
- questions asked may be ambiguous or biased
- Customer responses may not be honest
- AO2 Application
- 1 mark for application / explanation of ONE limitation for a business of sampling during market research
- ■
- sample may not have been chosen correctly for a particular situation
- ■
- efficient sampling / choice of correct method

Solution 5

- ■
- may not be suitable for niche markets (already small)
- ■
- not everyone in the target population is questioned
- ■
- random, stratified and quota sampling must be chosen appropriately
- ■
- biased responses due to dishonesty / ignorance / biased questions / lack of understanding by respondents
- ■

Solution 5

- not all sampling techniques are truly random
- ■
- researchers will require payment
- 8
- 9609/13
- October/November 2025
- AO3 Analysis
- Up to 2 marks for analysis of ONE limitation
- 2 marks for DEVELOPED analysis of ONE limitation for a business of sampling during market research (L2 AN)

Solution 5

- or
- 1 mark for LIMITED analysis of ONE limitation for a business of sampling during market research (L1 AN)
- ■
- the business cannot be totally confident in the results as they may not be 100% reliable
- ■
- results and decisions based on a badly chosen sample may damage the business
- ■
- if employees are not experienced in sampling, the results of the research will be biased and unreliable

Solution 5

- ■
- a trained employee may require higher pay, or an external agency may need paying to carry out the sampling
- ■
- opportunity cost of paying for specialised sampling as part of market research
- ■
- good knowledge of the target population is needed to decide which method of sampling is appropriate based on ease
- of research, reliability, time available, representation etc
- Accept all valid responses.
- 9609/13

Solution 5

- October/November 2025

Solution 5

(b) Mark scheme

- Evaluate the view that new product development is the most important activity for the success of a toy manufacturer.
- Indicative content
- Responses may include:
- AO1 Knowledge and understanding
- 2 marks for DEVELOPED knowledge and understanding (L2 K)
- 1 mark for LIMITED knowledge and understanding (L1 K)

Solution 5

- ■
- new product development - ideation to market-stages of idea to design to market research to testing to marketing etc
- ■
- business success - achieve business goals through financial performance profits and growth - customer satisfaction -
- meeting needs and building customer loyalty - operational efficiency - efficient processes and innovation and
- stakeholder impact - positive long term social and environmental contribution
- ■
- making toys that are engaging, durable, sturdy, entertaining, safe,

Solution 5

- AO2 Application
- 2 marks for DEVELOPED application (L2 APP)
- 1 mark for LIMITED application (L1 APP)
- ■
- toy manufacturer – children, brands, types of toys, soft fabric, plastic, educational
- ■
- Barbie, Hot Wheels, Matchbox
- ■
- Mattel global manufacturer, Lego, Fisher Price
- AO3 Analysis

Solution 5

- 2 marks for DEVELOPED analysis (L2 AN)
- 1 mark for LIMITED analysis (L1 AN)
- ■
- advantages and disadvantages of new product development – very competitive market; gives competitive advantage;
- meets ever changing needs of children; high cost; innovation; market research; consumer interest
- ■
- use of Boston Matrix information – toys currently in their product portfolio
- ■

Solution 5

- stage of the product lifecycle of current products – cost of new product development
- 12
- 9609/13
- October/November 2025
- AO4 Evaluation
- Up to 6 marks for EVALUATION - USE THE FOLLOWING TABLE:
- Developed / Supported judgement in context
- 6 marks
- Developed / Reasonable evaluative comments in context

Solution 5

- 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 5

- A judgement / conclusion is made as to whether new product development is more important than extension strategies for a
- toy manufacturer.
- These judgements / conclusions may be made at any point in the essay, not only in a concluding section.
- ■
- toy manufacturing is a competitive market with many large and established manufacturers, but there are also niche
- markets
- ■

Solution 5

- is the toy manufacturer trying to compete in the mass market or in a niche market? Might this affect how much money
- is available to fund product development?
- ■
- how affordable is product development for the manufacturer? Is it new to the market and focussed on survival rather
- than growth, market share and production of a range of different toys?
- ■
- is it possible for operations to produce additional products?
- ■

Solution 5

- if the business is small, it may be labour intensive, and production of a new product may take time and slow down
- production of current toys. Can the business allow this to happen?
- ■
- is there consumer demand for new products? Can the business afford to carry out the appropriate market research to
- find out?
- 9609/13
- October/November 2025
- ■

Solution 5

- would it be better to focus on promoting toys to retailers, adults and children in different ways to create maximum
- demand for the product portfolio that it already has (extension strategy)?
- ■
- is spending more money on promotion more appropriate in a mass market where brand might be established?
- ■
- in a niche market might spending more money to develop a new product with a distinct USP be more suitable to build
- on reputation for quality?
- ■

Solution 5

- are extension strategies better as an alternative to new product development?
- ■
- is it possible for new markets to be targeted rather than focussing on new product development for the existing market?
- Accept all valid responses.

Question 1

9609/22 N25 ■ Q1 ■ 30 marks

1 The Research Agency (TRA)

TRA is a quaternary sector business. It is the market leader in providing social media data to food manufacturers in country F. TRA's market has grown by 40% over the last year.

DF is a multinational business that specialises in non-alcoholic drinks. DF has asked TRA for data about a new bottle of water with pod attachments. The pods give a fruity flavour which is combined with sparkling water. TRA has sampled 8000 potential consumers on social media to identify their favourite fruity flavour (see Fig. 1.1).

Question 1

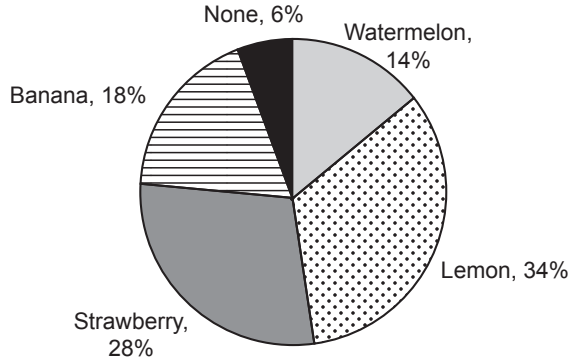


Fig. 1.1 Data about consumer flavour preferences for DF

Question 1

TRA employs 65 researchers. Since 2020, all of these employees work from home. They are provided with all the necessary IT equipment and a high-speed internet connection. However, motivation is poor, and this has led to high labour turnover. The Human Resource Director has received some feedback from employees. Fig. 1.2 shows some of this feedback.

10

- I hate being so isolated – I never get to speak to any other employees.
- I have to use my own electricity, and the cost has doubled in the last two years.
- I know some employees are not working very hard, but they get paid the same as me. It's not fair!

15

Fig. 1.2 summary of feedback from employees at TRA

(a) (i) Identify **one** stage of the transformational process.

[1]

Question 1

- (ii) Explain the term *multinational business*. [3]
- (b) (i) Refer to Fig 1.1 and other information. Calculate the combined total number of potential consumers who would prefer lemon or strawberry flavoured water. [3]
- (ii) Explain **one** reason why TRA uses sampling. [3]
- (c) Refer to Fig 1.1 and other information. Analyse **two** reasons why the data collected for DF may not be reliable. [8]
- (d) Evaluate the most effective way for TRA to improve the motivation of the home working employees. [12]

Solution 1

(a)(i) Mark scheme

- Identify one stage of the transformational process.
- Responses include:
- The stages of the transformational process:
 - ■
- Inputs
 - ■
- Adding value / production / manufacturing / operations / process
- ■

Solution 1

- Outputs
- Do not accept examples of inputs and outputs
- 1

Solution 1

(a)(ii) Mark scheme

- Explain the term multinational business.
- 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

- Responses may include:
- AO1 Knowledge and understanding
- Knowledge of a multinational businesses
- (max 1 mark).
- Must be knowledge that shows clear distinction between a national and international business including:
 - ■
 - Capital in more than one country
 - ■
 - Operates in more than one country

Solution 1

- 3
- 9609/22
- October/November 2025
- AO2 Application
- Limited application
- applies knowledge of a multinational business to a business context.
- Developed application
- +
- applies knowledge of a multinational business to a business context.
- ■

Solution 1

- Any exemplification of a multinational business (not just naming a MNC)
 - ■
- A business might have production factories in country F and another country
 - ■
- Can take advantage of lower cost production in low-income countries
 - ■
- Benefits of lower transport costs and better market information about consumer tastes etc
 - ■
- Can bring the business closer to their main markets

Solution 1

- ■
- Can take advantage of relatively weak government restrictions.
- ■
- May avoid import restrictions by producing in the local country.
- ■
- Gain access to natural resources which might not be available in their base country.
- ■
- Communication links with headquarters may be poor.
- ■

Solution 1

- Language, legal and culture differences could make communications difficult.
- ■
- Coordination with other plants in the multinational group will become more difficult.
- ■
- Skill levels of the local employees may be low, requiring substantial investment in training programmes.
- Do not expect, but reward
- ■
- Can take advantage of comparative/absolute advantage in countries
- ■

Solution 1

- To gain economies of scale
- Accept all valid responses.
- 9609/22
- October/November 2025
- Exemplar and annotations
- Mark Rationale
- A business with capital in more than one country
- . For
- example, a business that has factories in two countries
- to take

Solution 1

- advantage of lower production costs abroad
- .
- 3
- Clear distinction between MN and
- international/national business.
- Example of factories in two
- countries and a benefit.
- Headquarters in one country, but with operating branches in
- another
- . This can allow the business to operate within other

Solution 1

- markets
- to reduce transportation costs
- .
- 3
- Knowledge of an MNC and a
- reason and a benefit.
- Own shops in two or more countries
- so that it can take
- advantage of lower transportation costs
- .

Solution 1

- 2
- Distinction shown by shops in more
- than one country (capital) and
- understanding of a feature of MN.
- Operating in different countries
- by selling goods abroad.
- 1
- A definition, but 'selling abroad' is
- an international business, not a
- multi-national.

Solution 1

- A business that sells in other countries.
- 0
- No credit – this is an international
- business.
- 9609/22
- October/November 2025

Solution 1

(b)(i) Mark scheme

- Refer to Fig 1.1 and other information. Calculate the combined total number of potential consumers who would
- prefer lemon or strawberry flavoured water.
- Formula:
- Number of potential customers = number who prefer lemon + number who prefer strawberry (1 – formula may be inferred
- by correct use of numbers)
- Calculation:

Solution 1

- $34\% \text{ of } 8000 = 2720$ (1)
- $28\% \text{ of } 8000 = 2240$ (1)
- $2720 + 2240 = 4960$ (1 – OFR applies)
- Ans = 4960 (3 marks)
- OR
- $34\% + 28\% = 62(\%)$ (1)
- $62\% \text{ of } 8000$ (1)
- $= 4960$ (1)
- 9609/22
- October/November 2025

Solution 1

- Examples and annotations
- Marks Awarded
- Explanation
- Annotations
- 3 marks
- Correct answer
- 4960
- Working and \$ do not matter.
- Allow one
- to denote the three

Solution 1

- marks next to correct answer.
- 2 marks
- Two of the following:
 - ■
 - Correct formula
 - ■
 - Correct calculation of number
 - who prefer lemon (2720)
 - ■
 - Correct calculation of number

Solution 1

- who prefer strawberry (2240)
- OR
- An incorrect answer with one
- mistake allowing OFR for final
- stage.
- To award two marks, there must be
- ■
- Two
- and a
- OR

Solution 1

- ■
- One
- , one
- and
- one
- 1 mark
- One of the following:
 - ■
 - Correct formula
 - ■

Solution 1

- Correct calculation of number
- who prefer lemon (2720)
- ■
- Correct calculation of number
- who prefer strawberry (2240)
- To award one mark, there must be:
- ■
- One
- and two
- 0 marks

Solution 1

- No creditable content.
- To award zero marks, there must
- be
- ■
- One
- 9609/22
- October/November 2025

Solution 1

(b)(ii) Mark scheme

- Explain one reason why TRA uses sampling.
- 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

- Responses may include:
- AO1 Knowledge and understanding
- Identification of a reason why a business uses sampling
- (max 1 mark), including:
 - ■
 - Cheaper/low cost
 - ■
 - Quicker/less time
 - ■
 - More representative

Solution 1

- AO2 Application
- Explanation of a reason why a business uses sampling
- (max 1 mark), including:
 - ■
- Explanation of how this affects market research
 - ■
- More practical, for example than asking the entire population
 - ■
- Opportunity cost
- 9609/22

Solution 1

- October/November 2025
- Context applied to TRA
- (max 1 mark), including:
 - ■
 - Quaternary sector business
 - ■
 - Market is to provide social media data (vast amounts of data)
 - ■
 - To food manufacturers in country F (large industry)
 - ■

Solution 1

- TRA is the market leader in country F to provide this data
- ■
- Market has grown by over 40% over the last year
- ■
- Sample size is 8000 potential consumers
- ■
- 65 researchers
- ■
- All work from home
- ■

Solution 1

- Use of Fig 1.1
- Accept all valid responses.
- Exemplar and annotations
- Mark Rationale
- Cheaper
- which keeps the cost of market research low
- by
- only asking 8000 potential consumers
- .
- 3

Solution 1

- A reason identified, explained and
- in context, so all 3 marks.
- Faster
- to find out Lemon is the most preferred flavour
- .
- 2
- A reason identified, but not
- explained. The context about
- TRA/DF is fine.
- Makes it cheap

Solution 1

- for TRA.
- 1
- Identification of a reason, but no
- explanation or context. Names are
- not enough for context.
- It allows TRA to find out information about the market. This
- means that it can let DF know that Lemon is the most preferred
- flavour and DF is likely to be able to sell more products.
- 0
- This is a reason to use market

Solution 1

- research – not sampling.
- 9609/22
- October/November 2025

Solution 1

(c) Mark scheme

- Refer to Fig 1.1 and other information. Analyse two reasons why the data collected for DF may not be reliable.
- 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

Solution 1

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

Solution 1

- Knowledge of two relevant
- 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

Solution 1

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

Solution 1

- between causes, impacts
- and/or consequences of
- two points.
- ■
- Limited analysis that
- identifies connections
- between causes, impacts
- and/or consequences of
- one point.
- 0

Solution 1

- 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
- 8
- 9609/22

Solution 1

- October/November 2025
- Responses may include:
- AO1 Knowledge and understanding – reasons why data collected may not be reliable, including:
 - Identification of a reason why market research data may not be reliable
 - , including:
 - ■
 - Bias
 - ■
 - Sample size

Solution 1

- ■
- Sample not representative of the market
- ■
- Wrong/poor questions
- ■
- Wrong media used
- ■
- Human error
- ■
- Poorly defined objectives

Solution 1

- ■
- Time lag between research and implementation
- This is not secondary market research, so do not credit answers about why secondary market research may not be reliable.
- However, answers which suggest the data may have changed (time lag) are acceptable.
- AO2 Application
- Application of the reason to DF
- , including:
- ■

Solution 1

- TRA is the market leader in providing social media data to food manufacturers in country F
- ■
- Market has grown by over 40% over the last year
- ■
- DF specialises in non-alcoholic drinks
- ■
- DF is a multinational business
- ■
- TRA sampled 8000 potential customers

Solution 1

- ■
- Sampled on social media
- ■
- Asked about favourite fruity flavours
- ■
- Use of data in Fig 1.1
- ■
- TRA employs 65 researchers
- ■
- All of TRA's researchers work from home

Solution 1

- ■
- TRA's workers have poor motivation
- ■
- TRA has high labour turnover
- ■
- Suggestion that some TRA employees are not working very hard.
- 9609/22
- October/November 2025
- AO3 Analysis
- Limited analysis of a reason why market research data may not be reliable

Solution 1

- – developed analysis
- , including:
 - ■
- Bias; may mean that potential customers are persuaded to give a wrong answer leading to launching the wrong
- product – low sales.
- ■
- Sample size; not enough people asked which may mean it launches the product with few sales – leading to a loss.
- ■

Solution 1

- Sample representation; not enough different views sought leading to the wrong product being launched – no profit.
- ■
- Wrong/poor questions; potential customers may not know what is being asked, leading to the product not being
- purchased – makes a loss.
- ■
- Wrong media used; if the customers do not tend to use that medium then the results will not transform into sales –
- leading to it not making a profit.
- ■

Solution 1

- Human error; if the results are inaccurate this could lead to the wrong products being launched – ruining the brand
- image of the business.
- ■
- Poorly defined objectives; if the reason for the research is unclear this can lead to the questions not representing what
- the business needs to know – leading to launch of the wrong product and weak sales.
- Accept all valid responses.
- Exemplar and annotations
- AO1 Knowledge

Solution 1

- AO2 Application
- AO3 Analysis
- The wrong questions were
- asked
- ,
- Of the 8000 potential
- customers
- ,
- Which could lead to DF launching
- the wrong flavour

Solution 1

- leading to
- lower sales
- .
- Sampling bias
- .
- By only asking young people about
- their favourite fruity flavour
- ,
- So the flavours only appeal to the
- young, which may lead to lower

Solution 1

- sales of the drink
- and therefore
- decrease DF's profit
- .
- 9609/22
- October/November 2025

Solution 1

(d) Mark scheme

- Evaluate the most effective way for TRA to improve the motivation of the home working employees.
- Level
- AO1 Knowledge and understanding
- 2 marks
- AO2 Application
- 2 marks

Solution 1

- AO3 Analysis
- 2 marks
- AO4 Evaluation
- 6 marks
- 3
- 5–6 marks
- Developed evaluation in
- context
- ■
- A developed

Solution 1

- judgement/conclusion 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.

Solution 1

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

Solution 1

- A developed
- judgement/conclusion is
- made.
- ■
- Developed evaluative
- comments which balance
- some key arguments.
- o
- 12
- 9609/22

Solution 1

- October/November 2025
- Level
- AO1 Knowledge and understanding
- 2 marks
- AO2 Application
- 2 marks
- AO3 Analysis
- 2 marks
- AO4 Evaluation

Solution 1

- 6 marks
- 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)

Solution 1

- to the business
- context.
- 1 mark
- Limited analysis
- that identifies
- connections
- between causes,
- impacts and/or
- consequences.
- 1–2 marks

Solution 1

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

Solution 1

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

Solution 1

- 9609/22
- October/November 2025
- Responses may include:
- AO1 Knowledge and understanding
- Knowledge of ways to improve motivation
- (max 2 marks), including:
- ■
- Payment (financial) methods: time based, salary, piece rates, commission, bonuses, profit sharing, performance-
- related pay, fringe benefits

Solution 1

- ■
- Non-financial motivators: training, opportunities for promotion, development, status, job re-design, team working,
- empowerment, participation, job enrichment
- ■
- Use of the main motivation content theories (Taylor, Mayo, Maslow, Herzberg and McClelland) and motivation process
- theory (Vroom).
- AO2 Application
- Application to TRA
- , including:

Solution 1

- ■
- TRA is the market leader in providing social media data to food manufacturers in country F
- ■
- Market has grown by over 40% over the last year
- ■
- Samples using social media
- ■
- TRA employs 65 researchers
- ■

Solution 1

- High speed internet connection
- ■
- TRA's workers have poor motivation
- ■
- TRA has high labour turnover
- ■
- Suggestion that some TRA employees are not working very hard.
- ■
- Data from Fig 1.2
- —

Solution 1

- I hate being so isolated – I never get to speak to any other employees.
- –
- I have to use my own electricity, and the cost has doubled in the last two years.
- –
- I know some employees are not working very hard, but they get paid the same as me. It's not fair!
- 9609/22
- October/November 2025
- AO3 Analysis
- Limited analysis of ways to improve motivation

Solution 1

- – developed analysis
- , including:
 - ■
- Payment methods: may increase costs – however may make employees work harder for higher pay, leading to
- improved productivity.
- ■
- Non-financial methods; may be less cost or free – leading to higher productivity without impacting the costs of the
- business.
- ■

Solution 1

- Content theories: likely to improve working conditions for the employees leading to increased productivity – however
- may have a significant cost increase leading to lower profit.
- ■
- Process theory: increased productivity for workers who expect increased rewards – however if the employees do not
- believe the promises, then this may increase costs for no benefit.
- AO4 Evaluation
- Limited evaluation of the most effective way to improve motivation
- – developed
- – developed in context

Solution 1

- ,
- including:
- ■
- Relative importance of motivation to TRA – how important is the productivity of employees – likely to be highly
- important due to the quaternary nature of the business.
- ■
- Choice of method depends on; cost of method, likely increases in productivity, finance available, future forecasts in
- market changes, how skilled the researchers job actually is and what training is involved.

Solution 1

- ■
- The impact of the chosen motivation method(s) and the impact of poor motivation / high labour turnover.
- ■
- The extent to which this is a matter of working from home and is inherent in the whole country, as opposed to just TRA
- employees.
- ■
- A judgement that other issues may be more important than motivation of the employees.

Solution 1

- A valid judgement must identify one way to motivate the employees (a 'depends upon' may include more than one because
- it is not a judgement as such). If the candidate gives more than one judgement, only reward the best judgement and put
- SEEN next to the other(s).
- Accept all valid responses.
- 9609/22
- October/November 2025
- Exemplars for awarding evaluation
- Evaluate the most effective way for TRA to improve the motivation of the home working employees.

Solution 1

- L1
- (limited supporting evidence)
- L2
- (developed supporting evidence)
- L3
- (developed supporting evidence with context)
- Money is the most effective way.

Solution 1

- Money is the most effective way,
- because it will allow all of TRA's
- employees to fix the issues which
- they are complaining about.
- Money is the most effective way,
- because it will allow all of TRA's
- employees to fix the issues which
- they are complaining about, such
- as their rising electricity bills.
- TRA should use teamworking as it

Solution 1

- is the best solution.
- TRA should use teamworking as it
- is the best solution because it will
- motivate the employees, without
- adding significantly to the costs of
- the business.
- TRA should use teamworking as it
- is the best solution because it will
- motivate the isolated employees,
- without adding significantly to the

Solution 1

- costs of the business.
- The most effective way depends on
- the type of employees at TRA.
- The most effective way depends on
- the type of employees at TRA. If
- the employees are Theory X, then
- money is more likely to be the best
- way. However, if they are Theory
- Y, then teamworking may be better.
- The most effective way depends on

Solution 1

- the type of employees at TRA. If
- the employees are more concerned
- about their electricity bills, then
- money is more likely to be the best
- way. However, if they are more
- concerned about being isolated,
- then teamworking may be better.
- 9609/22
- October/November 2025

Question 2

9609/23 N25 ■ Q2 ■ 30 marks

2 Popular Drinks (PD)

PD is a mass market fizzy drinks manufacturer in country Z. The fizzy drinks market in country Z is dominated by a few well-known brands. The total market value is \$5.3bn and the PD brand has a 17% share of this market.

Pablo was recruited to be the Marketing Director of PD in 2022. He launched a new promotional campaign based on trending music on social media. He decided to use social media influencers to focus on this market.

5

Online feedback of the campaign was poor. Many of PD's customers did not want to be associated with trending music. National news highlighted the negative feedback and PD's sales volume decreased by 20% within a week and continued falling. This led to excess inventory in PD's warehouses. The bad publicity also caused a drop in PD's share price and a negative impact on cash flow.

10

Question 2

Fig. 2.1 shows feedback from a recent questionnaire where previous PD customers were asked what they thought about the promotional campaign.

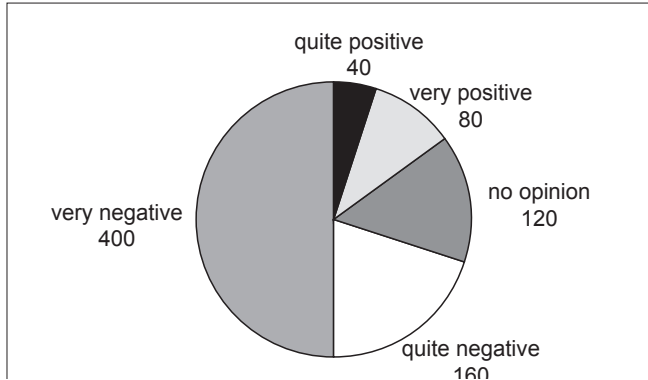




Fig. 2.1 Market analysis data of a sample of PD's customers

Pablo has called an emergency meeting of PD's marketing managers to repair the damage done to the PD brand from this recent promotional campaign. 15

- (a) (i) Identify **one** recruitment method. [1]
- (ii) Explain the term *cash flow*. [3]
- (b) (i) Refer to Fig. 2.1. Calculate the percentage of PD's customers with positive feedback. [3]
- (ii) Refer to Fig. 2.1 and other information. Explain **one** reason why this data collected for PD may not be reliable. [3]

Question 2

- (c) Analyse **two** possible costs to PD of holding inventory. [8]
- (d) Evaluate the importance of branding to the future success of PD. [12]

Solution 2

(a)(i) Mark scheme

- Identify one recruitment method.
- Indicative content
- Identification of a method
- may include:
 - ■
 - job advertisements
 - ■
 - employment agencies

Solution 2

- ■
- online recruitment
- ■
- internal / external recruitment
- ■
- job description
- ■
- person specification
- ■
- headhunting

Solution 2

- ■
- advertising media for recruitment, e.g. newspapers, websites, word of mouth, internal noticeboard, intranet
- Do not allow selection methods, e.g. curriculum vitae, résumé, application forms, interviews, references, testing,
- assessment centres.
- If more than one answer is given, only mark the first, reading from top left to bottom right.
- Accept all valid responses.
- 1
- 9609/23

Solution 2

- October/November 2025

Solution 2

(a)(ii) Mark scheme

- Explain the term cash flow.
- 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

- AO1 Knowledge and understanding
- Knowledge of cash flow
- may include:
 - ■
 - The sum of cash payments into a business less the sum of cash payments out of a business
 - ■
 - Inflows and outflows
 - ■
 - Into and out of the business

Solution 2

- ■
- Receipts and payments
- ■
- Money / notes / coins / funds / finance
- 3
- 9609/23
- October/November 2025
- AO2 Application
- Limited application
- applies knowledge of cashflow to a business context.

Solution 2

- Developed application
- +
- applies knowledge of cashflow to a business context.
- ■
- Who the cash flow is from / to, e.g. customers, suppliers, lenders
- ■
- Liquidity / solvency
- ■
- Working capital
- ■

Solution 2

- Prediction / forecast
- ■
- Opening / closing balance
- ■
- Different to profit
- ■
- Benefits of producing a cash flow forecast, e.g. take preventative action
- ■
- Uses of a cash flow forecast, e.g. predict shortfalls, apply for finance, business plans

Solution 2

- ■

- Examples of what cash may be used for, e.g. bills, staff wages, electricity, pay debts

- ■

- Example from a business context

- Accept all valid responses.

- Exemplar and annotations

- Mark

- Rationale

- Cash in and out

Solution 2

- measures the business's ability to
- pay debts
- and the solvency of the business
- .
- 3
- The answer shows knowledge by the reference to
- cash in and out. There is an explanation of how it
- measures the ability to pay debts which is developed
- by the reference to solvency.
- Money into and out of the business.

Solution 2

- It measures the
- liquidity of the business.
- 2
- Two marks. The first for knowledge and the second
- mark for application to liquidity.
- The flow of cash receipts and payments
- 1
- A reasonable definition
- The flow of cash
- 0

Solution 2

- Tautological
- 9609/23
- October/November 2025

Solution 2

(b)(i) Mark scheme

- Refer to Fig 2.1. Calculate the percentage of PD's customers with positive feedback
- Formula to calculate percentage:
- $\text{Positive Respondents} = \frac{\text{Positive feedback}}{\text{Total feedback}}$
- $\times 100$ (1 mark – formula only)
- $\text{Positive Respondents} = \frac{80}{400} \times 100$
- +

Solution 2

- $\times 100$ (1 mark – use of correct figures)
- Positive Respondents = 15 (%) (1 mark – correct answer (no % necessary))
- Answer = 15 (%) (3 marks – correct answer (no working or % necessary))
- 9609/23
- October/November 2025
- Exemplar and annotations
- Rationale
- 3 marks
- Correct answer
- 15%

Solution 2

- Working and % do not matter.
- Must be three
- to denote the three
- marks.
- Correct rounding must be applied.
- 2 marks
- Both of the following:
 - ■
- Correct calculation of total respondents
- (800)

Solution 2

- ■
- Correct calculation of positive
- respondents (120)
- OR
- ■
- An incorrect answer with one mistake
- allowing OFR for final stage.
- OR
- ■
- A correct answer from an inverted

Solution 2

- formula (6.67 – OFR)
- To award two marks, there must be
- ■
- Two
- and a
- OR
- ■
- One
- , one
- and one

Solution 2

- 1 mark
- One of the following:
 - ■
 - Correct formula
 - ■
 - Correct calculation of total respondents
 - (800)
 - ■
 - Correct calculation of positive
 - respondents (120)

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
 - 9609/23

Solution 2

- October/November 2025

Solution 2

(b)(ii) Mark scheme

- Refer to Fig. 2.1 and other information. Explain one reason why this data collected for PD may not be reliable.
- AO1 Knowledge and understanding
- 1 mark
- AO2 Application
- 2 marks
- 2 marks
- Developed application of one relevant point to a business

Solution 2

- context.
- 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

Solution 2

- No creditable response.
- Indicative content
- AO1 Knowledge and understanding
- Knowledge of one reason for data not being reliable
- (max 1 mark), including:
 - ■
 - Human error
 - ■
 - Lack of data standards
 - ■

Solution 2

- Incomplete / outdated data
- ■
- Poor questionnaire design / poorly written questions / question construction
- ■
- Incorrect sampling
- ■
- Data collection issues
- ■
- Low response rates
- 3

Solution 2

- 9609/23
- October/November 2025
- AO2 Application
- Explanation of one reason for data not being reliable
- (max 1 mark), including:
 - ■
 - Human error—untrained employees enter the data incorrectly / different teams with inconsistent methods
 - ■
 - Lack of data standards—no rules of formatting / classifying data

Solution 2

- ■
- Incomplete / outdated data—data no longer reflects current opinions
- ■
- Poor questionnaire design / poorly written questions—leading questions / confusion
- ■
- Incorrect sampling—sample doesn't represent target customers
- ■
- Data collection issues—timing
- ■
- Low response rates—bias / length of questionnaire

Solution 2

- Context applied to PD
- (max 1 mark), including:
 - ■
- Mass market
 - ■
- Market dominated by a few well-known brands
 - ■
- Total market value is \$5.3bn
 - ■
- 17% share of market

Solution 2

- ■
- Pablo became Marketing Director in 2022
- ■
- Launched promotional campaign based on trending music on social media
- ■
- Used social media influencers
- ■
- Poor online feedback
- ■
- Sales volume decreased by 20% in a week and continued to fall

Solution 2

- ■
- Excess inventory in warehouses
- ■
- Drop in PD's share price
- ■
- Negative impact on cashflow
- ■
- Questionnaire completed by previous PD customers
- ■
- Data from Fig. 2.1

Solution 2

- ■
- 800 respondents
- 9609/23
- October/November 2025
- Exemplar and annotations
- Mark
- Rationale
- Low response rates
- may lead to biased data
- affecting

Solution 2

- decisions to repair the damage to PD's brand
- .
- 3
- Low response rates
- , with further
- explanation to how it may affect the data
- The third mark is for reference to the
- context
- .
- An incorrect sample size

Solution 2

- of 800 customers
- .
- 2
- Knowledge of a use and applied to the
- number of customers who completed the
- questionnaire.
- Problems collecting the data
- 1
- Knowledge of a reason with no application
- The data will be inaccurate, incomplete and misleading

Solution 2

- .
- 0
- No reason why the data collected may not
- be reliable. This answer is a description of
- unreliable data and does not answer the
- question
- Accept all valid responses.
- 9609/23
- October/November 2025

Solution 2

(c) Mark scheme

- Analyse two possible costs to PD of holding inventory.
- 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.
- ■
- Developed analysis that identifies connections

Solution 2

- 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.
- ■

Solution 2

- 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 2

- 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
- No creditable response.

Solution 2

- First cost in the left-hand side column, second cost in the right-hand side column
- 8
- 9609/23
- October/November 2025
- Indicative content
- AO1 Knowledge and understanding
- Knowledge of possible costs of holding inventory (max 2
- s), may include:
- ■
- Opportunity cost of holding stock

Solution 2

- ■
- Impact on working capital
- ■
- Labour cost
- ■
- Storage costs
- ■
- Risk of wastage / damage
- ■
- Depreciation

Solution 2

- ■
- Insurance
- AO2 Application
- Application of cost to PD
- , including:
 - ■
 - Mass market
 - ■
 - Market dominated by a few well-known brands
 - ■

Solution 2

- Total market value is \$5.3bn
- ■
- 17% share of market
- ■
- Pablo became Marketing Director in 2022
- ■
- Launched promotional campaign based on trending music on social media
- ■
- Used social media influencers
- ■

Solution 2

- Poor online feedback
- ■
- Sales volume decreased by 20% in a week and continued to fall
- ■
- Excess inventory in warehouses
- ■
- Drop in PD's share price
- ■
- Negative impact on cashflow
- ■

Solution 2

- Data from Fig. 2.1
- ■
- 800 respondents
- AO3 Analysis
- Limited analysis of cost of holding inventory
- – candidate shows one link in the chain of analysis.
- Developed analysis of cost of holding inventory
- candidate shows two or more links in the chain of analysis or a two-
- sided analysis.
- 9609/23

Solution 2

- October/November 2025
- Analysis may include:
 - ■
 - Opportunity cost of holding stock—space used to store stock could be used for production reducing potential output—
 - lower revenue
 - ■
 - Impact on working capital—money / cash will be tied up in the stock—cannot pay suppliers
 - ■
 - Labour cost—reduced profit—lower shareholder dividends

Solution 2

- ■
- Increase storage costs—reduction in profit margins—reduction in share price
- ■
- Increase risk of wastage—spend time disposing of the waste—inefficiency
- ■
- Depreciation—reduces profits to reinvest—less future growth
- ■
- Insurance—increased expenses—reduced working capital
- Accept all valid responses.
- Exemplar and annotations

Solution 2

- AO1 Knowledge
- AO2 Application
- AO3 Analysis
- Exemplar for one cost of
- holding inventory
- Annotations for the first
- cost should be placed in
- the left-hand margin.
- Insurance
- To reduce risk of disruption

Solution 2

- to operations to maintain
- PD's 17% market share
- .
- Insurance will compensate
- PD if an incident destroys
- stock so it can maintain
- sales
- satisfying
- customers
- .

Solution 2

- Exemplar of a second cost
- of holding inventory
- Annotations for the
- second cost should be
- placed in the right-hand
- margin.
- Risk of wastage
- Of the unsold mass market
- fizzy drinks
- .

Solution 2

- Could lead to a reduction in
- profit
- and future
- expansion
- .
- 9609/23
- October/November 2025

Solution 2

(d) Mark scheme

- Evaluate the importance of branding to the future success of PD.
- Level AO1 Knowledge and understanding
- 2 marks
- AO2 Application
- 2 marks
- AO3 Analysis
- 2 marks

Solution 2

- 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

Solution 2

- used to answer the
- 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.
- ■
- Developed evaluative comments

Solution 2

- 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 consequences.
- 1–2 marks

Solution 2

- Limited evaluation
- ■
- A judgement/conclusion is made
- with limited supporting
- comment/evidence.
- ■
- An attempt is made to balance
- the arguments.
- ■
- 12

Solution 2

- 9609/23
- October/November 2025
- 0
- 0 marks
- No creditable
- response.
- 0 marks
- No creditable
- response.
- 0 marks

Solution 2

- No creditable
- response.
- 0 marks
- No creditable response.
- Indicative content
- AO1 Knowledge and understanding
- Knowledge of branding (max 2
- s), including:
- ■
- Creating a distinct identity / image

Solution 2

- ■
- Brand values
- ■
- A company's name and logo, visual design, slogan, jingle
- ■
- Making consumers feel good about supporting a company and establishing an emotional connection.
- ■
- Differentiates from competitors
- ■

Solution 2

- Influence purchasing decisions
 - ■
- Customers identify with business / brand
 - ■
- Brand personality
 - ■
- Build trust / relationships
- 9609/23
- October/November 2025
- AO2 Application

Solution 2

- Application of branding to PD
- , including:
 - ■
- Mass market
 - ■
- Market dominated by a few well-known brands
 - ■
- Total market value is \$5.3 bn
 - ■
- 17% share of market

Solution 2

- ■
- Pablo became Marketing Director in 2022
- ■
- Launched promotional campaign based on trending music on social media
- ■
- Used social media influencers
- ■
- Poor online feedback
- ■
- Sales volume decreased by 20% in a week and continued to fall

Solution 2

- ■
- Excess inventory in warehouses
- ■
- Drop in PD's share price
- ■
- Negative impact on cashflow
- ■
- Data from Fig. 2.1
- ■
- 800 respondents

Solution 2

- ■
- Need to repair damaged PD brand from promotional campaign
- AO3 Analysis
- Limited analysis of the importance of branding to PD
- – candidate shows one link in the chain of analysis.
- Developed analysis of the importance of branding to PD
- – candidate shows two or more links in the chain of analysis.
- ■
- Create distinct identity/image – maintaining customer base and repeat sales/loyalty–long term profitability

Solution 2

- ■
- Name and logo conjure brand values—can attract/deter new customers—increase/decrease market share
- ■
- Customers buy the brand regardless of quality—repeat customers—increased market share
- ■
- Differentiates from competitors—attracts customers—increased market dominance
- ■
- Influence purchasing decisions—increase revenue—increased profits
- ■

Solution 2

- Customers identify with business / brand—building brand loyalty—long-term profitability
- ■
- Brand personality—helps to differentiate and create a USP—customers pay a higher price
- ■
- Build trust / relationships—increased reputation—increased market share
- 9609/23
- October/November 2025
- AO4 Evaluation

Solution 2

- Limited evaluation – an unsupported judgement and/or weak attempt at an 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
- .
- ■
- The external impacts that affect the future brand image, e.g. new competitors or social trends
- ■

Solution 2

- The relative importance of other elements of the marketing mix
- ■
- Other factors that affect future success, e.g. financial management, competition, social trends
- ■
- An evaluation on whether branding is important to PD's future success.
- Accept all valid responses.
- Exemplars for awarding evaluation
- L1
- (limited supporting

Solution 2

- evidence)
- L2
- (developed supporting
- evidence)
- L3
- (developed supporting
- evidence with context)
- Branding is important to support PD's
- future success.
- Branding is important to support PD's

Solution 2

- future success. Branding helps
- customer recognise PD's drinks
- amongst competing brands.
- Branding is important to support PD's
- future success. Branding helps
- customer recognise PD's drinks
- amongst competing brands and
- therefore maintain a 17% share of the
- market.
- Branding is not important to the future

Solution 2

- success of PD.
- Branding is not important to the future
- success of PD. The taste of the drink
- is more important because customers
- will not buy a drink that they dislike
- the taste of, even if attractively
- branded.
- Branding is not important to the future
- success of PD. The taste of the drink
- is more important because customers

Solution 2

- will not buy a drink that they dislike
- the taste of, even if attractively
- branded in the mass market.

Question 1

9609/1 23 ■ Q1 ■ 5 marks

- 1 (a) Define the term 'secondary research'. [2]
- (b) Explain **one** advantage to a business of data collected using primary research methods. [3]

Solution 1

(a) Mark scheme

- Define the term 'secondary research'.
- Follow the point-based marking guidance at the top of this mark scheme and use Table A to give marks for each candidate response.
- AO1 out of 2 marks.
- Indicative content
- Responses may include:
- AO1 Knowledge and understanding

Solution 1

- ■
- Collection of data from second-hand sources – not directly related to a firm's needs.
- ■
- Collection of data that already exists – compared to primary data.
- ■
- Data from external sources – e.g. reports, census.
- Accept all valid responses.
- 2
- 9609/01

Solution 1

- For examination
- SPECIMEN
- from 2023

Solution 1

(b) Mark scheme

- Explain one advantage to a business of data collected using primary research methods.
- Follow the point-based marking guidance at the top of this mark scheme and use Table B to give marks for each candidate response.
- AO1 out of 1 mark.
- AO2 out of 2 marks.
- Indicative content

Solution 1

- Responses may include:
- AO1 Knowledge and understanding
- ■
- Primary research methods produce first-hand data directly related to the needs of a business.
- ■
- Advantage of primary data which shows knowledge of the term.
- ■
- Method of primary research which shows knowledge of the term.
- AO2 Application

Solution 1

- ■
- Primary research methods may produce data that will be more up-to-date than data from secondary sources – may
- therefore be more useful to a business.
- ■
- Primary research methods may produce data that will be more relevant to a business than secondary sources – data will
- be collected for a specific business purpose.
- ■
- A business has direct control as opposed to secondary sources – over what and how data is collected using primary

Solution 1

- research methods.
- ■
- The data collected will be confidential unlike secondary sources – and can be hidden from competitors.
- Accept all valid responses.
- 3
- AO1
- 1
- AO2
- 2

Solution 1

- 9609/01
- For examination
- SPECIMEN
- from 2023

Question 1

9609/2 23 ■ Q1 ■ 30 marks

1 Barbecue House (BH)

BH is a fast food restaurant and takeaway business, which sells a range of burgers, kebabs, pizzas and side orders. BH also has a delivery service to the local area.

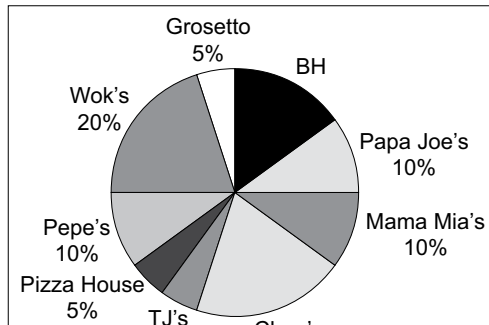
BH is owned by Amir who mortgaged his home to finance the start-up of the business. Amir operates BH as a sole trader. His son also works within the business as a chef. Amir has been advised to change the legal structure of BH and to become a private limited company to protect the business and himself. 5

BH is located on a busy high street. There are many other similar businesses on the high street and in the surrounding area. Amir knows that the continued success of the business requires him to identify a gap in the market and develop a unique selling point (USP). Amir has carried out some market research (see Table 1.1 and Fig. 1.1). 10

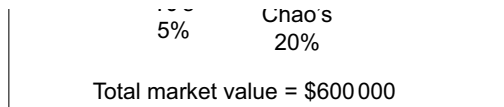
Table 1.1: Market research data about competitors within 2 km of BH

Question 1

Total number of competitors	8
Number of competitors who offer delivery services	4
Number of competitors who do not sell Asian food	6



Question 1



15

Fig. 1.1: Market share data for competitors within 2 km of BH

The two market leaders are Wok's and Chao's. Both businesses specialise in Asian food but neither has a delivery service. Amir would like to increase BH's market share. He is considering starting to sell Asian food. None of his employees have any experience cooking or selling Asian food but Amir believes that the possible increase in income would be worth any extra costs.

20

(a) (i) Identify **one** benefit for a business of a unique selling point (USP).

[1]

(ii) Explain the term 'sole trader' (line 4).

[3]

Question 1

- (b) (i) Refer to Fig. 1.1. Calculate the value in dollars (\$) of BH's share of the market. [3]

(ii) Explain **one** reason why Amir carried out market research. [3]
- (c) Analyse **one** advantage and **one** disadvantage, to Amir, of BH becoming a private limited company. [8]
- (d) Evaluate whether BH should sell Asian food. [12]

Solution 1

(a)(i) Mark scheme

- Identify one benefit for a business of a unique selling point (USP).
- Indicative content
- Responses may include:
- Any benefit of a USP, for example:
 - ■
- Differentiates it from competitors.
- ■
- Can be used in marketing.

Solution 1

- ■
- Can be any element of the marketing mix.
- ■
- Brand image.
- Accept all valid responses.
- 1
- 9609/02
- For examination
- SPECIMEN
- from 2023

Solution 1

(a)(ii) Mark scheme

- Explain the term 'sole trader' (line 4).
- Follow the point-based marking guidance at the top of this mark scheme and use Table A to give marks for each candidate response.
- AO1 out of 1 mark.
- AO2 out of 2 marks.
- Indicative content
- Responses may include:

Solution 1

- AO1 Knowledge and understanding
 - ■
- A business owned and controlled by one person.
- AO2 Application
 - ■
- A sole trader has unlimited liability – which means their personal possessions are at risk.
- ■
- The owner has full control of the business – because there are no other owners.
- ■

Solution 1

- Able to keep all the profits – because there are no other owners.
- ■
- Does not have to publish accounts – because this is not a legal requirement.
- ■
- No continuity – as the business ceases with the owner's death.
- Accept all valid responses.
- 3
- AO1
- 1
- AO2

Solution 1

- 2
- 9609/02
- For examination
- SPECIMEN
- from 2023

Solution 1

(b)(i) Mark scheme

- Refer to Fig. 1.1. Calculate the value in dollars (\$) of BH's share of the market.
- Formula: market share $\times$ total market value (1 mark)
- Other = 85% of the market
- $100\% - 85\% = 15\%$ market share of BH (2 marks)
- 15% of 600 000 = 90 000 (3 marks)
- Own figure rule applies.
- 3
- 9609/02

Solution 1

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Solution 1

(b)(ii) Mark scheme

- Explain one reason why Amir carried out market research.
- Follow the point-based marking guidance at the top of this mark scheme and use Table A to give marks for each candidate response.
- AO1 out of 1 mark.
- AO2 out of 2 marks.
- Indicative content
- Responses may include:

Solution 1

- AO1 Knowledge and understanding
 - ■
 - Market research is where a business finds out about its customers or market.
 - ■
 - Any reason for market research, for example to understand customers, reduce risk, understand competitors and
 - establish trends.
- AO2 Application
 - ■
 - Allows Amir to understand what his customers want (or potential customers) – and then adapt his business to these

Solution 1

- requirements.
- ■
- Amir could analyse the market – before starting to offer different foods if customers want these.
- ■
- Amir can minimise the risk of launching Asian food – by assessing future demand.
- ■
- Allows Amir to know his main competitors – for example use this to develop a USP, lower prices, better delivery.
- ■

Solution 1

- Helps Amir to identify trends in the market and then develop his marketing – for example to anticipate a trend for Asian
- food.
- Accept all valid responses.
- 3
- AO1
- 1
- AO2
- 2
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Solution 1

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Solution 1

(c) Mark scheme

- Analyse one advantage and one disadvantage, to Amir, of BH becoming a private limited company.
- Use Table B to mark candidate responses to this question.
- AO1 out of 2 marks.
- AO2 out of 2 marks.
- AO3 out of 4 marks.
- Indicative content
- Responses may include:

Solution 1

- AO1 Knowledge and understanding
- Advantages
 - ■
- Limited liability.
 - ■
- Legal personality.
 - ■
- Continuity.
 - ■
- Selling shares.

Solution 1

- Disadvantages
 - ■
 - Legal formalities.
 - ■
 - Accounts must be made available for public inspection.
 - ■
 - Loss of personal relationship with employees.
 - ■
 - Possible loss of control.
 - AO2 Application

Solution 1

- ■
- Amir mortgaged his home to finance the start-up.
- ■
- Amir's son works within the business as a chef.
- ■
- Eight competitors.
- ■
- Sole trader.
- ■
- Considering to start selling Asian food.

Solution 1

- AO3 Analysis
- Advantages
- ■
- Amir would gain limited liability, which would mean that his potential loss from the business would be limited to the
- amount that he has invested, not his personal possessions and wealth (e.g. his house).
- ■
- BH would gain its own legal personality, which would mean that if BH was taken to court (e.g. for selling poor/
- contaminated products) then the business would be sued not Amir.

Solution 1

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- ■
- BH would gain continuity, which would mean that Amir's son could inherit the business on Amir's death.
- ■
- BH could potentially take on more investors by selling shares which would increase the sources of finance open to BH

Solution 1

- and could fund the potential expansion into Asian food. Amir might increase the profit he makes from the business.
- Disadvantages
 - ■
 - There will be some legal formalities and paperwork involved in becoming a private limited company which will be an
 - additional cost to the business that Amir must fund.
 - ■
 - End of year accounts must be made available for public inspection, which could lead to competitors gaining information

Solution 1

- about BH which Amir would not want to be known. This is especially important in such a competitive market.
- ■
- Employees may feel that the business is becoming larger and may worry that they could lose their personal relationship
- with Amir.
- ■
- If Amir takes on further investors as shareholders of the business, then this may lead to a loss of control and less profit
- for himself.
- Accept all valid responses.

Solution 1

- AO1
- 2
- AO2
- 2
- AO3
- 4
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Solution 1

(d) Mark scheme

- Evaluate whether BH should sell Asian food.
- Use Table C to mark candidate responses to this question.
- AO1 out of 2 marks.
- AO2 out of 2 marks.
- AO3 out of 2 marks.
- AO4 out of 6 marks.
- Indicative content
- Responses may include:

Solution 1

- AO1 Knowledge and understanding
- The decision to sell a new product is affected by:
 - ■
 - Market research, interpretation of results.
 - ■
 - Marketing mix – 4Ps (product, price, place, promotion).
 - ■
 - Market penetration, gaining an increased market share.
 - ■
- Profitability, level of sales needed to make a profit.

Solution 1

- ■
- Business objectives, profit maximisation, sales growth.
- AO2 Application
- ■
- BH has a delivery service – Wok's and Chao's do not.
- ■
- Amir's objective – to increase market share.
- ■
- The employee experience – none of BH's employees have experience in cooking or selling Asian food.

Solution 1

- ■
- Amir believes that it would be profitable – to sell Asian food in this market.
- ■
- 40% of the market is with market leaders – \$240 000 offering Asian food.
- ■
- BH has 15% share of the market – \$90 000 (OFR from Q1(b)(i)).
- ■
- Relationship with current products – burgers, kebabs, pizza and side orders.
- ■

Solution 1

- Amir is sole trader – but thinking of converting business to a private limited company.
- ■
- Competitive market – eight in total, six offer Asian food so many similar businesses.
- ■
- Busy high street location – large number of potential customers.
- AO3 Analysis
- ■
- Would allow BH to take customers away from Wok's and Chao's and increase market share.

Solution 1

- ■
- Could give BH a USP over these businesses and increase their market share.
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- ■
- BH could gain a competitive advantage over its current rivals. They could cater for families who want more than one type

Solution 1

- of food in an order, again giving them a competitive advantage.
- ■
- May not be able to offer a quality service which could damage their reputation.
- ■
- BH may need to provide training and/or hire new workers to offer Asian food which would increase the costs of the
- business.
- ■
- Wok's and Chao's may decide to do the same and start selling burgers, kebabs, pizzas and side orders and therefore
- make the market even more competitive and possibly reduce BH's market share.

Solution 1

- ■
- There are likely to be increased marketing costs involved in launching this new service; new menus, advertising, etc.
- which could reduce profit.
- AO4 Evaluation
- ■
- The feasibility and affordability of offering a new product.
- ■
- The likely reactions of competitors.
- ■

Solution 1

- The results of any market research undertaken by Amir.
- ■
- Weighing up of objectives and risks.
- ■
- The potential consequences of not selling a new product.
- ■
- The relative costs and benefits of offering Asian food.
- ■
- A judgement whether or not BH should sell Asian food.
- ■

Solution 1

- A conclusion to make an attempt to offer some Asian food (or not).
- ■
- A judgement to do something other than offering Asian food.
- ■
- An attempt to advise BH/Amir on future decisions about offering Asian food.
- Accept all valid responses.
- AO1
- 2
- AO2
- 2

Solution 1

- AO3
- 2
- AO4
- 6
- 9609/02
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- SPECIMEN
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