A-Level Business

Six answers written the way the mark scheme rewards, at the four question weights the paper uses. Read the answer, then the note in italics explaining which marks it earns – the structure is what transfers to your own questions, not the content.

Two-mark definitions

A definition question wants the defining FEATURE, then an example only if there is room. Two sentences maximum; the second mark is usually for applying it or for a consequence.

Define the term 'added value'. [2]

Added value is the difference between the price a business charges for a product and the cost of the bought-in materials used to make it. It is what pays for wages, overheads and profit, so a business that raises added value without raising costs raises its potential profit.

The first sentence is the definition mark: the two quantities and the relationship between them.

The second sentence earns the development mark by saying what added value is FOR. A second sentence merely repeating the first earns nothing.

Define 'span of control'. [2]

Span of control is the number of subordinates who report directly to one manager. A wide span means fewer levels of hierarchy and faster communication, but less close supervision of each subordinate.

Definition, then a consequence. Note the consequence is two-sided – that is what makes it a business answer rather than a dictionary one.

Four-mark analysis

Four marks is usually two developed points, or one point developed twice. Each needs a chain: statement, then because, then the effect on the business.

Analyse two benefits to a business of using just-in-time stock control. [4]

One benefit is lower stock-holding costs. Because materials arrive only as they are needed, the business does not pay for warehouse space, insurance or the capital tied up in stock, so its working capital improves and cash is available for other uses.

A second benefit is less waste. Because stock is not held for long, fewer materials become obsolete or damaged in storage, which reduces the cost of sales and so raises gross profit.

Each paragraph is one point, and each contains the word 'because' followed by a chain that ends in a business consequence – cash available, gross profit.

Naming the financial measure the benefit lands on (working capital, gross profit) is what turns a general point into an analytical one.

Twelve-mark evaluation

Twelve marks needs: definition, two developed arguments on the point at issue, application to the case, and a conclusion that decides. Plan four paragraphs before writing.

Evaluate whether a business facing falling profits should reduce its workforce. [12]

Reducing the workforce, or redundancy, means permanently removing jobs the business no longer needs. It is the most direct way to cut costs, because labour is often the largest single item in the cost base.

Opening paragraph: define the term in the question, and say why the option is attractive. This earns the knowledge mark and frames the argument.

Argument for: 'Cutting twenty of the ninety staff would reduce the wage bill immediately, and since the business is loss-making, the saving goes straight to the bottom line. If demand has fallen permanently, keeping staff who have no work is paying for capacity the business cannot sell.'

Argument against: 'However, redundancy has costs of its own – statutory payments, the loss of trained staff, and lower morale among those who remain, which reduces productivity. If the fall in profit is caused by a temporary downturn, the business will have to recruit and retrain when demand returns, at a cost above what it saved.'

Application: name the business, its market and a figure from the case. An answer that never mentions the case is capped whatever its quality.

Conclusion: 'It depends on whether the fall in demand is temporary or permanent. Here, the extract shows sales have fallen for three consecutive years while competitors have grown, which suggests a structural loss of competitiveness rather than a cycle – so reducing the workforce is justified, but it should be paired with investment in the product, or the business will simply shrink.'

Note what the conclusion does: it names the criterion, applies the evidence, decides, and adds a condition. 'It depends on many factors' with no criterion scores nothing.

Twenty-mark essay

A twenty-mark essay is the twelve-mark structure with three arguments instead of two, a wider frame, and a conclusion that ranks its criteria. Spend five minutes planning.

'Motivation is more important than pay in retaining employees.' Discuss. [20]

Plan the four content paragraphs before writing a word: (1) pay as a hygiene factor – necessary but not sufficient; (2) non-financial motivators – job enrichment, recognition, autonomy; (3) the counter-case – for low-paid workers in a high-cost city, pay dominates; (4) it depends on the type of employee and the labour market.

Use a named theory as the analytical spine – Herzberg separates hygiene factors, which cause dissatisfaction when absent, from motivators, which cause satisfaction. Pay is the former.

Then complicate it: Taylor's view that money is the main motivator still describes piece-rate manufacturing, and Maslow places physiological and safety needs, which pay meets, below esteem needs.

The strongest evaluation names the CONDITION under which each side wins: pay dominates where it is near subsistence or where competitors pay visibly more; motivation dominates where pay is already competitive and the work is skilled.

Conclude with a ranked judgement, not a balance: 'Pay must be competitive before motivation can matter at all, so pay is the necessary condition and motivation the sufficient one. For this business, whose pay already matches the sector, the retention problem is more likely to be solved by job design than by another raise.'