1(a)

Define the term *triple bottom line.*

Indicative content

Responses may include:

AO1 Knowledge and understanding

CLEAR UNDERSTANDING (2 marks)

- Triple bottom line refers to three factors 1 **–** economic/profit 2 **–** social/people 3 **–** environment/planet **(2 marks)**

Clear understanding of the term (or similar) is to be awarded 2 marks. This is indicated by 2 ticks

PARTIAL UNDERSTANDING (1 mark)

- Refer to one or two of the 3 factors/social welfare as a business objective/there are 3 factors affecting business operations (without explanation)/a business not just concerned with profit (**1 mark)**

A partial understanding of the term (or similar) is to be awarded 1 mark. This is indicated by 1 tick

Accept all valid responses.

1(b)

Explain one advantage to a business of being a social enterprise.

NOTE: *Answers to this question that explain what a social enterprise does and the advantages that social enterprises may give to society are NOT acceptable.*

Indicative content

Responses may include:

AO1 Knowledge and understanding – 1 mark for identifying ONE advantage to a business of being a social enterprise – put tick in body of script.

- Provides opportunities for growth/expansion
- Has good reputation/strong public image/USP
- Attracts customers
- Attractive to prospective employees
- Employees likely more productive and motivated
- Attractive to government – gains support – grants
- Attractive to investors

AO2 Application – 2 marks for DEVELOPED explanation of ONE advantage – put ticks in body of script
– 1 mark for LIMITED explanation of an advantage – put tick in body of script.

- Profits can be reinvested into growth rather than given to owners/shareholders
- Perceived as being ethical – product/services in greater demand
- Customers who associate and support the distinctive values of social enterprise
- Employees easier to recruit – lower recruitment costs.
- Employees share the values and aspirations of a social enterprise/high level of satisfaction
- Employees easier to retain – lower turnover of staff.
- Government support/grants more available, e.g. social enterprises may offer employment opportunities to disabled
- Ethically minded investors share values of social enterprise – access to greater funds

Accept all valid responses.

A-Level Business: **w25 21**

1(a)(i)

Identify one feature of a public limited company.

AO1 Knowledge and understanding

Indicative content

Identification of a feature may include:

- can sell shares
- has shareholders
- limited liability
- separate legal identity from its owners
- must publish its accounts and report to its shareholders

1(a)(ii)

Explain the term *dynamic business environment*.

AO1 Knowledge and understanding **1 mark**	**AO2 Application** **2 marks**
	2 marks Developed application of **one** relevant point to a business 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** No creditable response.

Indicative content

Responses may include:

AO1 Knowledge and understanding (max 1 mark), including:
- rapid / fast changing market
- requires businesses to quickly adapt / be flexible.
- changes may be internal or external

AO2 Application
Explanation of internal changes (max 1 mark), including:
- leadership or management changes
- organisational restructuring
- investment in technology

Application for internal changes (max 1 mark), including:
- a new manager may bring a different vision or management style.
- merging departments
- upgrading equipment

1(a)(ii)	Explanation of external changes (max 1 mark), including: • technological advancements • economic shifts • political and legal changes • social trends • environmental factors • new products /ideas/entrants • consumer tastes Application for external changes (max 1 mark), including: • AI, automation • inflation, recession • new regulations, trade policies • consumer preferences, demographics • climate change, sustainability pressures • examples of dynamic markets • examples of factors meaning markets are dynamic e.g. competition Accept all valid responses.

1(b)(i)	**Refer to Table 1.1. Calculate the change in profit from 2023 to 2024.** **Indicative content.** Profit = Revenue – Total costs (1) Profit in 2023 = \$44m – (\$6m + \$16m) = \$22m (1) **OR** Profit in 2024 = \$50m – (\$10m + \$20m) = \$20m (1) Change in profit = Profit in 2024 – Profit in 2023 = \$20m – \$22m = –\$2m (OFR applies) Answer = **–\$2** (3), \$ not required**.** Accept text explanation, such as decreases, instead of minus sign. In brackets indicates a minus figure **No minus sign or other indication of decrease 2 marks** **OFR applies**

1(b)(ii)	**Explain <u>one</u> use to CB of cost information.**

AO1 Knowledge and understanding 1 mark	AO2 Application 2 marks
	2 marks Developed application of **one** relevant point to a business 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** No creditable response.

Responses may include:

AO1 Knowledge and understanding (max 1 mark), including:
Uses may include:
- helps determine the price/set prices
- ensure it makes a profit/improve profitability
- ensures the business covers its costs and earns a margin on each sale.
- respond to rising costs
- reduce unnecessary costs
- help identify profitable/loss making products
- set budgets

AO2 Application
Explanation (max 1 mark), including:
- respond to rising costs by adjusting prices
- identifying high-cost/profitable items allows the business to streamline operations or reduce waste.
- accurate cost data helps the owner decide whether to introduce new products, offer discounts, or invest in equipment
- can be used to help obtain external finance

A-Level Business: **w25 21**

1(b)(ii)

Context (max 1 mark), including:
- example of price-setting – e.g. CB calculates that the total cost of ingredients, labour, and overheads for one latte is $1.50. To make a profit, CB decides to sell the latte for $3.00.
- if milk prices increase, the shop might adjust its pricing or switch suppliers.
- operate in mass market
- use of answer to **1(b)(i)** (OFR)/reduction in profit (OFR)/profit change between 2023 and 2024
- use of information in Table 1.1 – direct costs increased by $4m (to $10m) and indirect costs increased by $4m (to $20m)
- competitive market
- considering market segmentation
- demand for healthy food

Accept all valid responses.

1(c) **Analyse <u>two</u> benefits to CB of training its employees.**

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 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 between causes, impacts and/or consequences of **one** point.
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.	**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** • 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.	**0 marks** No creditable response.	**0 marks** No creditable response.

Annotate the first benefit in the left-hand margin and the second in the right-hand margin.

1(c) Responses may include:

AO1 Knowledge and understanding (max K s)
- improve the quality and consistency of its products and services
- increase productivity
- increase efficiency
- motivate staff
- develop new skills and knowledge

AO2 Application
Max one APP for application in the first benefit and max one APP for application in the second benefit.
- working in a coffee shop is labour intensive work.
- highly paid employees would like to improve skills
- mission statement refers to a unique experience for customers
- CB face very high costs that they need to control
- train staff to be helpful, friendly and knowledgeable
- offers food as well as coffee
- located in high-income areas of major cities
- competitive/dynamic business environment
- operate in several countries

AO3 Analysis
Limited analysis AN – candidate shows one link in the chain of analysis.
Developed analysis DEV candidate shows two or more links in the chain of analysis or a two-sided analysis.
Analysis may include:
- training improves the skills of employees – greater efficiency/productivity more customers served/more sales/ profit.
- empowerment – may improve motivation by allowing employees to feel more knowledgeable e.g., advising customers on different products
- can increase customer satisfaction and loyalty – enhance its reputation/revenue/profits
- improve staff morale and retention – reduce turnover/absenteeism/recruitment costs
- increased efficiency – reducing costs and increasing profits
- build its customer base – attracting customers from the competition

Accept all valid responses

1(d)	**Evaluate whether CB should make greater use of market segmentation to be more successful.**

Level	AO1 Knowledge and understanding 2 marks	AO2 Application 2 marks	AO3 Analysis 2 marks	AO4 Evaluation 6 marks
3				**5–6 marks** **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** **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** that identifies connections between causes, impacts and/or consequences.	**3–4 marks** **Developed evaluation** • A developed judgement/conclusion is made. • 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** **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** **Limited evaluation** • A judgement/conclusion is made with 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** No creditable response.	**0 marks** No creditable response.

1(d)

Responses may include:

AO1 Knowledge and understanding (max K s)
- market has smaller groups/sub-groups
- used to better target marketing efforts
- methods include geographic, demographic and psychographic

Do not award K for product differentiation, must be market segmentation

AO2 Application
Limited application APP *applies knowledge of market segmentation to CB once.*
Developed application APP - APP *applies knowledge of market segmentation to CB twice.*
- customers are becoming more aware of the health effects of consuming too much caffeine or sugar in their drinks.
- operates in prime areas
- use fair trade coffee beans
- customers environmentally conscious.
- highly competitive/dynamic business environment
- currently operates in the mass market.
- target young professionals, students and tourists
- research shows customers want healthy food options
- use of answer from **1(b)(i)**/decreasing profit
- use of information from table 1.1 – e.g. rising costs/increasing revenue

AO3 Analysis
Limited analysis AN *– candidate shows one link in the chain of analysis.*
Developed analysis DEV *– candidate shows two or more links in the chain of analysis.*

Arguments for greater use of market segmentation:
- Better targeting of customer needs – tailor products and marketing more effectively.
- Improved marketing efficiency – marketing campaigns can be more cost-effective and impactful when aimed at specific segments.
- Become more competitive – attracting a wider customer base

1(d)

Arguments against greater use of market segmentation:
- increased complexity and costs – may require changes in product lines, marketing strategies, and store layouts, increasing operational complexity and costs.
- further investment required – causing a strain on resources.
- risk of alienating existing customers – might confuse or alienate loyal customers who value the current broad appeal.
- maintaining a consistent brand image across – marketing becomes expensive and challenging
- limited capacity to implement segmentation – may lack the data analytics capabilities or marketing expertise needed to effectively identify and serve distinct segments.

AO4 Evaluation
Limited evaluation EVAL *– unsupported judgement and/or a weak attempt at evaluative comment*
Developed evaluation E *– supported judgement and/or reasonable evaluative comment*
Developed evaluation in context EE *– supported judgement in context and/or reasonable evaluative comment in context.*

While market segmentation offers opportunities for CB to better meet customer needs and stand out in a competitive market, it also introduces risks and costs. A balanced approach may be most suitable – CB could begin with light segmentation (e.g. offering healthier food options) while maintaining its mass market appeal. This would allow CB to test the effectiveness of segmentation without overcommitting resources.

Other evaluative arguments may include:
- target market – how to identify and attract a different market segment and costs involved
- selling at a lower price might damage the brand reputation.
- choice depends on operating costs, and customer preferences
- CB would need to conduct market research to determine which method would be more effective in increasing demand for its products
- a recommendation which could be that related to one method or could be that a combination is better. this helps CB to appeal to customers with different needs.
- yes, it should/should not with justification

Evaluation must be clearly related to market segmentation

Accept all valid responses.