

Past-paper walk-through

Market research ■ 3.2

eXercise

Questions in this set

- 0450/13 N25 Q2 ■ 20 marks
- 0450/21 N25 Q2 ■ 20 marks
- 0450/22 J25 Q3 ■ 20 marks
- 0450/11 N24 Q2 ■ 20 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

0450/13 N25 ■ Q2 ■ 20 marks

-
- 2** Max is an entrepreneur who wants to start up a business selling books. He has decided to use ecommerce. Max has been told there is government support for start-up businesses. He will use market research to help make business decisions. Max knows it is important for a new business to build customer loyalty.
- (a)** Define 'entrepreneur'.

Question 2

(b) Identify **two** reasons why governments support start-up businesses.

Question 2

Question 2

Question 2

Question 2

(c) Outline **two** opportunities for Max's business of using ecommerce.

Question 2

Question 2

(d) Explain **two** ways Max could use market research to help make business decisions.

Question 2

Question 2

Question 2

Question 2

Question 2

Question 2

- (e) Explain **two** ways a business could build customer loyalty. Which is likely to be the best way for a new business to use? Justify your answer.

Solution 2

(a) Mark scheme

- Define 'entrepreneur'.
- Award 2 marks for a full definition. Award 1 mark for a partial definition.
- ■
- An individual who takes the financial risk of starting (and
- managing) a new business [2]
- ■
- A person who takes the risk for a new business venture

Solution 2

2

- Partial definition e.g.
- ■
- A person who starts/sets up a business [1]
- 2 For 1st mark need idea of start a business.
- Take a risk is [+1] only.

Solution 2

(b) Mark scheme

- Identify two reasons why a governments support start-up businesses.
- Award 1 mark per reason (max 2).
- Points might include:
 - ■
 - Create jobs / reduce unemployment
 - ■
- Increase competition

Solution 2

- ■
- Increase output / improve gross domestic product /
- increase GDP
- ■
- Generate taxation/taxes
- ■
- Motivate/encourage entrepreneurs
- ■
- (Business) can grow (into larger businesses in the
- future)

Solution 2

- ■
- Reduce imports / increase exports
- ■
- Provide a wider variety of goods/services
- Other appropriate responses should be credited.
- 2 Only award the first two responses given.
- Do not award:
 - ■
- Examples of government support.
- 0450/13

Solution 2

- October/November 2025
- Guidance

Solution 2

(c) Mark scheme

- Outline two opportunities for Max's business of using
- ecommerce.
- Award 1 mark for each relevant opportunity (max 2).
- Award 1 mark for each relevant reference to this business
- (max 2).
- Points might include:
 - ■
- Lower rent / no/few shops needed [k] so may not need

Solution 2

- as much government support [app]
- ■
- Widen market / more potential customers / orders can
- be taken 24/7 [k] for the books [app]
- ■
- Website can be used to promote the business [k] which
- is helpful for this new business [app]
- ■
- Easy/quick to update [k] for this entrepreneur [app]
- ■

Solution 2

- Can provide detailed information [k] alongside the
- market research [app]
- ■
- Fewer employees needed [k]
- Other appropriate responses should be credited.
- 4 To use words from the stem as application, the reference
- must be appropriate (i.e. make sense) in relation to the point
- being made.
- The following words are likely to be appropriate for this
- question:

Solution 2

- ■
- Entrepreneur
- ■
- Books
- ■
- New/start-up business
- ■
- Government support
- ■
- Market research

Solution 2

- ■
- Build customer loyalty
- Other appropriate examples can be credited.
- Benefits must be to the business not to customers.
- 0450/13
- October/November 2025
- Guidance

Solution 2

(d) Mark scheme

- Explain two ways Max could use market research to
- help make business decisions.
- Award 1 mark for identification of each relevant way (max 2).
- Award 1 mark for each relevant reference to this business
- (max 2).
- Award 1 mark for each relevant explanation (max 2).
- Points might include:
 - ■

Solution 2

- Identify consumer needs / identify target market [k] as
- it's a new business [app] to ensure sales [an]
- ■
- Identify competition [k] which may influence his
- marketing/pricing [an] for his books [app]
- ■
- Identify market size/trends/demand [k] to know what
- products to stock [an] which may help build customer
- loyalty [app]
- ■

Solution 2

- How to promote its products [k] to raise awareness [an]
- as plans to use ecommerce [app]
- ■
- What/amount of inventory to buy [k] to keep variable
- costs low [an]
- ■
- Set prices/decide what prices to set [k] to ensure
- business can breakeven / cover costs [an]
- Other appropriate responses should be credited.
- 6 To use words from the stem as application, the reference

Solution 2

- must be appropriate (i.e. make sense) in relation to the point
- being made.
- The following words are likely to be appropriate for this
- question:
 - ■
 - Entrepreneur
 - ■
 - Books
 - ■
 - New/start-up business

Solution 2

- ■
- Government support
- ■
- Ecommerce
- ■
- Build customer loyalty
- Other appropriate examples can be credited.
- Some points can be [k] or [an] but only award once.
- Do not award:
- ■

Solution 2

- Methods of market research
- 0450/13
- October/November 2025
- Guidance

Solution 2

(e) Mark scheme

- Explain two ways a business could use to build
- customer loyalty. Which is likely to be the best way for a
- new business to use? Justify your answer.
- Award up to 2 marks for identification of relevant points.
- Award up to 2 marks for relevant development of points.
- Award up to 2 marks for a justified decision about which is
- the best way for a new business to build customer loyalty.
- Points might include:

Solution 2

- ■
- Offer good customer service / train employees [k] which
- can make customers feel valued / builds trust [an]
- ■
- Loyalty (reward) scheme / special offers/discounts to
- regular customers / membership discounts [k] so they
- have an incentive to return [an] but it takes time/cost to
- set up/operate [an]
- ■
- Build customer relationships / communicate with

Solution 2

- customer or examples e.g. use newsletters to
- communicate [k] so customers remember your business

an

- ■
- Ask for feedback / carry out market research [k] so the
- items being sold match customer needs [an]
- ■
- Respond to complaints quickly [k] so that customers are
- less likely to go to other businesses [an]
- ■

Solution 2

- Offer extra services or examples such as after sales
- service / delivery / credit facilities [k] which show that
- the business cares [an]
- 6 This is a general question so there are no marks for
- application.
- To access evaluation must discuss two ways.
- For evaluation to be awarded justification will usually follow
- on from relevant analysis of points.
- Some answers could be awarded as either [k] or [an] but do
- not award the same point twice.

Solution 2

- 0450/13
- October/November 2025
- Guidance
- Other appropriate responses should be credited.
- Justification might include:
 - One way is to offer good customer service [k] which can
 - make customers feel valued [an]. Another way is to respond
 - to complaints quickly [k] so that customers are less likely to
 - go to other businesses [an].
 - Offering good customer service is the best way for a new

Solution 2

- business because this is likely to reduce the number of
- mistakes which can help reduces the likelihood of
- complaints [eval] and improve its reputation which could
- help the new business compete [eval].
- 0450/13
- October/November 2025
- Guidance

Question 2

0450/21 N25 ■ Q2 ■ 20 marks

- 2 (a)** Explain **two** advantages and **two** disadvantages to LB of using primary market research.

Question 2

Question 2

Question 2

Question 2

[8]

(b) Consider the advantages and disadvantages of the **two** options LB could use to distribute its new product range in country X. Which channel of distribution should LB use? Justify your answer.

- Selling to specialist retail shops
- Selling directly to customers through LB's website

Question 2

Question 2

[12] _

Solution 2

(a) Mark scheme

- Explain two advantages and two disadvantages to LB of using primary
- market research.
- Award 1 mark for each advantage/disadvantage (max 2 advantages/max 2
- disadvantages).
- Award a maximum of 1 additional mark for each explanation of the
- advantage/disadvantage in context.
- Relevant advantages might include:
 - ■

Solution 2

- Is up to date – finds out about current trends in bathroom products
- ■
- Relevant to the business as direct contact with potential customers – that
- produces basins and showers
- ■
- Is first-hand information / planned and carried out by those who want the
- information – about this very competitive market
- ■
- Effective at gathering information about a specific problem – as to which
- new designs to choose to produce

Solution 2

- ■
- Not available to other businesses
- Relevant disadvantages might include:
 - ■
 - Can be expensive to collect information – about sales through specialist retail shops
 - ■
 - May take time to collect / not available immediately – for this company
 - that has been operating for over 20 years
 - ■

Solution 2

- May not be accurate if people carrying it out are not experienced in this
- type of research / interviewer bias
- ■
- Less accurate results gathered if sample does not represent the target
- market
- For example: The information is up to date (1) so the business will be aware
- of current trends in designs of bathroom products (app).
- Application might include: luxury bathroom products; baths/basins/showers;
- plan to produce a new range of bathroom products; started 20 years ago; sells
- in specialist retail shops; website contains information on product range;

Solution 2

- operates in a very competitive market; need to decide which new designs to
- produce.
- 8
- 0450/21
- October/November
- 2025

Solution 2

(b) Mark scheme

- Consider the advantages and disadvantages of the two options LB
- could use to distribute its new product range in country X. Which
- channel of distribution should LB use? Justify your answer.
- ■
- Selling to specialist retail shops
- ■
- Selling directly to customers through LB's website
- Level

Solution 2

- Description
- 3
- Sound application of knowledge and understanding of
- relevant business concepts using appropriate
- terminology.
- Detailed discussion of both options.
- Well-justified recommendation.
- Candidates discussing in detail both options, in context
- and with a well-justified recommendation, including why
- the alternative option was rejected, should be rewarded

Solution 2

- with the top marks in the band.
- 9–12
- 2
- Sound application of knowledge and understanding of
- relevant business concepts using appropriate
- terminology.
- Detailed discussion of at least one option.
- Judgement with some justification / some evaluation of
- choice made.
- Candidates discussing in detail at least one option and

Solution 2

- applying it to the case should be rewarded with the top
- marks in the band.
- 5–8
- 1
- Limited application of knowledge and understanding of
- relevant business concepts.
- Limited ability to discuss the options with little/no
- explanation.
- Simple judgement with limited justification / limited
- evaluation of choice made.

Solution 2

- Candidates outlining both options in context should be
- rewarded with the top marks in the band.
- 1–4
- 0
- No creditable response.
- 0
- 12
- 0450/21
- October/November
- 2025

Solution 2

- Relevant points might include:
 - Advantages
 - Disadvantages
 - Selling to
 - specialist retail
 - shops
 - ■
 - May be able to sell
 - bathroom products in
 - larger quantities to

Solution 2

- retailers – more likely
- to improve cash flow
- ■
- Reduces distribution
- costs – if sell to a few
- large retail shops
- rather than direct to
- customers – fewer
- journeys for delivery
- lorries

Solution 2

- ■
- Already has a
- relationship with these
- shops – may be
- familiar with the quality
- of the luxury
- bathroom products –
- can pass this
- information and advice
- on to customers –

Solution 2

- sales may be higher
- ■
- Lower level of
- inventories – as some
- products are sent to
- the retailer
- ■
- Retailer may pay for
- some of the advertising
- – may reduce

Solution 2

- marketing costs
- ■
- Customers are
- already familiar with
- LB's products being
- displayed in these
- specialist shops so
- may make it easier to
- sell a new range of
- products

Solution 2

- ■
- Have less control
- over the way the
- basins and showers
- are displayed
- ■
- Will be displayed
- alongside
- competitors' products
- – may lead to fewer

Solution 2

- sales if luxury
- nature of products
- is less obvious
- ■
- Price may be higher
- after retail profit
- margin added –
- leading to fewer sales
- ■
- No direct contact with

Solution 2

- customers – so may
- not be able to
- emphasise the
- luxury bathroom
- products
- 0450/21
- October/November
- 2025
- Advantages
- Disadvantages

Solution 2

- Selling directly
 - to customers
 - through LB's
 - website
 - ■
- Lower price can be
 - charged as no profit
 - margin for the retailer
 - included – may lead to
 - higher demand –

Solution 2

- increased sales and
- revenue
- ■
- Direct contact with
- customers – may gain
- useful feedback on
- showers and baths –
- less market research
- needed in the future
- ■

Solution 2

- LB controls the way its
- new bathroom range is
- described and
- information provided for
- customers – more
- accurate than if sold
- through a retailer
- ■
- Delivery costs paid by
- customers will be high

Solution 2

- as baths are large
- and heavy – may
- reduce sales
- ■
- May get damaged
- when being delivered
- to customers' homes
- – increasing costs
- from repair or
- replacement of

Solution 2

- products
- ■
- The luxury nature of
- the products cannot
- be appreciated using
- online sales as
- customers cannot see
- or feel the luxury
- bathroom products
- – customers may not

Solution 2

- be willing to pay the
- higher price as do not
- appreciate the high
- quality
- ■
- Storage costs will be
- higher – as products
- stored before being
- dispatched in small
- quantity to each

Solution 2

- customer
- ■
- Increased cost of
- website being
- adapted to be able to
- take customer orders
- – also ongoing
- maintenance costs
- 0450/21
- October/November

Solution 2

- 2025
- Recommendation
- Justification might include:
 - ■
- LB should sell the new bathroom range to the
- existing specialist retail shops as it already has
- a good relationship with them, and their
- employees are likely to be familiar with LB's
- products so can advise customers about their
- luxury nature encouraging customers to think

Solution 2

- paying the higher price is worth it. Selling
- directly to customers through its website will be
- a new way of distributing its products and may
- not be successful due to LB's lack of
- experience.
- ■
- LB should sell the new bathroom range
- directly to customers through LB's website as it
- will allow LB to sell to a wider range of
- customers across a wider area than the current

Solution 2

- specialist retail shops and therefore have higher
- sales.
- 0450/21
- October/November
- 2025

Question 3

0450/22 J25 ■ Q3 ■ 20 marks

- 3 (a)** Explain **four** ways market research information can help a business.

Question 3

Question 3

Question 3

Question 3

[8]

- (b) Consider the following **two** ways TSE could purchase the raw materials for its factories. Which way should TSE use? Justify your answer.
- Head office in country P continues to purchase the raw materials for all TSE factories
 - TSE's factory managers in each country purchase raw materials locally

Question 3

Question 3

[12]

Solution 3

(a) Mark scheme

- Explain four ways market research information can help a business.
- Award 1 mark for each way market research information can help a business
- (max 4).
- Award a maximum of 1 additional mark for each explanation of the way.
- There are no application marks for this question.
- Relevant ways might include:
 - ■
- Helps identify the target market – so can advertise more effectively to this

Solution 3

- market
 - ■
 - Helps to find a gap in the market – so the business can develop a new
 - product to increase sales
 - ■
 - Helps identify where consumers purchase products – so can use the
 - most effective distribution channel
 - ■
 - Helps identify the price customers are willing to pay – so know the most
 - effective pricing strategy to use

Solution 3

- ■
- Helps identify which promotional methods consumers are attracted to –
- so can use these to increase sales
- ■
- Helps identify which products do not meet consumers' needs – so can
- stop producing these products
- ■
- Helps identify competitors – so that they know the best way to compete
- with them
- ■

Solution 3

- Helps identify change in customer preferences/tastes/market trends
- ■
- Helps identify customer needs
- ■
- Helps to sell into a new market
- For example: Helps to find a gap in the market (1) so the business can
- develop a new product that meets customer needs (1).
- 8
- 0450/22
- May/June 2025

Solution 3

(b) Mark scheme

- Consider the following two ways TSE could purchase the raw materials
- for its factories. Which way should TSE use? Justify your answer (12)
- ■
- Head office in country P purchases the raw materials for all TSE
- factories
- ■
- TSE's factory managers in each country purchase raw materials
- locally

Solution 3

- Level
- Description
- 3
- Sound application of knowledge and understanding of
- relevant business concepts using appropriate
- terminology.
- Detailed discussion of both ways.
- Well-justified recommendation.
- Candidates discussing both ways in detail, in context
- and with a well-justified recommendation, including why

Solution 3

- the alternative way was rejected, should be rewarded
- with the top marks in the band.
- 9–12
- 2
- Sound application of knowledge and understanding of
- relevant business concepts using appropriate
- terminology.
- Detailed discussion of one way.
- Judgement with some justification / some evaluation of
- choice made.

Solution 3

- Candidates discussing at least one way in detail and
- applying it to the case should be rewarded with the top
- marks in the band.
- 5–8
- 1
- Limited application of knowledge and understanding of
- relevant business concepts.
- Limited ability to discuss the ways with little/no
- explanation.
- Simple judgement with limited justification / limited

Solution 3

- evaluation of choice made.
- Candidates outlining the ways in context should be
- rewarded with the top marks in the band.
- 1–4
- 0
- No Creditable Response
- 0
- 12
- 0450/22
- May/June 2025

Solution 3

- Relevant points might include:
- Advantages
- Disadvantages
- Head office in
- country P
- purchases the raw
- materials for all
- TSE factories
- ■
- Able to make bulk

Solution 3

- purchases – discounts
- received – lowering
- variable costs / lower
- cost of materials
- such as rubber –
- lower average costs –
- increasing profit
- margin / possibly
- allowing lower selling
- prices

Solution 3

- ■
- Easier to check and
- standardise the
- production of tennis
- balls in different
- countries as all raw
- materials are the
- same quality –
- maintains reputation
- for good quality

Solution 3

- sports equipment
- ■
- Senior managers
- could find it easier to
- control subordinates –
- mistakes less likely to
- be made as managers
- are experienced in
- making these
- decisions – leading to

Solution 3

- better reputation
- ■
- The managers at
- TSE's factories may
- not have the skills to
- carry out the tasks
- that have been
- delegated to them –
- so better decisions
- are made by head

Solution 3

- office
- ■
- Increased transport
- costs for raw
- materials to be
- taken to each of the
- 10 factories –
- factories may be in
- other countries
- increasing transport

Solution 3

- costs
- ■
- Do not have the raw
- materials available
- at the different
- factories – so may
- not satisfy local
- demand for
- particular sports –
- reducing sales

Solution 3

- ■
- May need
- warehouses for
- storage of raw
- materials before
- they are sent out to
- factories in the 10
- countries –
- increases costs
- 0450/22

Solution 3

- May/June 2025
- Advantages
- Disadvantages
- TSE's factory
- managers in each
- country purchase
- raw materials
- locally
- ■
- Managers can order

Solution 3

- better quality raw
- materials to produce
- equipment for local
- sports – increases
- demand / improved
- competitiveness of
- equipment used in
- playing sports in that
- country – increases
- revenue

Solution 3

- ■
- Head/senior
- managers can now
- focus on the most
- important tasks at
- head office – make
- better decisions
- ■
- May increase
- motivation of

Solution 3

- managers of TSE's
- factories leading to
- higher productivity
- ■
- May develop skills of
- managers in other
- countries
- ■
- May be unable to
- meet sudden

Solution 3

- increase in demand
- for specific sports
- equipment – if raw
- materials are not
- available – may
- lose customers as
- disappointed – lose
- reputation /
- customers do not
- return

Solution 3

- ■
- May delay the
- production of tennis
- balls – as need to
- wait for raw
- materials if
- problems with local
- availability – loses
- reputation for
- demand being

Solution 3

- satisfied quickly
- ■
- The factory
- managers may not
- have the skills to
- make these
- decisions – leading
- to stocking the
- wrong quantities of
- raw materials

Solution 3

- Recommendation
- Justification could include:
 - ■
- All raw materials purchased by head office is the
- best way as this will allow considerable cost
- savings due to purchasing economies of scale
- and lower unit costs. This will allow TSE to keep
- prices low and to be more competitive with other
- similar sport equipment manufacturers.
- Whereas it may be more difficult to ensure the

Solution 3

- quality of raw materials if they are purchased by
- the factory managers which could damage the
- brand reputation.
- ■
- Each factory manager purchasing their own raw
- materials is the best way to choose because
- each manager can meet the local demand for
- specific sports, and this will attract more
- customers leading to higher revenue.
- 0450/22

Solution 3

- May/June 2025

Question 2

0450/11 N24 ■ Q2 ■ 20 marks

- 2** Mitchell is an entrepreneur. He wants to start up a business selling books. As part of his business plan Mitchell has carried out some market research. An extract is shown in Fig. 2.1. Mitchell will use microfinance as a source of finance. He wants to know whether the opportunities of using ecommerce for a new business are greater than the threats.

Extract from Mitchell's market research data for 2023

Chart 1: Type of people reading books

Chart 2: Book sales by type (million)

Question 2

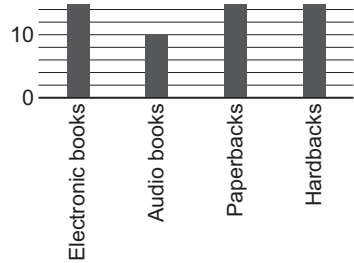


Fig. 2.1

(a) Define 'entrepreneur'.

Question 2

(b) Define 'business plan'.

Question 2

- (c) Outline **one** advantage and **one** disadvantage to Mitchell of using microfinance as a source of finance.

Question 2

- (d)** Explain how the market research data in Chart 1 and Chart 2 in Fig. 2.1 could help Mitchell when making decisions.

Question 2

- (e) Do you think the opportunities of ecommerce for a new business are greater than the threats? Justify your answer.

Question 2

Solution 2

(a) Mark scheme

- Define 'entrepreneur'.
- Award 2 marks for a full definition. Award 1 mark for a partial definition.
- A person who organises, operates and takes the risk for a new business venture [2]
- OR
- An individual who takes the (financial) risk of starting a new business [2]

Solution 2

- OR
- A person who combines factors of production to start a business [2]
- OR
- An individual who takes the risk by combining factors of production [2]
- Partial definition e.g. a person who starts/sets up a business

1

- 2 Do not award:
- Answers such as managing a business or answers which

Solution 2

- identify the skills of an entrepreneur on its own.
- 0450/11
- October/November 2024
- Notes

Solution 2

(b) Mark scheme

- Define 'business plan'.
- Award 2 marks for a full definition. Award 1 mark for a partial definition.
- A document containing the business aims/objectives and important details about the operations, finance and owners of a business. [2]
- OR
- A detailed written document outlining the purpose and aim

Solution 2

- of a business which is often used to persuade lenders or
- investors to finance a business proposal. [2]
- OR
- States aims and/or objectives and show how business plans
- to achieve them. [2]
- Partial definition e.g. a document stating the aims of the
- business [1]
- OR A document containing details about the operations,
- finance and owners of a business.[1]
- 2

Solution 2

- 0450/11
- October/November 2024
- Notes

Solution 2

(c) Mark scheme

- Outline one advantage and one disadvantage to Mitchell
- of using microfinance as a source of finance.
- Award 1 mark for each relevant advantage/disadvantage
- (max 2).
- Award 1 mark for each relevant reference to this business
- (max 2).
- Points might include:
- Advantages:

Solution 2

- ■
- Do not need a good credit record/history [k] for this
- retailer [app]
- ■
- Less paperwork/no business plan required [k] for this
- new entrepreneur [app]
- ■
- No need to provide security/collateral [k] which can help
- as it is a start-up business [app]
- Disadvantages:

Solution 2

- ■

- Only for a small amount [k] so cannot buy many books

app

- ■

- Usually high interest rates (as low/poor credit rating) [k]
- Other appropriate responses should be credited.
- 4 To use words from the stem as application, the reference
- must be appropriate (make sense) in relation to the point
- being made.
- The following words are likely to be appropriate for this

Solution 2

- question:
- ■
- Business plan – can be used as [k] or [app]
- ■
- but not both
- ■
- New/start-up business
- ■
- Books
- ■

Solution 2

- Ecommerce
- ■
- Entrepreneur
- ■
- Retailer
- Other appropriate examples should be credited.
- 0450/11
- October/November 2024
- Notes

Solution 2

(d) Mark scheme

- Explain how the market research data in Chart 1 and
- Chart 2 in Fig. 2.1 could help Mitchell when making
- decisions.
- Award 1 mark for identification of how the data in each chart
- can be used when making decisions (max 2).
- Award 1 mark for each relevant reference to this business
- (max 2).
- Award 1 mark for each relevant explanation (max 2).

Solution 2

- Points might include:

- Chart 1:

- ■

- Decide the target market [k] as children read the most

app which could help increase sales/revenue [an]

- ■

- Decide where to advertise [k] to attract most customers

an

- Chart 2:

- ■

Solution 2

- Decide which type to sell [k] as only 15 million
- hardbacks are sold [app] which could help reduce the
- amount of unsold inventory [an]
- ■
- To decide how many of each type of book he will sell [k]
- therefore he must have more of these in stock [an]
- Other appropriate responses should be credited.
- 6 To use words from the stem as application, the reference
- must be appropriate (i.e. make sense) in relation to the point
- being made.

Solution 2

- The following words are likely to be appropriate for this
- question:
- ■
- Allow book/books once as application.
- Chart 1:
- ■
- 27%/Older people
- ■
- 35%/Children
- ■

Solution 2

- 20%/adults
 - ■
- 18%/students
- Chart 2:
 - ■
- Audio /10 million
 - ■
- Paperback/50 million
 - ■
- Hardback/15 million

Solution 2

- ■
- Other 20 million
- Other appropriate examples can be credited.
- Do not award:
- Answers which simply state what chart shows e.g.
- 'Type of books are sold' as this is repetition.
- 0450/11
- October/November 2024
- Notes

Solution 2

(e) Mark scheme

- Do you think the opportunities of ecommerce for a new
- business are greater than the threats? Justify your
- answer.
- Award up to 2 marks for identification of relevant points.
- Award up to 2 marks for relevant development of points.
- Award up to 2 marks for a justified decision as to whether
- the opportunities of ecommerce for a new business are
- greater than the threats.

Solution 2

- Points might include:
- Opportunities:
- ■
- More potential customers/sales/widen market [k] which
- can increase market share [an]
- ■
- No/fewer shops needed [k] so less rent/lower fixed
- costs [an] which increases its profit margin [an]
- ■
- Fewer employees needed [k] lower labour/wage costs

Solution 2

an

- ■
- Easy to update [k]
- Threats:
- ■
- Increased competition [k] so may have to spend more
- on advertising / have to set lower prices [an]
- ■
- Potential customers do not trust online business / risk of
- fraud/hacking [k] therefore they are less likely to

Solution 2

- purchase [an]
- ■
- Not everyone has access to the internet [k] which could
- reduce potential customer base [an]
- ■
- Lack of personal service/no face-to-face contact [k] so
- difficult to maintain customer loyalty [an]
- ■
- Increased costs of postage/distribution [k] which could
- lead to higher prices [an]

Solution 2

- ■
- Cost to set up/maintain website [k] which business
- might not be able to afford [an]
- 6 This is a general question so there are no marks for
- application.
- Lower costs may be [k] or [an] but allow only once.
- 0450/11
- October/November 2024
- Notes
- Other appropriate responses should also be credited.

Solution 2

- Justification might include:
- One opportunity is more potential customers [k] increasing
- market share [an]. However, there may be increased
- competition [k] increasing promotional costs [an]. The
- opportunity is greater because more customers could
- increase revenue which is likely to cover the additional costs

eval increasing the chances of a new business being

- successful. [eval]
- Notes