

Past-paper walk-through

Marketing mix ■ 3.3

eXercise

Questions in this set

- 0450/11 N25 Q4 ■ 20 marks
- 0450/12 N25 Q2 ■ 20 marks
- 0450/13 N25 Q2 ■ 20 marks
- 0450/12 J25 Q1 ■ 20 marks
- 0450/13 J25 Q1 ■ 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 4

0450/11 N25 ■ Q4 ■ 20 marks

- 4 MTL is a large business which sells children's toys. MTL wants to act ethically with all of its stakeholder groups including its 430 employees. The market MTL operates in has become more competitive. The business uses a range of methods to promote its products. Having a good brand image is important. MTL's directors are considering entering a new market in another country. They are aware there may be problems if they choose to do this.
- (a)** Define 'brand image'.

Question 4

(b) Identify **two** reasons why some markets have become more competitive.

Question 4

Question 4

Question 4

Question 4

(c) Outline **one** way MTL could act ethically with each of the following stakeholder groups:

Question 4

Question 4

(d) Explain **two** problems MTL might have when entering a new market in another country.

Question 4

Question 4

Question 4

Question 4

Question 4

- (e) Explain **two** methods of promotion a business might use for its products. Which method is likely to be the best for a large business to use? Justify your answer.

Solution 4

(a) Mark scheme

- Define 'brand image'.
- Award 2 marks for a full definition. Award 1 mark for a partial
- definition.
- ■
- The image or identity given to a product/business which
- distinguishes it from its competitors brand [2]
- ■
- Characteristics that distinguish a business from others

Solution 4

- through design or logo [2]
- ■
- The general impression of a product/business held by
- consumers [2]
- ■
- Personality given to a product/business through
- marketing activities [2]
- Partial definition e.g.
- ■
- Identity given to a product/business [1]

Solution 4

- ■
- How product/business is seen by others [1]
- ■
- Characteristics that make a business unique [1]
- 2
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- October/November 2025
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Solution 4

(b) Mark scheme

- Identify two reasons why some markets have become
- more competitive.
- Award 1 mark for each relevant reason (max 2).
- Points might include:
 - ■
 - Globalisation/growth of free trade agreements
 - ■
 - Changes in technology or examples e.g.

Solution 4

- ecommerce/internet/social media
- ■
- Changes in legal controls / more or fewer regulations /
- government intervention in the market
- ■
- Transport improvements/infrastructure improvements
- Other appropriate responses should be credited.
- 2 Only award the first two responses given.
- Do not award:
- ■

Solution 4

- Factors affecting demand or spending patterns such as
 - changes in population, changes in advertising or
 - changes in prices.
- Accept reduced barriers to entry once if no other specific
- reasons e.g. legal control/trade agreements
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- October/November 2025
- Guidance

Solution 4

(c) Mark scheme

- Outline one way MTL could act ethically with each of the
- following stakeholder groups:
- Employees
- Customers
- Award 1 mark for each relevant way (max 2).
- Award 1 mark for each relevant reference to this business
- (max 2).
- Points might include:

Solution 4

- Employees:
 - ■
 - Pay fair/good wages [k] to its 430 employees [app]
 - ■
 - Ensure fair/good working conditions [k] when making the
 - toys [app]
 - ■
 - Not employ child labour [k]
 - ■
 - Not use zero hours contracts [k]

Solution 4

- Customers:
 - ■
 - Charge a fair price [k] which can help maintain its good
 - brand image [app]
 - ■
 - Not advertise misleading prices [k] when operating in a
 - competitive market [app]
 - 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

Solution 4

- being made.
- The following words are likely to be appropriate for this
- question:
 - ■
 - (Children's) toys
 - ■
 - 430 (employees)
 - ■
 - Competitive market
 - ■

Solution 4

- Large (business)
- ■
- (Good) brand image
- ■
- New markets in other countries
- ■
- Methods of promotion
- Other appropriate examples can be credited.
- 0450/11
- October/November 2025

Solution 4

- Guidance

Solution 4

(d) Mark scheme

- Explain two problems MTL might have when entering a
- new market in another country.
- Award 1 mark for identification of each relevant problem
- (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 4

- ■

- Lack of market knowledge [k] so may not be aware of
- competitors' pricing/promotion [an] for toys [app]

- ■

- Language differences) [k] so it may have to
- translate/change wording on the packaging [an] to
- explain how it is ethical [app]

- ■

- Cultural differences [k] so product may not sell there

an which could damage its brand image [app]

Solution 4

- ■
- Changes in exchange rates [k] may make it difficult to
- set prices [an] for this large business [app]
- ■
- Different legal controls [k] which could restrict what/how
- they can sell [an]
- ■
- Import restrictions or examples such as quotas [k] which
- could restrict the number of products they can import

an

Solution 4

- ■
- Economic differences e.g. average income, stage in
- business cycle [k]
- ■
- Social differences e.g. age structure [k]
- ■
- Increased transport costs [k] as products may have to
- be transported over long distances [an]
- ■
- Level of competition [k]

Solution 4

- ■
- Lack of recognition of the business [k]
- ■
- High taxes [k]
- ■
- Difficulty in locating suppliers [k]
- 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.
- The following words are likely to be appropriate for this

Solution 4

- question:
- ■
- (Children's) toys
- ■
- Ethical
- ■
- Stakeholder groups
- ■
- 430 employees
- ■

Solution 4

- (Good) brand image
- ■
- Large (business)
- ■
- Methods of promotion
- Other appropriate examples can be credited.
- Some points can be [k] or [an] but only award once.
- Some [an] can be used for different points, but only award
- once.
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Solution 4

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- Guidance
- ■
- Increased risk of non-payment/incorrect payment [k] as
- methods of payment are likely to be different between
- each country [an]
- Other appropriate responses should be credited.
- Guidance

Solution 4

(e) Mark scheme

- Explain two methods of promotion a business might
- use for its products. Which method is likely to be the
- best for a large 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 as to which
- method is likely to be the best one for a large business to
- use.

Solution 4

- This is a general question so there are no marks for
- application.
- Some analysis can be used for more than one method, but
- only award once.
- Analysis can be awarded for explaining:
 - ■
- Advantages of methods
 - ■
- Disadvantages of methods
 - ■

Solution 4

- How the method works
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- October/November 2025
- Guidance
- Points might include:
 - ■
 - Television [k] is expensive/can include moving images
 - to attract attention [an]
 - ■
 - Magazines [k] as able to target specific types of

Solution 4

- customers [an]
- ■
- Discount offers/promotional pricing/ (money off)
- coupons/loyalty card [k] which can make the products
- more affordable [an]
- ■
- Social media/internet-based advertising/influencers [k]
- to reach large numbers of people [an]
- ■
- Leaflets [k] as this is a low-cost method [an]

Solution 4

- ■
- Posters/billboards [k] as can be seen by everyone who
- is passing by [an]
- ■
- Point of sale displays/demonstrations [k] as this allows
- the customer to be shown how it is used [an]
- ■
- Radio advertising [k] which allows them to target
- specific regions [an]
- ■

Solution 4

- Newspapers [k]
- ■
- Gifts [k]
- ■
- Sponsorship [k]
- ■
- Competitions [k] encourage customer to buy to receive
- a reward/win [an]
- ■
- Free samples [k] increase costs [an]

Solution 4

- ■
- BOGOF [k]
- ■
- After-sales service [k]
- Other appropriate responses should be credited.
- Justification might include:
 - Television [k] as able to include moving images to attract
 - attention [an]. Another method is posters [k] as it can be
 - seen by everyone who is passing by [an]. Television is the
 - best method as this is a large business so it should be able

Solution 4

- to afford the cost involved [eval] and is likely to reach far
- more people than a poster [eval].
- 6

Question 2

0450/12 N25 ■ Q2 ■ 20 marks

- 2** OTK is a small jewellery shop in the centre of Main City. The business does not currently use ecommerce. OTK buys its jewellery from local suppliers. It pays for the jewellery 30 days later. The shop manager is analysing OTK's cash flow forecast. She is concerned that the business might have a short-term cash flow problem.

(a) Define 'cash flow forecast'.

Question 2

(b) Identify **two** reasons why cash is important for a business.

Question 2

(c) Identify **four** functions of management.

Question 2

Question 2

Question 2

(d) Explain **two** ways OTK could overcome a short-term cash flow problem.

Question 2

Question 2

Question 2

Question 2

Question 2

Question 2

- (e) Explain **two** threats to a business of using ecommerce. Which threat is likely to be the most important? Justify your answer.

Question 2

Solution 2

(a) Mark scheme

- Define 'cash flow forecast'.
- Award 2 marks for a full definition. Award 1 mark for a partial definition.
- ■
- Estimate of future cash inflows and outflows of a business (usually on a
- month-by-month basis) [2].
- Partial definition e.g.
- ■
- Shows the cash inflows and outflows of a business [1].

Solution 2

- 2 First mark for understanding it refers to
- cash/money in(flows) and out(flows).
- Second mark is for idea that it is an
- estimate or future values $[+1]$.

Solution 2

(b) Mark scheme

- Identify two reasons why cash is important for a business.
- Award 1 mark per reason (max 2).
- Points might include:
- Examples of day-to-day costs/expenses include:
 - ■
 - Pay employees/wages/salary
 - ■
 - Pay suppliers/trade payables / raw materials / inventory

Solution 2

- ■
- Pay rent
- ■
- Pay insurance
- ■
- Pay utilities e.g. heating/lighting/water/power
- ■
- Pay advertising
- ■
- Pay interest (on loans) / repay loan

Solution 2

- Other answers include:
 - ■
 - For use in an emergency / to pay unexpected costs
 - ■
 - Ensure survival / business may be forced to close if cannot pay its debts
 - Other appropriate responses should be credited.
- 2 Only award the first two responses given.
- Can award pay expenses / short-term
- debts / day-to-day costs when no specific
- examples given.

Solution 2

- 0450/12
- October/November 2025
- Guidance

Solution 2

(c) Mark scheme

- Identify four functions of management.
- Award 1 mark per function (max 2).
- Four from:
 - ■
 - Control
 - ■
 - Coordinate
 - ■

Solution 2

- Plan
 - ■
- Organise
 - ■
- Command
- 4 Only award the first four responses given.
- Do not award alternative words.

Solution 2

(d) Mark scheme

- Explain two ways OTK could overcome a short-term cash flow problem.
- 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:
 - ■
 - Overdraft [k] as this would allow the business to spend more than it has in
 - its current account [an] for this jewellery business [app]

Solution 2

- ■
- Ask suppliers for longer to pay [k] which would delay/decrease cash
- outflows [an] for more than 30 days [app]
- ■
- Short-term bank loan [k] for the shop [app] increasing cash inflows quickly

an

- ■
- Delay purchase of non-current assets [k] keeping more cash in the
- business [an]
- ■

Solution 2

- Sell (non-current) assets [k] generates cash inflows [an]
- ■
- Ask customers to pay sooner / offer discounts to customers to pay more
- quickly [k]
- 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.
- The following words are likely to be

Solution 2

- appropriate for this question:

- ■

- Small (business)

- ■

- Jewellery

- ■

- Shop

- ■

- Centre of Main City

- ■

Solution 2

- (No) ecommerce
- ■
- 30 days (later)
- ■
- Local suppliers
- Other appropriate examples can be
- credited.
- Analysis must show effect of method on
- cash inflow/outflow.
- Can award:

Solution 2

- ■
- Increase cash inflows as [k] or [an]
- ■
- Decrease cash outflows as [k] or [an]
- 0450/12
- October/November 2025
- Guidance

Solution 2

(e) Mark scheme

- Explain two threats to a business of using ecommerce. Which threat is
- likely to be the most important? 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 which threat is likely to be
- most important to a business.
- Points might include:
 - ■

Solution 2

- Increased/more competition [k] so may have to set lower prices (to
- compete) / may have to spend more on advertising/promotion [an]
- ■
- Need to design/build website [k] which increases costs [an]
- ■
- Time/cost for maintenance/updating of the website [k] so may need to
- employ someone to do this [an]
- ■
- No face-to-face contact with customer / suppliers / lack of personal
- service [k] so difficult to gain feedback [an] AND/OR may be difficult to

Solution 2

- build customer loyalty / supplier relationships / [an]
- ■
- Need to deliver the products to customers [k] increasing
- transport/postage costs [an] leading to lower profit margin [an]
- ■
- Technical problems/no power [k] so may lose potential sales [an]
- ■
- Security threats / risk of hacking / computer viruses / data theft/fraud /
- scams [k] which could damage its reputation [an] AND/OR reduce
- customer loyalty [an]

Solution 2

- ■
- Risk of bad reviews [k] lowering sales AND/OR revenue [an]
- ■
- High level of returns [k]
- Other appropriate responses should be credited.
- Justification might include:
 - One threat is an increase in competition [k] so may have to set lower prices
 - (to compete) [an]. Another threat is technical problems [k] so the business
 - may lose potential sales [an]. Technical problems are likely to be the most
 - important threat because if customers cannot access the website setting a

Solution 2

- lower price may be ineffective [eval] so gaining any revenue could be difficult
- to achieve. [eval].
- 6 This is a general question so there are no
- marks for application.
- To access evaluation must discuss two
- valid threats.
- For evaluation to be awarded justification
- will usually follow on from relevant analysis
- of points.
- Some points can be [k] or [an] but only

Solution 2

- award once e.g. high transport costs.
- Some analysis could be awarded for
- different threats, but only award once.
- Points must focus on the impact on
- business and not on customers.
- 0450/12
- October/November 2025
- Guidance

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 1

0450/12 J25 ■ Q1 ■ 20 marks

- 1 NFC manufactures shoes using batch production. Quality assurance is used to maintain quality. NFC uses market segmentation. The Marketing Director is reviewing NFC's product range. He knows there are both benefits and limitations to developing new products. He also knows the promotion of products is important.
 - (a) Define 'batch production'.

Question 1

(b) Identify **two** aims of promotion.

Question 1

Question 1

Question 1

Question 1

- (c) Outline **one** advantage and **one** disadvantage to NFC of using quality assurance.

Question 1

Question 1

(d) Explain **two** benefits to NFC of using market segmentation.

Question 1

Question 1

Question 1

Question 1

Question 1

Question 1

- (e) Do you think the benefits for a business of developing new products are greater than the limitations? Justify your answer.

Solution 1

(a) Mark scheme

- Define 'batch production'.
- Award 2 marks for a full definition. Award 1 mark for a partial
- definition.
- ■
- Where a quantity/group of one product is made, then a
- quantity of another product will be produced [2]
- ■
- A whole batch/group moves through the different stages

Solution 1

- of production together [2]
- Partial definition e.g.
- ■
- Similar items made together/items made in a group/set

1

- ■
- Moving together through different stages of production

1

- 2 One mark for idea of a group/set of products.

Solution 1

(b) Mark scheme

- Identify two aims of promotion.
- Award 1 mark for each aim (max 2).
- Points might include:
 - ■
 - To raise awareness/inform/remind people about
 - products/services
 - ■
 - To persuade/attract (new) consumers / increase

Solution 1

- sales/revenue
 - ■
- To create/maintain brand/company image/reputation
 - ■
- Ensure/build customer loyalty/encourage repeat purchases
 - ■
- To introduce new products on to the market
 - ■
- To compete with competitors' products/differentiate from

Solution 1

- competitors
- Other appropriate responses should be credited.
- 2 Only award the first two responses given.
- 0450/12
- May/June 2025
- Guidance

Solution 1

(c) Mark scheme

- Outline one advantage and one disadvantage to NFC of
- using quality assurance.
- 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 1

- ■
- Errors can be spotted earlier/during production [k] of the
- shoes [app]
- ■
- Can motivate employees [k] so may be willing to offer
- ideas for its product range [app]
- ■
- No need to recruit quality inspectors [k]
- Disadvantages:
- ■

Solution 1

- All (production) workers need training/time/cost to train
- workers [k] which may take funds away from developing
- new products [app]
- ■
- Not all workers are interested/able to spot problems [k]
- during batch production [app]
- ■
- May slow down production [k]
- Other appropriate responses should be credited.
- 4 To use words from the stem as application, the reference

Solution 1

- 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:
 - ■
 - Shoes
 - ■
 - Batch (production)
 - ■
 - Promotion (of products)

Solution 1

- ■
- Developing new products
- ■
- Product range
- ■
- Market segmentation
- Other appropriate examples can be credited.
- 0450/12
- May/June 2025
- Guidance

Solution 1

(d) Mark scheme

- Explain two benefits to NFC of using market segmentation.
- Award 1 mark for identification of each relevant benefit (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 1

- ■
- Can design/produce goods to meet specific needs of
- consumers/know what to produce [k] so that
- costs/materials are not wasted (producing wrong
- product) [an] especially as plan to develop new products

app

- ■
- Help target advertising/marketing strategies [k] to
- ensure maximum number of people see the products

an which is an aim of promotion [app]

Solution 1

- ■
- Identify gaps in the market/new opportunities [k] for its
- shoes [app] which can help spread risk [an]
- ■
- May make marketing expenditure more effective [k] so
- do not waste money/resources [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 1

- The following words are likely to be appropriate for this
- question:
- ■
- Shoes
- ■
- Batch production
- ■
- Quality assurance
- ■
- Promotion (of products)

Solution 1

- ■
- Develop new products
- Other appropriate examples can be credited.
- Do not award answers about the benefits of market
- research.
- 0450/12
- May/June 2025
- Guidance

Solution 1

(e) Mark scheme

- Do you think the benefits of developing new products
- for a business are greater than the limitations? 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 benefits of developing new products for a business are
- greater than the limitations.

Solution 1

- Points might include:
- Benefits:
- ■
- Increase demand/customer (base)/sales [k] which may
- increase revenue/market share [an]
- ■
- Can help spread risk/diversification [k] if sales fall for
- one product, this can be offset by sales of another
- product [an]
- ■

Solution 1

- Provide competitive advantage/unique selling point
- (USP) [k] which could increase customer/brand loyalty

an

- ■
- Enter new markets [k]
- ■
- Improve brand recognition/reputation [k]
- Limitations:
- ■
- Must produce new/trial products/more raw materials [k]

Solution 1

- increases costs [an]
- ■
- Need to carry out market research [k] increases cash
- outflows [an]
- ■
- Need to launch/promote/market the new product [k]
- ■
- Often requires large capital expenditure/cost of new
- machinery [k]
- ■

Solution 1

- May need to recruit/train additional
- employees/specialists [k]
- Other appropriate responses should be credited.
- 6 This is a general question so there are no marks for
- application.
- To access evaluation must discuss at least one benefit and
- one limitation.
- For evaluation to be awarded justification will usually follow
- on from relevant analysis of points.
- 0450/12

Solution 1

- May/June 2025
- Guidance
- Justification might include:
 - New products can help increase potential sales [k] which
 - increases revenue [an]. However, there is a cost of
 - developing new products [k] which increases cash outflows
- an . The benefits of developing new products are greater
 - because the extra revenue gained could cover the additional
 - costs [eval] which can increase the chance of growth/long
 - term survival [eval].

Solution 1

- Guidance

Question 1

0450/13 J25 ■ Q1 ■ 20 marks

- 1 MDZ manufactures a range of chocolate bars. It has 300 employees. MDZ purchases its ingredients from suppliers in the local area. Acting in an ethical way with its stakeholder groups is important. MDZ has products at different stages of the product life cycle. The business is also developing a new product. The Marketing Director needs to make decisions about the packaging and the price of the new product. She knows it is important for a business to use a suitable method of sales promotion for a new product.
 - (a) Identify **two** roles of packaging.

Question 1

Question 1

Question 1

Question 1

(b) Identify **two** stages (other than development) of the product life cycle.

Question 1

Question 1

Question 1

Question 1

- (c) Outline **two** factors MDZ's Marketing Director should consider when deciding the price of the new product.

Question 1

Question 1

(d) Explain **one** way MDZ could act in an ethical way with each of the following stakeholder groups:

Question 1

Question 1

Question 1

Question 1

- (e) Explain **two** possible methods of sales promotion a business could use for a new product. Which is likely to be the best method to use? Justify your answer.

Solution 1

(a) Mark scheme

- Identify two roles of packaging.
- Award 1 mark per role (max 2).
- Points might include:
 - ■
- Carry information about product / meet legal
- requirements
- ■
- Protect the product

Solution 1

- ■
- Promote brand image / name / (brand) reputation
- ■
- Help advertise / attract customers
- ■
- Add value
- ■
- Ease of transport
- ■
- Easy / convenient to open / use

Solution 1

- ■
- Ease of storage / display
- ■
- Suitable for product to fit in / contain the product
- Other appropriate responses should be credited.
- 2 Only award first two responses given.

Solution 1

(b) Mark scheme

- Identify two stages (other than development) of the
- product life cycle.
- Award 1 mark per stage (max 2).
- Two from:
 - ■
 - Introduction
 - ■
 - Growth

Solution 1

- ■
- Maturity
- ■
- Decline
- 2 Only award the first two responses given.
- Candidates must name and not simply describe the stage.
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- May/June 2025
- Guidance

Solution 1

(c) Mark scheme

- Outline two factors MDZ's Marketing Director should
- consider when deciding the price of the new product.
- Award 1 mark for each relevant factor (max 2).
- Award 1 mark for each relevant reference to this business
- (max 2).
- Points might include:
 - ■
- Brand image [k] as wants to act in an ethical way [app]

Solution 1

- ■
- Cost of production or examples i.e. cost of
- materials/labour [k] as have 30 employees [app]
- ■
- Competition / price of competitors' products [k] for
- chocolate [app]
- ■
- Whether product is unique / availability of substitutes [k]
- ■
- Size of market / niche market / mass market / target

Solution 1

- market / who selling to / level of demand / price
- elasticity of demand [k]
- ■
- Business objective [k]
- ■
- Profit margin / added value [k]
- ■
- Quality [k]
- ■
- Government or legal controls / tax [k]

Solution 1

- 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:
 - ■
 - Chocolate (bars)
 - ■
- Ingredients or related words such as sugar, cocoa

Solution 1

- ■
- Ethical
- ■
- 300 employees
- ■
- Stakeholder groups
- ■
- Sales promotion
- ■
- Packaging

Solution 1

- ■
- (Suppliers from) local area
- Other appropriate examples can be credited.
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- Guidance

Solution 1

(d) Mark scheme

- Explain one way MDZ could act in an ethical way with
- each of the following stakeholder groups:
- Employees
- Suppliers
- 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).

Solution 1

- Points might include:
- Employees:
 - ■
- Pay fair wages/pay [k] to its 300 employees [app] to
- maintain their standard of living [an]
- ■
- Ensure fair working conditions [k] when making the new
- product [app] so they do not leave / become demotivated

an

- ■

Solution 1

- Avoid use of child labour / not produce products in
 - sweat shops [k]
 - Suppliers:
 - ■
 - To be paid on time [k] for the ingredients [app] to help
 - prevent cash flow problems for them [an]
 - ■
 - Pay fair price [k] to protect the suppliers' profit margin
- an as products purchased in the local area [app]
- Other appropriate responses should be credited.

Solution 1

- 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.
- The following words are likely to be appropriate for this
- question:
 - ■
 - Chocolate (bars)
 - ■
 - Ingredients or related words such as sugar, cocoa
 - ■

Solution 1

- (Developing a) new product
 - ■
- Packaging
 - ■
- Sales promotion
 - ■
- Pricing method
 - ■
- Local area
 - ■

Solution 1

- 300 employees
- Other appropriate examples can be credited.
- Analysis should focus on the effect on the stakeholder, not
- on the business.
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- May/June 2025
- Guidance

Solution 1

(e) Mark scheme

- Explain two possible methods of sales promotion a
- business could use for a new product. Which is likely to
- be the best method 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 as to which is
- the best method of sales promotion for a business to use for
- a new product.

Solution 1

- Points might include:
 - ■
 - Free samples [k] encourage customers to try the
 - product [an] but there is a cost of providing samples [an]
 - ■
 - Point of sale displays / demonstrations [k] which raises
 - awareness [an]
 - ■
 - Buy One Get One Free (BOGOF) / special offers /
 - discounts [k] which makes the product more affordable

Solution 1

an

- ■

- Loyalty schemes [k] so customers want to buy it more

- often [an] leading to repeat business [an]

- ■

- (Free) gifts [k] customers will tend to buy more products

- to gain more gifts [an]

- ■

- Competitions [k] people will buy more for a chance to

- win a prize [an]

Solution 1

- ■
- After sales service [k]
- Other appropriate responses should be credited.
- This is a general question so there are no marks for
- application.
- Some analysis can be awarded for different methods but
- only award once.
- Max 3 marks where candidate only discusses one method.
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Solution 1

- Guidance
- Justification might include:
- It can offer free samples [k] to encourage customers to try
- the product [an]. Another method is Buy One Get One Free
- (BOGOF) [k] which makes the product more affordable [an].
- BOGOF is the best method because it helps generate some
- revenue whereas with free samples there is no guarantee
- people will buy anything [eval] so the business may have to
- find another way to help cover the development costs of a
- new product [eval].

Solution 1

- 0450/13
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