Solutions

IGCSE Business answers are marked by **level of response**: award **K** knowledge, **App** application, **An** analysis and **Ev** a justified judgement.

Each answer shows the steps, then the **result**.

2.1

- the four Ps: **Product, Price, Place, Promotion** (K)

2.2

- **introduction, growth, maturity, decline** (K)

2.3

- **penetration pricing**: a **low price** to enter a market and win customers quickly (K)

3.1

- any **two** of: new design / new advert / new packaging / new market / lower price (K, K)

3.2

- for **each** of two factors: K + An, max 3 each
- e.g. **cost**: price must cover cost plus profit, or the firm makes a loss
- e.g. **competitors' prices**: too high and customers buy elsewhere

3.3

- **for promotion**: a new product is unknown, so advertising builds awareness
- **against**: product, price and place must also be right
- **judgement (Ev)**: promotion is key at launch, but the four Ps must work together