

INTERNATIONAL A-LEVEL **BUSINESS**

BU04

Unit 4 Business Decision Making

Mark scheme

June 2025

Version: 0.1 Pre-Standardisation



2 5 6 X B U 0 4 / M S

Mark schemes are prepared by the Lead Assessment Writer and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all associates participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every associate understands and applies it in the same correct way. As preparation for standardisation each associate analyses a number of students' scripts. Alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

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How to mark

Aims

When you are marking your allocation of scripts your main aims should be to:

- recognise and identify the achievements of students
- place students in the appropriate mark band and in the appropriate part of that mark band (high, low, middle)
- record your judgements with brief notes, annotations and comments that are relevant to the mark scheme and make it clear to other examiners how you have arrived at the numerical mark awarded
- put into a rank order the achievements of students (not to grade them – that is done later using the rank order that your marking has produced)
- ensure comparability of assessment for all students, regardless of question or examiner.

Approach

It is important to be **open-minded** and **positive** when marking scripts.

The specification recognises the variety of experiences and knowledge that students will have. It encourages them to study business in a way that is relevant to them. The questions have been designed to give them opportunities to discuss what they have found out about business. It is important to assess the quality of **what the student offers**.

Assessment Objectives

This component requires students to:

AO1	Demonstrate knowledge of terms, concepts, theories, methods and models to show an understanding of how individuals and organisations are affected by and respond to business issues.
AO2	Apply knowledge and understanding to various business contexts to show how individuals and organisations are affected by and respond to issues.
AO3	Analyse issues within business, showing an understanding of the impact on individuals and organisations of external and internal influences.
AO4	Evaluate quantitative and qualitative information to make informed judgements and propose evidence-based solutions to business issues.

The marking grids

The specification has generic marking grids for each Assessment Objective that is customised with indicative content for individual tasks. These have been designed to allow assessment of the range of knowledge, understanding and skills that the specification demands.

Within each Assessment Objective there are three or four broad levels representing different levels of achievement. Do not think of levels as equivalent to grade boundaries.

The indicative content gives examples of the kind of things students might do that would exemplify the level. They are neither exhaustive nor required – they are simply indicative of what would appear at this level. You will find that they sometimes indicate areas of content that can be handled with increasing sophistication and subtlety. You will also find statements which only characterise work at the bottom or top of the range.

Depending on the part of the examination, the levels will have different mark ranges assigned to them. This will reflect the different weighting of Assessment Objectives in particular tasks and across the examination as a whole. You may be required to give different marks to bands for different Assessment Objectives.

Using the grids

These levels of response mark schemes are broken down into levels, each of which has descriptors. The descriptors for the level show the performance characteristics of the level. There is the same number of marks in each level for an individual Assessment Objective. The number of marks per level will vary depending upon the number of marks allocated to the various Assessment Objectives covered by a particular question.

Having familiarised yourself with the descriptors and indicative content, read through the answer and annotate it (as instructed below) to identify the qualities that are being looked for and that it shows. You can now check the levels and award a mark.

Step 1 Determine a level

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptors for that level. The descriptors for the level indicate the different qualities that might be seen in the student's answer for that level.

When assigning a level you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as in the rest. If the answer covers different aspects of different levels of the mark scheme you should use a best fit approach for defining the level and then use the variability of the response to help decide the mark within the level; eg if the response fulfils most but not all of level 3 with a small amount of level 4 material, it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

Step 2 Determine a mark

Once you have assigned a level you need to decide on the mark.

It is often best to start in the middle of the level's mark range and then check and adjust. If there is a lot of indicative content fully identifiable in the work you need to give the highest mark in the level. If only some is identifiable or it is only partially fulfilled, then give the lower mark.

The exemplar materials used during standardisation will also help. There will be an answer in the standardising materials that will correspond with each level of the mark scheme. This answer will have been awarded a mark by the lead examiner. You can compare the student's answer with the example to determine if it is of the same standard, better or worse than the example. You can then use this to allocate a mark for the answer based on the lead examiner's mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

In addition to the generic descriptors (presented in bold text), paper-specific indicative descriptors (presented in plain text) are provided as a guide for examiners. These are not intended to be exhaustive and you must credit other valid points.

An answer that contains nothing of relevance to the question must be awarded no marks.

Examiners are required to assign each of the students' responses to the most appropriate level according to its overall quality, then allocate a single mark within the level. When deciding upon a mark in a level examiners should bear in mind the relative weightings of the Assessment Objectives and be careful not to over/under credit a particular skill. For example, in some questions more weight should be given to AO4 than to AO1, AO2 and AO3. This will be exemplified and reinforced as part of examiner training.

Annotating scripts

You should summarise your judgement briefly at the end of each response. This will help you decide on the overall level and is helpful for others to understand the mark given. Ensure the comments fit with the level awarded and the language of the level descriptors used in the mark scheme. Next to your comment put the level awarded, eg L4. Please do not write negative comments about students' work; this is unprofessional and it impedes a positive marking approach.

Section A

Total for this section: 36 marks

Question	Part	Marking guidance	Total marks
1		<p>A new graphic design business is failing to meet customer deadlines. Its owner has decided to use a boss-centred leadership style to improve productivity. Is this the right decision?</p> <p>Assess the arguments for and against this decision and make a judgement.</p>	<p>12</p> <p>AO1 = 2 AO2 = 2 AO3 = 2 AO4 = 6</p>

Examiners are reminded that AO1, AO2, AO3 and AO4 are regarded as interdependent. When deciding on a mark all should be considered together using the best-fit approach. In doing so, examiners should bear in mind the relative weightings of the Assessment Objectives for this question. More weight should therefore be given to AO4 than AO1, AO2 and AO3.

Level	Marks	Descriptor
4	10 – 12	<p>An excellent response that focuses fully on the demands of the question</p> <p>Likely to demonstrate sound, focused analysis and well-supported evaluation:</p> <ul style="list-style-type: none"> • includes supported evaluation in a final conclusion and within response • includes well-focused analysis with clear, logical chains of reasoning • includes well-focused application to the given context • shows sound knowledge and understanding of business terminology and with few, if any, errors • is well-structured and well-focused on the question. <p>A complete and coherent overall argument with a clear conclusion. The conclusion is arrived at through a balancing of arguments, with appropriate weight given to each argument and to the argument overall. Where there are crucial arguments, these are distinguished from less crucial ones.</p>

3	7 – 9	<p>A good response that focuses on many of the demands of the question</p> <p>Likely to demonstrate sound, focused analysis and some supported evaluation:</p> <ul style="list-style-type: none"> • includes some reasonable, supported evaluation • includes analysis with some logical chains of reasoning • includes some good application to the given context • shows sound knowledge and understanding of business terminology and concepts with relatively few errors • is relatively well-structured and generally focused on the question. <p>A relatively complete and coherent argument leading to an attempt to conclude. The content is detailed and correct and most of it is integrated. There is recognition of arguments and counter-arguments, but balance is not always present and the weight to be given to each argument is not always fully clear.</p>
2	4 – 6	<p>A reasonable response which focuses on some of the demands of the question</p> <p>Some reasonable analysis but generally unsupported evaluation:</p> <ul style="list-style-type: none"> • there is likely to be some attempt to make relevant judgements but these have little support from arguments or do not address the question as a whole • includes some reasonable analysis but which might not be adequately developed or becomes confused in places • includes reasonable application to the given context • shows satisfactory knowledge and understanding of business terminology and concepts but some weaknesses may be present. <p>There is an attempt to answer the question. There is likely to be a conclusion but it has little support and response may lack balance. The content is largely correct, though there may be some gaps and lack of detail.</p>
1	1 – 3	<p>A limited response that has little focus on the demands of the question</p> <p>A limited response with some understanding:</p> <ul style="list-style-type: none"> • includes attempted evaluation which is weak and unsupported • includes some limited analysis but it may lack focus and/or become confused • includes some limited application to the given context • includes some limited knowledge and understanding of business terminology and concepts but errors are likely.
	0	No credit worthy material.

The demands of the question are:

- to analyse the arguments for and against using a boss-centred leadership style,
- in the given context,
- and make a judgement on whether this is the right decision.

Indicative content

Arguments for

- Boss-centred leadership may provide clearer direction and accountability. This could be needed in a new graphic design business which probably has tight deadlines to meet its orders and satisfy its new customers. The leader would tell the employees what to do and this could improve productivity.
- A new business is likely to have a lack of hierarchy which might lead to some ambiguity and confusion with employee roles and responsibilities. A boss-centred leadership style could help clear up any confusion so employees know what they need to do and who they need to work with which could improve productivity.
- Decision-making and implementing decisions should be easier with a boss-centred leadership style. This can help address productivity issues efficiently.

Arguments against

- A boss-centred leadership style can stifle the creativity and innovation needed with graphic designers. This might discourage input and ideas from the designers, and have the opposite effect than intended, and could actually demotivate employees further.
- Employees in a new business who are under pressure to meet deadlines might feel demotivated or disengaged if they think that their voices and contributions are not valued. This could lead to decreased productivity and motivation.
- The span of control in a new business is often wide and requires effective delegation. A boss-centred leadership style does not encourage delegation and the director might find themselves taking on too much responsibility and making poor decisions which could further worsen the productivity.

Potential judgement

- Overall, a boss-centred leadership style may offer short-term improvements in productivity by providing clearer direction and accountability. However, it might not be the most suitable long-term solution for a creative business with new employees. Instead, a more balanced approach that encourages employee empowerment and participation in decision-making processes could develop a culture of innovation and continuous improvement, hopefully leading to a better longer-term performance.

Credit valid alternative content.

No decision is right or wrong but should be assessed on the quality of the argument.

Question	Part	Marking guidance	Total marks
2		<p>A clothing retailer with a strong brand is entering a market with high buyer power. It has decided to set a high price. With reference to buyer power and one other of Porter's five forces, is this the right decision?</p> <p>Assess the arguments for and against this decision and make a judgement.</p>	<p>12</p> <p>AO1 = 2 AO2 = 2 AO3 = 2 AO4 = 6</p>

Examiners are reminded that AO1, AO2, AO3 and AO4 are regarded as interdependent. When deciding on a mark all should be considered together using the best-fit approach. In doing so, examiners should bear in mind the relative weightings of the Assessment Objectives for this question. More weight should therefore be given to AO4 than AO1, AO2 and AO3.

Level	Marks	Descriptor
4	10 – 12	<p>An excellent response that focuses fully on the demands of the question</p> <p>Likely to demonstrate sound, focused analysis and well-supported evaluation:</p> <ul style="list-style-type: none"> • includes supported evaluation in a final conclusion and within response • includes well-focused analysis with clear, logical chains of reasoning • includes well-focused application to the given context • shows sound knowledge and understanding of business terminology and with few, if any, errors • is well-structured and well-focused on the question. <p>A complete and coherent overall argument with a clear conclusion. The conclusion is arrived at through a balancing of arguments, with appropriate weight given to each argument and to the argument overall. Where there are crucial arguments, these are distinguished from less crucial ones.</p>
3	7 – 9	<p>A good response that focuses on many of the demands of the question</p> <p>Likely to demonstrate sound, focused analysis and some supported evaluation:</p> <ul style="list-style-type: none"> • includes some reasonable, supported evaluation • includes analysis with some logical chains of reasoning • includes some good application to the given context • shows sound knowledge and understanding of business terminology and concepts with relatively few errors • is relatively well-structured and generally focused on the question. <p>A relatively complete and coherent argument leading to an attempt to conclude. The content is detailed and correct and most of it is integrated. There is recognition of arguments and counter-arguments, but balance is not always present and the weight to be given to each argument is not always fully clear.</p>

2	4 – 6	<p>A reasonable response which focuses on some of the demands of the question</p> <p>Some reasonable analysis but generally unsupported evaluation:</p> <ul style="list-style-type: none"> • there is likely to be some attempt to make relevant judgements but these have little support from arguments or do not address the question as a whole • includes some reasonable analysis but which might not be adequately developed or becomes confused in places • includes reasonable application to the given context • shows satisfactory knowledge and understanding of business terminology and concepts but some weaknesses may be present. <p>There is an attempt to answer the question. There is likely to be a conclusion but it has little support and response may lack balance. The content is largely correct, though there may be some gaps and lack of detail.</p>
1	1 – 3	<p>A limited response that has little focus on the demands of the question</p> <p>A limited response with some understanding:</p> <ul style="list-style-type: none"> • includes attempted evaluation which is weak and unsupported • includes some limited analysis but it may lack focus and/or become confused • includes some limited application to the given context • includes some limited knowledge and understanding of business terminology and concepts but errors are likely.
	0	No credit worthy material.

The demands of the question are:

- to analyse the arguments for and against setting high prices,
- with reference to Porter's five forces,
- in the given context,
- and make a judgement.

Indicative content

Arguments for

- Competitive rivalry: a high buyer power suggests there are many rival clothing retailers competing for the same business. Normally this would result in a price war with competitors driving prices down. However, this retailer has a strong brand. This indicates that customers may know the brand and are more likely to be loyal to the brand and therefore more likely to pay the higher price which should increase profit. Is it strong enough to convince the buyers to pay the higher prices?
- Supplier power/threat of substitution – supplier power is low as there are many suppliers in the market. It is relatively easy to switch clothing retailers although things like convenience, location and delivery will play a part in a customer's decision to shop somewhere, particularly if it is online. If this clothing retailer offered something unique to the customer, such as free next day delivery or more convenient locations they may be able to increase their supplier power and justify higher prices.

Arguments against

- Buyer power is high. This means that buyers will find it easy to find the products elsewhere which can drive down prices. It is unlikely that the buyers will pay high prices to a retailer that is new to the market when there are many substitutes, even if the brand is strong. If they do, the risk is that it might be short-lived while the buyer tries the new store. They would need to have a unique selling point (USP) to retain the customers if maintaining the higher prices.
- Threat of new entry – it is relatively easy to enter the clothing retail market, particularly with social media and the internet so threat of new entry is high which would lead to increased competitive rivalry driving prices down.

Potential judgement

- Overall, the market conditions indicate that prices should be set competitively in order to survive and charging a high price is not the right decision. A strong brand would help but when it is a new market there is a risk that buyers would not recognise the brand and, therefore, would not be willing to pay the higher prices.

Credit valid alternative content.

No decision is right or wrong but should be assessed on the quality of the argument.

Question	Part	Marking guidance	Total marks
3		<p>A mobile phone operator wants to increase profit. To do this, it is considering relocating its customer call centre from the UK to a country in an emerging economy.</p> <p>Will this increase profit?</p> <p>Assess the arguments for and against and make a judgement.</p>	<p>12</p> <p>AO1 = 2 AO2 = 2 AO3 = 2 AO4 = 6</p>

Examiners are reminded that AO1, AO2, AO3 and AO4 are regarded as interdependent. When deciding on a mark all should be considered together using the best-fit approach. In doing so, examiners should bear in mind the relative weightings of the Assessment Objectives for this question. More weight should therefore be given to AO4 than AO1, AO2 and AO3.

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3	7 – 9	<p>A good response that focuses on many of the demands of the question</p> <p>Likely to demonstrate sound, focused analysis and some supported evaluation:</p> <ul style="list-style-type: none"> • includes some reasonable, supported evaluation • includes analysis with some logical chains of reasoning • includes some good application to the given context • shows sound knowledge and understanding of business terminology and concepts with relatively few errors • is relatively well-structured and generally focused on the question. <p>A relatively complete and coherent argument leading to an attempt to conclude. The content is detailed and correct and most of it is integrated. There is recognition of arguments and counter-arguments, but balance is not always present and the weight to be given to each argument is not always fully clear.</p>

2	4 – 6	<p>A reasonable response which focuses on some of the demands of the question</p> <p>Some reasonable analysis but generally unsupported evaluation:</p> <ul style="list-style-type: none"> • there is likely to be some attempt to make relevant judgements but these have little support from arguments or do not address the question as a whole • includes some reasonable analysis but which might not be adequately developed or becomes confused in places • includes reasonable application to the given context • shows satisfactory knowledge and understanding of business terminology and concepts but some weaknesses may be present. <p>There is an attempt to answer the question. There is likely to be a conclusion but it has little support and response may lack balance. The content is largely correct, though there may be some gaps and lack of detail.</p>
1	1 – 3	<p>A limited response that has little focus on the demands of the question</p> <p>A limited response with some understanding:</p> <ul style="list-style-type: none"> • includes attempted evaluation which is weak and unsupported • includes some limited analysis but it may lack focus and/or become confused • includes some limited application to the given context • includes some limited knowledge and understanding of business terminology and concepts but errors are likely.
	0	No credit worthy material.

The demands of the question are:

- to analyse the arguments for and against relocating,
- to increase profit,
- in the given context,
- and make a judgement.

Indicative content

Arguments for

- Wages in emerging economies are likely to be lower than the wages in the UK. As call centres are typically labour intensive, relocating to an emerging economy could result in large savings on employee costs and help to increase profits.
- Relocating to an emerging economy could result in other cost savings such as tax and property rental as call centres will often need large buildings to house their staff. These costs are likely to be lower in economies that are trying to grow and compete. This could result in an increase in profit due to these savings.
- Governments of emerging economies are trying to strengthen their economies and may offer other incentives to invest in their countries, such as support with training or investing in new technology to support the move. This could result in improved efficiency of the call centre and help to improve productivity, improving profits in the longer term.

Arguments against

- Relocating the call centre will mean that existing call centre employees in the UK will likely be made redundant. This could damage its reputation due to concerns over the impact on the UK economy and unemployment. UK customers could decide to switch suppliers, sales revenue could decline and profits could be negatively impacted.
- Call centre operators would need to be trained to deliver to the standard of the current call centre, this could take time and mistakes could be made, resulting in customer complaints, negative reviews and damaging the reputation of the mobile phone operator.
- Local legislation and policies will be different in the emerging country. The business will need to understand and navigate these which could take time and be costly. Any mistakes could damage reputation or result in large fines which is a risk to profits.
- The technological infrastructure may not be as developed in an emerging economy. This could pose problems to the service the operator can offer, for example if the internet is weak or cyber security is compromised. This could result in a decrease in customer satisfaction and damaged reputation.

Potential judgement

- Overall, the most significant benefit to relocating to an emerging economy is the likely reduction in employee and property costs. However, the initial costs of relocating will be expensive as the business will need to make redundancies and navigate new legislation and policies and train staff in a different country. The risk is high as the mobile phone market is competitive and any mistakes made which impact negatively on the service the operator offers could result in customers switching to a different supplier. Switching is not easy when a customer is in a contract but when the contract ends the customer could look elsewhere and the impact might not be realised in the short term but in the long term. In conclusion, the cost savings are unlikely to outweigh the initial cost of relocating in the short term and therefore short-term increase in profit is unlikely to be achieved. In the long term, the risks to the level of customer service offered, which could result in damaged reputation and decreased revenue, could mean that long-term improvements to profits are also not realised.

Credit valid alternative content.

No decision is right or wrong but should be assessed on the quality of the argument.

Section B

Total for this section: 44 marks

Question	Part	Marking guidance	Total marks
4		<p>Using Table 1, calculate the Return on Capital Employed for Centre B.</p> <p>$(\text{Operating Profit/Capital Employed}) \times 100$ $(3\,000\,000/20\,000\,000) \times 100 = 15\%$ (2 marks) Gives the correct answer (15%) with no workings (2 marks) Gives formula but does not get the correct answer (1) Do not award for using the data of other centres.</p> <p>OFR applies</p>	<p>2</p> <p>AO1 = 1 AO2 = 1</p>

Question	Part	Marking guidance	Total marks
5		<p>Using Table 1, calculate the Operating Profit Margin for Centre A.</p> <p>$(\text{Operating Profit/Sales Revenue}) \times 100$ $(4\,500\,000/15\,000\,000) \times 100 = 30\%$ (2 marks) Correct answer given (30%) with no workings (2 marks) Gives formula but does not get the correct answer (1) Do not award for using the data of other centres.</p> <p>OFR applies</p>	<p>2</p> <p>AO1 = 1 AO2 = 1</p>

Question	Part	Marking guidance	Total marks
6		<p>Explain one advantage for Inter-bebida plc of operating each factory as a separate profit centre.</p> <p>Indicative content</p> <ul style="list-style-type: none"> Financial advantages – it allows Inter-bebida plc to manage its own costs and revenue. Each centre can set and manage its own targets for sales and budget for costs. This means that each budget is more likely to be realistic as it is set and managed by local managers. Operational advantages – it can allow each centre to analyse its costs and revenue individually to identify any operational areas of concern to act upon, for example, if material costs are much higher in Centre B than they are in Centre C it can investigate this and make changes. It is also easier to identify and compare profitability allowing Inter-bebida plc to identify and share best practice across sites. Motivational advantages – each centre has a dedicated sales team which serves its regions. They are paid on performance-related pay and having a set region to serve can increase motivation and competing against other regions can also improve productivity. <p>Credit valid alternative content.</p> <p>Good response (4 marks) Explains the value of a profit centre in the context of Inter-bebida plc.</p> <p>Reasonable response (3-2 marks) Explains the value of a profit centre but does not relate this to Inter-bebida plc.</p> <p>Limited response (1 mark) Shows some understanding of the value of profit centres.</p>	<p>4</p> <p>AO1 = 2 AO2 = 1 AO3 = 1</p>

Question	Part	Marking guidance	Total marks
7		<p>Using Table 1, calculate the productivity of Centre C.</p> <p>Output/no of employees $1\,806\,000/860 = 2100$ units per employee (2) Gives the correct answer (2100) with no workings (2) States correct formula but does not use the correct data or does not get the correct answer (1) Do not credit answers using other data from Centres A and B.</p> <p>OFR applies</p>	<p>2</p> <p>AO1 = 1 AO2 = 1</p>

Question	Part	Marking guidance	Total marks
8		<p>Explain one benefit for Inter-bebida plc of operating internationally.</p> <p>Indicative content</p> <ul style="list-style-type: none"> • Inter-bebida plc will benefit from operating in free trade areas as its factories are placed inside trading blocs. This results in savings in export or import taxes, saving costs and increasing profits. • Operating internationally allows a wider market reach. Inter-bebida plc have access to more customers which should maximise sales revenue. • Through operating internationally, Inter-bebida plc has access to a wider talent pool and a wider choice of resources, for example land to build its factories. This can save on operating costs, increasing profit. • Operating internationally allows Inter-bebida plc to benefit from economies of scale which can lead to cost savings. <p>Credit valid alternative content.</p> <p>Good response (4 marks) Explains a benefit of operating internationally in the context of Inter-bebida plc.</p> <p>Reasonable response (3-2 marks) Explains a benefit of operating internationally but does not relate this to the context of Inter-bebida plc.</p> <p>Limited response (1 mark) Demonstrates limited knowledge and understanding of the benefits of operating internationally.</p>	<p>4</p> <p>AO1 = 2 AO2 = 2</p>

Question	Part	Marking guidance	Total marks
9.1		Analyse the potential benefits for Inter-bebida plc of closing Centre A.	9 AO1 = 2 AO2 = 2 AO3 = 5

Examiners are reminded that AO1, AO2 and AO3 are regarded as interdependent. When deciding on a mark all should be considered together using the best-fit approach. In doing so, examiners should bear in mind the relative weightings of the Assessment Objectives for this question. More weight should therefore be given to AO3 than AO1 and AO2.

Level	Marks	Descriptor
3	7 – 9	A good response that focuses on many of the demands of the question <ul style="list-style-type: none"> Includes well-focused analysis with logical chains of reasoning. Includes well-focused application to the given context. Shows sound knowledge and understanding of business terminology and concepts with few, if any, errors. Is well-structured.
2	4 – 6	A reasonable response which focuses on some of the demands of the question <ul style="list-style-type: none"> Includes reasonable analysis but the analysis might not be fully developed or may lack some accuracy in places. Includes reasonable application to the given context. Focuses on issues that are relevant to the question, showing satisfactory knowledge and understanding of business terminology and concepts but some weaknesses may be present.
1	1 – 3	A limited response that has little focus on the demands of the question A limited response with some understanding that may: <ul style="list-style-type: none"> include some limited analysis but lacks focus and development include some limited application to the given context include some limited knowledge and understanding of business terminology and concepts but some errors are likely.
	0	No credit worthy material.

The demands of the question are:

- to analyse the arguments for closing Centre A,
- in the given context.

Indicative content

- The new government will bring political and economical instability. Given the reputation of the party it is likely to be a turbulent period. Its history of corruption could indicate it may act unethically towards Inter-bebida plc to help its competitors.
- If income tax is increased, employees will have less disposable income and could demand higher wages. This could impact on Inter-bebida plc's profitability in this region.
- Damaged reputation – operating in this market with a corrupt government and unethical policies is not in line with its corporate social responsibility values.
- Inter-bebida plc's main competitor is thinking about relocating here on favourable terms from the government. Staff might move over to its competitor leaving Inter-bebida plc with a shortage of staff. Whilst this centre is the best performing in terms of profitability and labour productivity at the moment, if a competitor locates near, this could all change.

Credit valid alternative content.

Question	Part	Marking guidance	Total marks
9.2		Analyse the potential problems for Inter-bebida plc of closing Centre A.	9 AO1 = 2 AO2 = 2 AO3 = 5

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Level	Marks	Descriptor
3	7 – 9	A good response that focuses on many of the demands of the question <ul style="list-style-type: none"> Includes well-focused analysis with logical chains of reasoning. Includes well-focused application to the given context. Shows sound knowledge and understanding of business terminology and concepts with few, if any, errors. Is well-structured.
2	4 – 6	A reasonable response which focuses on some of the demands of the question <ul style="list-style-type: none"> Includes reasonable analysis but the analysis might not be fully developed or may lack some accuracy in places. Includes reasonable application to the given context. Focuses on issues that are relevant to the question, showing satisfactory knowledge and understanding of business terminology and concepts but some weaknesses may be present.
1	1 – 3	A limited response that has little focus on the demands of the question A limited response with some understanding that may: <ul style="list-style-type: none"> include some limited analysis but lacks focus and development include some limited application to the given context include some limited knowledge and understanding of business terminology and concepts but some errors are likely.
	0	No credit worthy material.

The demands of the question are:

- to analyse the arguments against closing Centre A,
- in the given context.

Indicative content

- This centre is the highest performing financially and also has the highest productivity. Without this factory and sales from this centre, overall net profit margin would fall from 25.2% to 22.7% and ROCE from 17.3% to 14.9%.
- If the profit margins decline, shareholders could lose confidence and sell shares, reducing the value of the business.
- If they close the centre, employees would be made redundant and could face worse conditions due to the new government. This is not in line with Inter-bebida plc's commitment to focusing on people as much as it does profit.
- Don't need to comply with the new government's policies, can be better than them.
- If it closes, Inter-bebida plc's competitor might buy the factory, taking advantage of the infrastructure it has built and locating there on more favourable terms, which could lead to it gaining market share from Inter-bebida plc.

Credit valid alternative content.

Question	Part	Marking guidance	Total marks
9.3		<p>With reference to your analysis, recommend whether Inter-bebida plc should close Centre A.</p> <p>You should justify your recommendation.</p>	<p>12</p> <p>AO2 = 2 AO3 = 4 AO4 = 6</p>

Examiners are reminded that AO2, AO3 and AO4 are regarded as interdependent. When deciding on a mark all should be considered together using the best-fit approach. In doing so, examiners should bear in mind the relative weightings of the Assessment Objectives for this question. More weight should therefore be given to AO4 than AO2 and AO3.

Level	Marks	Descriptor
4	10 – 12	<p>An excellent response that focuses fully on the demands of the question</p> <p>Likely to demonstrate sound, focused analysis and well-supported evaluation:</p> <ul style="list-style-type: none"> • includes supported evaluation in a final conclusion and within response • includes well-focused analysis with clear, logical chains of reasoning • includes well-focused application to the given context • shows sound knowledge and understanding of business terminology and with few, if any, errors • is well-structured and well-focused on the question. <p>A complete and coherent overall argument with a clear conclusion. The conclusion is arrived at through a balancing of arguments, with appropriate weight given to each argument and to the argument overall. Where there are crucial arguments, these are distinguished from less crucial ones.</p>

3	7 – 9	<p>A good response that focuses on many of the demands of the question</p> <p>Likely to demonstrate sound, focused analysis and some supported evaluation:</p> <ul style="list-style-type: none"> • includes some reasonable, supported evaluation • includes analysis with some logical chains of reasoning • includes some good application to the given context • shows sound knowledge and understanding of business terminology and concepts with relatively few errors • is relatively well-structured and generally focused on the question. <p>A relatively complete and coherent argument leading to an attempt to conclude. The content is detailed and correct and most of it is integrated. There is recognition of arguments and counter-arguments, but balance is not always present and the weight to be given to each argument is not always fully clear.</p>
2	4 – 6	<p>A reasonable response which focuses on some of the demands of the question</p> <p>Some reasonable analysis but generally unsupported evaluation:</p> <ul style="list-style-type: none"> • there is likely to be some attempt to make relevant judgements but these have little support from arguments or do not address the question as a whole • includes some reasonable analysis but which might not be adequately developed or becomes confused in places • includes reasonable application to the given context • shows satisfactory knowledge and understanding of business terminology and concepts but some weaknesses may be present. <p>There is an attempt to answer the question. There is likely to be a conclusion but it has little support and response may lack balance. The content is largely correct, though there may be some gaps and lack of detail.</p>
1	1 – 3	<p>A limited response that has little focus on the demands of the question</p> <p>A limited response with some understanding:</p> <ul style="list-style-type: none"> • includes attempted evaluation which is weak and unsupported • includes some limited analysis but it may lack focus and/or become confused • includes some limited application to the given context • includes some limited knowledge and understanding of business terminology and concepts but errors are likely.
	0	No credit worthy material.

The demands of the question are:

- to evaluate whether Inter-bebida plc should close Centre A,
- and make a justified recommendation.

Indicative content

- Overall, deciding to close Centre A will impact negatively on profitability. Shareholders will not be happy with this.
- Inter-bebida plc will no longer have a presence in this region if it closes. This will impact on the brand and allow its competitors to gain market share and could potentially lose its place as market leader.
- Continuing to operate in this country will be challenging but Inter-bebida plc has the resources to manage this and can still offer favourable conditions to employees.
- Inter-bebida plc might be able to use its CSR and power in the market to lobby and influence the government.

Credit valid alternative content.

No decision is right or wrong but should be assessed on the quality of argument.

Assessment Objective Grid

	AO1	AO2	AO3	AO4	Total
Section A					
1	2	2	2	6	12
2	2	2	2	6	12
3	2	2	2	6	12
Section B					
4	1	1			2
5	1	1			2
6	2	1	1		4
7	1	1			2
8	2	2			4
9	2	2	5		9
10	2	2	5		9
11		2	4	6	12
Unit Total	17	18	21	24	80