



AS Business

Sample assessment material item commentaries

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AS Paper 1 and Paper 2

Question: 1

- Marks: 2
- Command: Define

Assessment objectives and marks

AO1	AO2	AO3	AO4
2	0	0	0

Rationale for assessment objective classification

Define question requires knowledge and understanding (AO1) only.

Content sampled

Paper 1 will draw questions from Focus 3.1: “What is business, managing marketing and finance”.

This comprises:

- 3.1.1 Business and objectives
- 3.1.2 Forms of business and stakeholders
- 3.1.3 Marketing management
- 3.1.4 Financial management

Paper 2 will draw questions from 3.1.1 (business and objectives), 3.1.2 (forms of business and stakeholders) and Focus 3.2: “Managing operations and people”.

This comprises:

- 3.1.1 Business and objectives
- 3.1.2 Forms of business and stakeholders
- 3.2.1 Operations management
- 3.2.2 People management

The focus of a question will be drawn directly from the specific content areas of the Focus linked to that paper. However, in answering these questions learners can draw upon knowledge and understanding from areas of the specification covered by earlier papers.

Example: AS Paper 1 Question 01.1

Define a “private limited company”.

[2 marks]

Mark scheme considerations

Mark scheme

AO1: 2

The marks awarded will relate to the accuracy and depth of the knowledge and understanding shown.

Example: AS Paper 1 Question 01.1

Define a “private limited company”.

[2 marks]

Mark Scheme

The demands of the question are:

- Demonstrate knowledge and understanding of a “private limited company” (AO1).

Answers may include:

- Owned by shareholders (1)
- Cannot sell shares to the public (1)
- Has ltd after its name (1).

Max 2 marks

Accessibility considerations

The command word used will always be “Define” which makes it clear to the learner what the requirement of the question is (AO1).

Level of demand

Low. Learners need to demonstrate only knowledge and understanding (AO1).

Questions: 2 and 3

- Marks: 4
- Command: Explain

Assessment objectives and marks

AO1	AO2	AO3	AO4
2	2	0	0

Rationale for assessment objective classification

Learners need to demonstrate knowledge and understanding of a business term/concept (AO1). This needs to be related to the business context (AO2).

Rationale for item type

This type of item requires learners to apply their learning to the given context provided.

Content sampled

Paper 1 will draw questions from Focus 3.1: “What is business, managing marketing and finance”.

This comprises:

- 3.1.1 Business and objectives
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- 3.1.3 Marketing management
- 3.1.4 Financial management

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This comprises:

- 3.1.1 Business and objectives
- 3.1.2 Forms of business and stakeholders
- 3.2.1 Operations management
- 3.2.2 People management

The focus of a question will be drawn directly from the specific content areas of the Focus linked to that paper. However, in answering these questions learners can draw upon knowledge and understanding from areas of the specification covered by earlier papers. For example, in Paper 2 learners may draw on their understanding of marketing and finance from Paper 1.

Example: AS Paper 1 Question 02.2

Explain why Foley used crowdfunding to raise money.

[4 marks]

Mark scheme considerations

Mark scheme

AO1: 2, AO2: 2

Level	The student will typically demonstrate	Marks
2	<p>A good response Provides an answer to the question that:</p> <ul style="list-style-type: none"> demonstrates good knowledge and understanding is applied well to the context 	3-4
1	<p>A limited response Provides an answer to the question that:</p> <ul style="list-style-type: none"> demonstrates some knowledge and understanding attempts to apply to the context 	1-2

The marks awarded will relate to the accuracy and depth of the knowledge and understanding shown and the quality of the application shown. A levels of response approach is used.

Example: AS Paper 1 Question 02.2

Explain why Foley used crowdfunding to raise money.

[4 marks]

Mark scheme

The demands of the question

- demonstrate knowledge and understanding of crowdfunding (AO1)
- in the context of Foley raising money (AO2).

Answers may include:

- Foley could not get money when he approached different investors individually – perhaps it was seen as too great a risk for one investor? May be easier through crowdfunding as less needed per person.
- Through crowdfunding Foley could access people who believe in the business and what it was trying to achieve and so are willing to take relatively small risk.

Accessibility considerations

The use of the term “Explain” as a command word makes it clear to learners that knowledge and understanding is required (AO1). The clear reference to the business context in the question makes it clear that application (AO2) is required.

Level of demand

Low to Medium. Learners need to demonstrate Knowledge and understanding (AO1) and Application to context (AO2).

Questions: 2 and/or 3

- Marks: 4
- Command: Explain (using data/calculations)

Assessment objectives and marks

A01	A02	A03	A04
2	2	0	0

Rationale for assessment objective classification

Assessing knowledge and understanding of business concepts (AO1). This must be used in relation to the business context and make use of the data provided (AO2).

Rationale for item type

This type of question will require recall of business terms and concepts. The marks awarded will relate the accuracy and depth of the knowledge and understanding shown. This knowledge and understanding must be applied to the business context and make use of data provided.

This item type requires learners to interpret data and/or use calculations to support their explanation. When asked to undertake calculations learners will be provided with a formulae sheet but will have to select the relevant calculations to undertake.

This means that the interpretation of data and the undertaking of calculations are not set as questions in isolation. The findings from the interpretation or calculation of data are used as part of an explanation, thereby making the use of quantitative skills meaningful.

Content sampled

Paper 1 will draw questions from Focus 3.1: “What is business, managing marketing and finance”.

This comprises:

- 3.1.1 Business and objectives
- 3.1.2 Forms of business and stakeholders
- 3.1.3 Marketing management
- 3.1.4 Financial management

Paper 2 will draw questions from 3.1.1 (business and objectives), 3.1.2 (forms of business and stakeholders) and Focus 3.2: “Managing operations and people”.

This comprises:

- 3.1.1 Business and objectives
- 3.1.2 Forms of business and stakeholders
- 3.2.1 Operations management
- 3.2.2 People management

The focus of a question will be drawn directly from the specific content areas of the Focus linked to that paper. However, in answering these questions learners can draw upon

knowledge and understanding from areas of the specification covered by earlier papers. For example, in Paper 2 learners may draw on their understanding of marketing and finance from Paper 1.

Example: AS Paper 1 Question 01.3

Explain the change in The Social Shepherd’s non-current assets shown in Table 1.

[4 marks]

Example: AS Paper 2 Question 02.3

Explain what Peloton might consider when deciding how much to spend on marketing in a year.

Use Table 3 to support your answer.

[4 marks]

Mark scheme considerations

Mark scheme

AO1: 2, AO2: 2

Level	The student will typically demonstrate	Marks
2	<p>A good response Provides an answer to the question that:</p> <ul style="list-style-type: none"> demonstrates good knowledge and understanding is applied well to the context 	3-4
1	<p>A limited response Provides an answer to the question that:</p> <ul style="list-style-type: none"> demonstrates some knowledge and understanding attempts to apply to the context 	1-2

The marks awarded will relate to the accuracy and depth of the knowledge and understanding shown and the quality of the application show. A levels of response approach is used.

Example: AS Paper 1 Question 01.3

Explain the change in The Social Shepherd’s non-current assets shown in Table 1.

[4 marks]

Mark scheme

The demands of the question are:

- Demonstrate knowledge and understanding of changes in non-current assets (AO1)
- In the context of The Social Shepherd and shown in Table 2 (AO2).

Answers may include:

- Non-current assets are long-term assets; usually expected to be held by the business for more than 12 months. Typically, buildings and equipment and transport.
- This value for the Social Shepherd has increased by £22,704; could be eg new computer equipment or refurbished office; could be transport.

Accessibility considerations

The use of the term “Explain” as a command word makes it clear to learners that knowledge and understanding is required (AO1). The clear reference to the business context in the question makes it clear that application (AO2) is required. Where data is required to be used this is highlighted in the question.

Level of demand

Low to Medium. Knowledge and understanding of concept (AO1) applied to a context (AO2).

Question: 4

- Marks: 6
- Command: Analyse

Assessment objectives and marks

A01	A02	A03	A04
2	2	2	0

Rationale for assessment objective classification

Learners will be required to analyse an issue in the context of the item material provided.

A typical question might ask learners to:

- “Analyse why A has introduced B”
- or
- “Analyse the impact of C on D”
- or
- “Analyse how E might lead to F”

- **A01** will relate to knowledge and understanding of relevant terms, concepts, theories, methods and models e.g. demonstrating a knowledge and understanding of the relevant factors that relate to why something happened or issues relating to the impact of a change.
- **A02** will relate to the use of the context in the response. The item material typically will relate to a particular business and to achieve A02 the response must be in this context rather than generic.
- **A03** will reward analysis. To achieve A03 a response must develop a chain of argument.

Example: AS-level Paper 2 Question 01.4

Patagonia offers a distinctive set of rewards (see Figure 2).

Analyse why Patagonia offers this set of rewards for new employees”.

[6 marks]

- **A01:** learners will need to demonstrate a knowledge and understanding of rewards.
- **A02:** learners will need to demonstrate knowledge and understanding of rewards in the context of Patagonia (using the information in Figure 2).
- **A03:** learners will need to develop a chain of argument to demonstrate why Patagonia offer this set of rewards for employees (using Figure 2), how this might help them to attract the right people and how this might benefit the business.

Rationale for item type

This type of question requires learners to develop a sustained chain of reasoning. It will require knowledge and understanding of an area of the specification, the use of the given context and the ability to develop an argument which is coherent and logically structured.

Content sampled

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- 3.1.3 Marketing management
- 3.1.4 Financial management

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This comprises:

- 3.1.1 Business and objectives
- 3.1.2 Forms of business and stakeholders
- 3.2.1 Operations management
- 3.2.2 People management

The focus of a question will be drawn directly from the specific content areas of the Focus linked to that paper. However, in answering these questions learners can draw upon knowledge and understanding from areas of the specification covered by the earlier paper. For example, in Paper 2 learners may draw on their understanding of marketing and finance from Paper 1.

Example: AS-level Paper 2 Question 01.4

Patagonia offers a distinctive set of rewards (see Figure 2).

Analyse why Patagonia offers this set of rewards for new employees”.

[6 marks]

Mark scheme considerations

There are three assessment objectives which are assessed in this type of question, and these are highlighted in the levels of response mark scheme.

The mark scheme provides an overview and descriptors of each of the levels that a response might achieve and highlights how each Assessment Objective might be achieved.

Indicative content is provided highlighting the knowledge and understanding, the use of context and the analysis that may occur. All other relevant arguments are accepted.

The levels of response marking grids are the same for all 6-mark questions, which supports more reliable marking.

The response is marked holistically and assessed on how well the demands of the question are met. The demands of the question are highlighted in the mark scheme.

Examiners will use the ladder approach outlined in the assessment strategy, to decide which level describes the quality of the response.

A best fit approach will be applied (as outlined in the assessment strategy) to determine the final mark within a level.

The mark scheme will be supported by training, standardisation and examples of the different levels.

Example: AS-level Paper 2 Question 01.4

Patagonia offers a distinctive set of rewards (see Figure 2).

Analyse why Patagonia offers this set of rewards for new employees”.

[6 marks]

Mark scheme

AO1: 2, AO2: 2, AO3: 2

Level	The student will typically demonstrate	Mark
3	<p>A good response overall that focuses on many of the demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • good application to the context • good analysis. 	5-6
2	<p>A reasonable response overall that focuses on some of the demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • reasonable application to the context • reasonable analysis. 	3-4
1	<p>A limited response overall with little focus on the demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • some knowledge and understanding • limited application to the context • limited analysis. 	1-2

The demands of the question are:

- demonstrate knowledge and understanding of rewards (AO1)
- in the context of Patagonia and Figure 2 (AO2)
- to analyse why Patagonia offers this set of rewards for new employees (AO3).

Arguments may include:

- All rewards systems will be trying to attract good applicants but in this case the value and lifestyle of the applicants seems important.

For example:

- The value of legal support if you are on an environmental demonstration will only be attractive if you are likely to need it i.e. you are actively involved in environmental issues.
- the time off for outdoor pursuits and the outdoor clubs appeals to some, not all.

Therefore these rewards are offered to attract people who are likely to have the same values as those already in the business. This should ensure they fit in well and there is a common purpose. This should help with motivation and retention and enhance the brand image.

All relevant arguments are credited.

Accessibility considerations

Every 6-mark question will use the command word “analyse” so that learners are clear what is expected of them and understand the assessment objectives being assessed.

The demands of the question will clearly relate to the specification content. For example, rewards are listed in Focus 3.2. (3.2.2).

The wording of questions will be kept as clear as possible. We will use the Oxford 5000 dictionary as a point of reference to ensure that the language used is accessible.

Level of demand

Medium. Analysis of qualitative information.

Question: 4

- Marks: 6
- Command: Analyse (using data/calculations)

Assessment objectives and marks

A01	A02	A03	A04
2	2	2	

Rationale for assessment objective classification

Learners will be required to analyse an issue in the context of the item material provided.

A typical question might ask learners to:

- “Analyse why A has introduced B”

or

- “Analyse the impact of C on D”

or

- “Analyse how E might lead to F”

- **A01** will relate to knowledge and understanding of the relevant terms, concepts, theories, methods and models e.g. demonstrating a knowledge and understanding of the relevant factors that relate to why something happened or the impact of a change.
- **A02** will relate to the use of data provided in the item. Learners will be directed to a figure or table to use in their response. Learners will be expected to interpret the data and/or undertake calculations in their responses.
- **A03** will reward analysis. To achieve A03 a response must develop a chain of argument.

Example: AS Paper 2 Question 02.4

Analyse why LEGO’s unit costs of producing a brick might change with the number being produced.

Use Table 1 to support your answer.

[6 marks]

Rationale for item type

This item type requires learners to interpret data and/or use calculations to support their arguments. When asked to undertake calculations learners will be provided with a formulae sheet but will have to select the relevant calculations to undertake.

This means that the interpretation of data and the undertaking of calculations are not set as questions in isolation. The findings from the interpretation or calculation of data are used as part of an argument, thereby making the use of quantitative skills meaningful.

Content sampled

Paper 1 will draw questions from Focus 3.1: “What is business, managing marketing and finance”.

This comprises:

- 3.1.1 Business and objectives
- 3.1.2 Forms of business and stakeholders
- 3.1.3 Marketing management
- 3.1.4 Financial management

Paper 2 will draw questions from 3.1.1 (business and objectives), 3.1.2 (forms of business and stakeholders) and Focus 3.2: “Managing operations and people”.

This comprises:

- 3.1.1 Business and objectives
- 3.1.2 Forms of business and stakeholders
- 3.2.1 Operations management
- 3.2.2 People management

The focus of a question will be drawn directly from the specific content areas of the Focus linked to that paper. However, in answering these questions learners can draw upon knowledge and understanding from areas of the specification covered by the earlier paper. For example, in Paper 2 learners may draw on their understanding of marketing and finance from Paper 1.

Example: AS Paper 2 Question 02.4

Analyse why LEGO’s unit costs of producing a brick might change with the number being produced.

Use Table 1 to support your answer.

[6 marks]

Unit costs are listed as content in Focus 3.2.1 (3.2.1)

Mark scheme considerations

There are three assessment objectives which are assessed in this type of question, and these are highlighted in the levels of response mark scheme.

The mark scheme provides an overview and descriptors of each of the levels that a response might achieve and highlights how each Assessment Objective might be achieved.

Indicative content is provided highlighting the knowledge and understanding, the use of context and the analysis that may occur. All other relevant arguments are accepted.

The levels of response marking grids are the same for all 6-mark questions, which supports more reliable marking.

The response is marked holistically and assessed on how well the demands of the question are met. The demands of the question are highlighted in the mark scheme.

Examiners will use the ladder approach outlined in the assessment strategy, to decide which level describes the quality of the response.

A best fit approach will be applied (as outlined in the assessment strategy) to determine the final mark within a level.

The mark scheme will be supported by training, standardisation and examples of the different levels.

Example: AS Paper 2 Question 02.4

Analyse why LEGO’s unit costs of producing a brick might change with the number being produced.

Use Table 1 to support your answer.

[6 marks]

Mark scheme

AO1: 2, AO2: 2, AO3: 2

Level	The student will typically demonstrate	Mark
3	<p>A good response overall that focuses on many of the demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • good application to the context • good analysis 	5–6
2	<p>A reasonable response overall that focuses on some of the demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • reasonable application to the context • reasonable analysis • 	3–4
1	<p>A limited response overall with little focus on the demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • some knowledge and understanding • limited application to the context • limited analysis 	1–2

The demands of the question are:

- demonstrate knowledge and understanding of unit costs (AO1)
- in the context of LEGO and Table 1 (AO2)
- to analyse why LEGO’s unit costs of producing a brick might change with the number being produced. (AO3).

Arguments may include:

- Table 1 shows that unit costs fall with more output. The unit cost for 60 billion units is 15% less than for 10 billion. This suggests economies of scale. Reasons for economies of scale could be eg technical.
- Lego bricks will use mass production techniques. LEGO can benefit from investment in technology with costs spread over 60 billion units.
- Purchasing. Bigger orders for the 109 suppliers gives LEGO a lot of bargaining power and may enable it to push prices (and therefore unit costs) down.

All relevant arguments will be credited.

Accessibility considerations

Every 6-mark question will use the command word “analyse” so that learners are clear what is expected of them and understand the assessment objectives being assessed. Where the use of data or a calculation is an essential demand of the question this is specified in the question, so learners know exactly what is required in their response.

The question will clearly relate to items listed on the specification. For example, the example question is a unit costs question which is listed in Focus 3.2 (3.2.1).

The wording of questions will be kept as clear as possible. We will use the Oxford 5000 dictionary as a point of reference to ensure that the language used is accessible.

Level of demand

Medium. Analysis of quantitative and/or qualitative information.

Question: 5

- Marks: 9
- Command: Assess

Assessment objectives and marks

A01	A02	A03	A04
2	2	2	3

Rationale for assessment objective classification

Learners will be expected to assess the arguments for and against a particular issue and make a judgement.

For example, learners may be asked whether to go ahead with A or whether B is the right course of action.

Learners will be weighing up the arguments for and against and then deciding which argument is stronger.

A response to this question requires:

- knowledge and understanding of relevant terms, concepts, theories, methods and models for and against the particular issue (AO1)
- the interpretation and/or calculation of data (AO2)
- analysis (AO3)
- an evaluation of the arguments to make informed judgements or propose evidence-based solutions to business issues (AO4).

Example: AS Paper 2 Question 01.5

Assess whether Yvon is right to transfer most of the shares of Patagonia to the Holdfast Collective.

[9 marks]

Rationale for item type

This item type requires judgement and is more demanding than the 6 -mark analysis questions, hence the higher tariff. However, the judgement is focused on one specific issue which makes it relatively contained compared to the 15-mark questions.

The structure of a response (for, against and judgement) is clear in the instructions given to learners.

Content sampled

Paper 1 will draw questions from Focus 3.1: “What is business, managing marketing and finance”.

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- 3.1.4 Financial management

Paper 2 will draw questions from 3.1.1 (business and objectives), 3.1.2 (forms of business and stakeholders) and Focus 3.2: “Managing operations and people”.

This comprises:

- 3.1.1 Business and objectives
- 3.1.2 Forms of business and stakeholders
- 3.2.1 Operations management
- 3.2.2 People management

The focus of a question will be drawn directly from the specific content areas of the Focus linked to that paper. However, in answering these questions learners can draw upon knowledge and understanding from areas of the specification covered by the earlier paper. For example, in Paper 2 learners may draw on their understanding of marketing and finance from Paper 1.

Example: AS Paper 2 Question 01.5

Assess whether Yvon is right to transfer most of the shares of Patagonia to the Holdfast Collective.

[9 marks]

“Shares” are covered as part of different forms of business (private and public limited companies) which is in section 3.1.2 of the specification.

Mark scheme considerations

There are four assessment objectives which are assessed in this type of question, and these are highlighted in the levels of response mark scheme.

The mark scheme provides an overview and descriptors of each of the levels that a response might achieve and highlights how each Assessment Objective might be achieved.

Indicative content is provided highlighting the knowledge and understanding, the use of context and the analysis that may occur. All other relevant arguments are accepted.

The levels of response marking grids are the same for all 6-mark questions, which supports more reliable marking.

The response is marked holistically and assessed on how well the demands of the question are met. The demands of the question are highlighted in the mark scheme.

Examiners will use the ladder approach outlined in the assessment strategy, to decide which level describes the quality of the response.

A best fit approach will be applied (as outlined in the assessment strategy) to determine the final mark within a level.

The mark scheme will be supported by training, standardisation and examples of the different levels.

Example: AS Paper 2 Question 01.5

Assess whether Yvon is right to transfer most of the shares of Patagonia to the Holdfast Collective.

[9 marks]

Mark scheme

AO1: 2, AO2: 2, AO3: 2, AO4: 3

Level	The student will typically demonstrate	Marks
3	<p>A good response overall that focuses on the demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • good application to the context • good analysis • judgement which is supported by argument(s) based on quantitative and/or qualitative information 	7-9
2	<p>A reasonable response overall that focuses on some demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • reasonable application to the context • reasonable analysis • judgement which has some support from argument(s) based on quantitative and/or qualitative information 	4-6
1	<p>A limited response overall with little focus on the demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • knowledge and understanding which may lack depth or contain some inaccuracy • limited application to the context • limited analysis • judgement which has limited support from argument(s) based on quantitative and/or qualitative information 	1-3

The demands of the question are:

- demonstrate knowledge and understanding of shares (AO1)
- in the context of Patagonia (AO2)
- to analyse the effect of transferring shares (AO3)
- to support a judgement on whether Yvon is right to transfer most of the shares of Patagonia to the Holdfast Collective (AO4).

Arguments supporting why Yvon is right to transfer most of the shares of Patagonia to the Holdfast Collective:

- By transferring to Holdfast Collective Yvon is giving most of the profit to an organization with similar values to his own i.e. established to protect the environment. Whatever profit Patagonia makes, most of it will be used to fight climate change. This fits with the values of the company.
- The family can run Patagonia to ensure it is aligned to their objectives and to continue to grow and make a profit. The Holdfast Collective can then use this profit to protect the environment. It does miss out on the injection of funds from outside, but it does seem to protect Yvon's values.

Arguments against Yvon's decision to transfer most of the shares of Patagonia to the Holdfast Collective:

- This does not bring in outside investors - whereas becoming a public limited company would. This would bring in money which could be useful to help fund expansion.
- The family lose control over the profits.

Judgement:

Overall, for Yvon this was probably the right move; he considered making the business a plc but didn't so must have thought the Holdfast Collective was better in terms of its values and impact on climate change.

All relevant arguments and judgements will be credited.

Accessibility considerations

All 9-mark questions will have the same instruction, stating that learners should: “Assess”. This makes it clear to learners what is expected of them, and the assessment objectives being assessed.

The question will clearly relate to items listed on the specification. For example, “shares” are covered as part of different forms of business (private and public limited companies) which is in section 3.1.2 of the specification.

The wording of questions will be kept as clear as possible. We will use the Oxford 5000 as a point of reference to ensure that the language used is accessible.

Level of demand

Medium to high level of demand.

Analysis and judgement of qualitative information. Learners weigh up arguments for and against one particular issue.

Question: 5

- Marks: 9
- Command: Assess (using data/calculations)

Assessment objectives and marks

AO1	AO2	AO3	AO4
2	2	2	3

Rationale for assessment objective classification

Learners will be expected to assess the arguments for and against a particular issue and make a judgement.

For example, learners may be asked whether to go ahead with A or whether B is the right course of action.

Learners will be weighing up the arguments for and against and then deciding which argument is stronger.

A response to this question requires:

- knowledge and understanding of relevant terms, concepts, theories, methods and models for and against the particular issue (AO1)
- the interpretation and/or calculation of data (AO2)
- analysis (AO3)
- an evaluation of the arguments to make informed judgements or propose evidence-based solutions to business issues (AO4).

Example: AS Paper 1 Question 01.5

Assess whether the increase in the current and non-current liabilities of The Social Shepherd from 2023 to 2024 is a concern.

Use **Table 1** and relevant calculations to support your answer.

[9 marks]

Rationale for item type

This item type requires learners to interpret data and/or use calculations to support their arguments. When asked to undertake calculations learners will be provided with a formulae sheet but will have to select the relevant calculations to undertake. This means that the interpretation of data and the undertaking of calculations are not set as questions in isolation. The findings from the interpretation or calculation of data are used as part of an argument, thereby making the use of quantitative skills meaningful.

Content sampled

Paper 1 will draw questions from Focus 3.1: “What is business, managing marketing and finance”.

This comprises:

- 3.1.1 Business and objectives
- 3.1.2 Forms of business and stakeholders
- 3.1.3 Marketing management
- 3.1.4 Financial management

Paper 2 will draw questions from 3.1.1 (business and objectives), 3.1.2 (forms of business and stakeholders) and Focus 3.2: “Managing operations and people”.

This comprises:

- 3.1.1 Business and objectives
- 3.1.2 Forms of business and stakeholders
- 3.2.1 Operations management
- 3.2.2 People management

The focus of a question will be drawn directly from the specific content areas of the Focus linked to that paper. However, in answering these questions learners can draw upon knowledge and understanding from areas of the specification covered by the earlier paper. For example, in Paper 2 learners may draw on their understanding of marketing and finance from Paper 1.

Example: AS Paper 1 Question 01.5

Assess whether the increase in the current and non-current liabilities of The Social Shepherd from 2023 to 2024 is a concern.

Use **Table 1** and relevant calculations to support your answer.

[9 marks]

Current and non-current liabilities are part of a statement of financial position (balance sheet) which is part of financial reporting listed in Focus 3.1. (3.1.1)

Mark scheme considerations

There are four assessment objectives which are assessed in this type of question, and these are highlighted in the levels of response mark scheme.

The mark scheme provides an overview and descriptors of each of the levels that a response might achieve and highlights how each Assessment Objective might be achieved.

Indicative content is provided highlighting the knowledge and understanding, the use of context and the analysis that may occur. All other relevant arguments are accepted.

The levels of response marking grids are the same for all 6-mark questions, which supports more reliable marking.

The response is marked holistically and assessed on how well the demands of the question are met. The demands of the question are highlighted in the mark scheme.

Examiners will use the ladder approach outlined in the assessment strategy, to decide which level describes the quality of the response.

A best fit approach will be applied (as outlined in the assessment strategy) to determine the final mark within a level.

The mark scheme will be supported by training, standardisation and examples of the different levels.

Example: AS Paper 1 Question 01.5

Assess whether the increase in the current and non-current liabilities of The Social Shepherd from 2023 to 2024 is a concern.

Use **Table 1** and relevant calculations to support your answer.

[9 marks]

Mark scheme

AO1: 2, AO2: 2, AO3: 2, AO4: 3

Level	The student will typically demonstrate	Marks
3	<p>A good response overall that focuses on the demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • good application to the context • good analysis • judgement which is supported by argument(s) based on quantitative and/or qualitative information 	7-9
2	<p>A reasonable response overall that focuses on some demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • reasonable application to the context • reasonable analysis • judgement which has some support from argument(s) based on quantitative and/or qualitative information 	4-6
1	<p>A limited response overall with little focus on the demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • knowledge and understanding which may lack depth or contain some inaccuracy • limited application to the context 	1-3

	<ul style="list-style-type: none"> • limited analysis • judgement which has limited support from argument(s) based on quantitative and/or qualitative information 	
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The demands of the question are:

- demonstrate knowledge and understanding of current and non-current liabilities (AO1)
- in the context of Social Shepherd and the data in Table 1 (AO2)
- to analyse the effect of the increase in the current and non-current liabilities (AO3)
- to support a judgement on whether the increase in the current and non-current liabilities of The Social Shepherd from 2023 to 2024 is a concern (AO4).

Arguments in support of the increase in the current and non-current liabilities of The Social Shepherd from 2023 to 2024 being a concern:

- Current liabilities have increased showing more is owed.
- Non-current liabilities have increased, and gearing has gone from 0% to 5.39%. This may be a concern in terms of interest repayment.

Arguments against the increase in the current and non-current liabilities of The Social Shepherd from 2023 to 2024 being a concern:

- Current assets have increased more than current liabilities. The current ratio has increased from 1.3 to 1.5 so although some may say it is still low, the current ratio has improved.

Judgement:

- Concerns over non-current liabilities depend on the terms of the loan (eg interest rates), the profit of the business and how the funds have been used.
- Overall, although liabilities have increased the current ratio is higher and gearing remains low suggesting these changes are not likely to be a concern.

All relevant arguments and judgements will be credited.

Accessibility considerations

All 9-mark questions will have the same instruction that learners should “Assess”. This makes it clear to learners what is expected of them, and the assessment objectives being assessed. Where the use of data or a calculation is an essential demand of the question this is specified in the question, so learners know exactly what is required in their response.

The question will clearly relate to items listed on the specification. For example, current and non-current liabilities are part of a statement of financial position (balance sheet) which is part of financial reporting listed in Focus 3.1. (3.1.1)

The wording of questions will be kept as clear as possible. We will use the Oxford 5000 as a point of reference to ensure that the language used is accessible.

Level of demand

Medium to high

An evaluation of quantitative and qualitative information.

Question: 6

- Marks: 15
- Command: Assess

Assessment objectives and marks

A01	A02	A03	A04
3	3	4	5

Rationale for assessment objective classification

Learners will be expected to assess the arguments for and against two options and make a judgement or recommendation.

For example, learners may be asked whether to go ahead with option A or option B, or whether option A is better than option B.

Learners will be expected to weigh up the arguments for and against the two options and choose between them with a supported judgement.

A response to this question requires:

- knowledge and understanding of relevant terms, concepts, theories, methods and models in relation to the two options (AO1)
- the use of context (AO2)
- an analysis of arguments relating to both options (AO3)
- an evaluation of the two options to make informed judgements or propose evidence-based solutions to business issues (AO4).

Example: AS Paper 2 Question 02.6

25% of LEGO's supplier audits identified "higher risk" issues. LEGO wants to reduce the number of higher risk issues occurring in the long term.

Is the best way to do this to:

- undertake more inspection audits
- or
- invest more in supplier training about LEGO's Responsible Business Principles?

Assess both options and make a recommendation.

[15 marks]

A response to this question requires:

- knowledge and understanding of supply chain management (AO1)
- the use of the context of LEGO, drawn from the item (AO2)
- an analysis of arguments relating to both options (AO3)
- an evaluation of the two options to make a recommendation regarding whether LEGO should undertake more inspection audits or invest in more supplier training to reduce the number of higher risk issues occurring in the long term (AO4).

Rationale for item type

The 9-marker evaluative questions require a judgement for and against a particular issue. The 15-marker evaluative questions require a judgement between two options; a choice must be made between the two -for example, deciding which is the better solution to the problem the business faces. These questions therefore have a greater level of complexity than the 9-mark ones justifying the higher tariff.

Content sampled

Paper 1 will draw questions from Focus 3.1: “What is business, managing marketing and finance”.

This comprises:

- 3.1.1 Business and objectives
- 3.1.2 Forms of business and stakeholders
- 3.1.3 Marketing management
- 3.1.4 Financial management

Paper 2 will draw questions from 3.1.1 (business and objectives), 3.1.2 (forms of business and stakeholders) and Focus 3.2: “Managing operations and people”.

This comprises:

- 3.1.2 Business and objectives
- 3.1.2 Forms of business and stakeholders
- 3.2.1 Operations management
- 3.2.2 People management

The focus of a question will be drawn directly from the specific content areas of the Focus linked to that paper. However, in answering these questions learners can draw upon knowledge and understanding from areas of the specification covered by the earlier paper. For example, in Paper 2 learners may draw on their understanding of marketing and finance from Paper 1.

Example: AS Paper 2 Question 02.6

25% of LEGO’s supplier audits identified “higher risk” issues. LEGO wants to reduce the number of higher risk issues occurring in the long term.

Is the best way to do this to:

- undertake more inspection audits
- or
- invest more in supplier training about LEGO’s Responsible Business Principles?

Assess both options and make a recommendation.

[15 marks]

Supply chain management and suppliers are both part of the content for Focus 3.2 (3.2.1)

Mark scheme considerations

There are four assessment objectives which are assessed in this type of question, and these are highlighted in the levels of response mark scheme.

The mark scheme provides an overview and descriptors of each of the levels that a response might achieve and highlights how each Assessment Objective might be achieved.

Indicative content is provided highlighting the knowledge and understanding, the use of context and the analysis that may occur. All other relevant arguments are accepted.

The levels of response marking grids are the same for all 6-mark questions, which supports more reliable marking.

The response is marked holistically and assessed on how well the demands of the question are met. The demands of the question are highlighted in the mark scheme.

Examiners will use the ladder approach outlined in the assessment strategy, to decide which level describes the quality of the response.

A best fit approach will be applied (as outlined in the assessment strategy) to determine the final mark within a level.

The mark scheme will be supported by training, standardisation and examples of the different levels.

Example: AS Paper 2 Question 02.6

25% of LEGO's supplier audits identified "higher risk" issues. LEGO wants to reduce the number of higher risk issues occurring in the long term.

Is the best way to do this to:

- undertake more inspection audits
- or
- invest more in supplier training about LEGO's Responsible Business Principles?

Assess both options and make a recommendation.

[15 marks]

Mark scheme

AO1: 3, AO2: 3, AO3: 4, AO4: 5

Level	The student will typically demonstrate	Marks
5	<p>An excellent response overall that is fully focused on the key demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • good application to the context throughout • good analysis throughout • excellent evaluation of quantitative and/or qualitative information • a convincing judgement/recommendation which is built effectively on strong arguments and weighs up both options 	13–15
4	<p>A good response overall that focuses on the demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • good application to the context • good analysis • good evaluation of quantitative and/or qualitative information • a clear judgement/recommendation which is supported by arguments and considers both options 	10–12
3	<p>A reasonable response overall that focuses on some demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • reasonable knowledge and understanding • reasonable application to the context • reasonable analysis • reasonable evaluation of quantitative and/or qualitative information • a judgement/recommendation which is supported by some of the arguments made 	7–9
2	<p>A limited response overall with little focus on the demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • limited knowledge and understanding • limited application to the context • analysis with little development • limited evaluation of quantitative and/or qualitative information to support the arguments • a judgement/recommendation which has limited support 	4–6
1	<p>A weak response overall lacking focus on the demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p>	1–3

	<ul style="list-style-type: none"> • isolated or imprecise knowledge and understanding • descriptive application to the context • weak analysis • weak evaluation of quantitative and/or qualitative information • a judgement/recommendation based on assertions 	
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The demands of the question are:

- demonstrate knowledge and understanding of supply chain management (AO1)
- in the context of LEGO (AO2)
- to analyse the two options (AO3)
- to recommend which option LEGO should use to reduce the number of higher risk issues occurring at suppliers in the long term (AO4).

Arguments relating to more inspections:

- The threat of more inspections may act as an incentive for suppliers to improve because of a great fear they will get caught.
- However, suppliers’ attitude to the audit process may affect what happens when an issue is identified and whether it is prevented from happening again.

Arguments relating to investment in training:

- Greater training may help suppliers understand more what matters, why LEGO cares, what LEGO will do and how to meet the principles more effectively. It may, for example, help suppliers undertake the necessary health and safety checks and maintain suitable records.

Judgement:

Overall, training may improve suppliers’ understanding, skills and processes. This may be needed to reduce the number of higher risk issues. However, to know whether or not it was working, audits may be needed.

All relevant arguments and judgements will be credited.

Accessibility considerations

All 15-mark questions will have the same instruction that learners should: "Assess both options and make a recommendation". This makes it clear to learners what is expected of them in their response.

The question will clearly relate to items covered by the specification. For example, in the example question, digital technology and culture are both part of the content for Focus 3.3.

The structure of questions will be kept as direct and clear as possible. We will use the Oxford 5000 as a point of reference to ensure that the language used is accessible.

Level of demand:

High. This item type requires all four assessment objectives and learners must weigh up two different options to make a recommendation/provide a solution.

Question: 6

- Marks: 15
- Command: Assess (using data/calculations)

Assessment objectives and marks

A01	A02	A03	A04
3	3	4	5

Rationale for assessment objective classification

Learners will be expected to assess the arguments for and against two options and make a judgement or recommendation.

For example, learners may be asked whether to go ahead with option A or option B, or whether option A is better than option B.

Learners will be expected to weigh up the arguments for and against the two options and choose between them with a supported judgement.

A response to this question requires:

- knowledge and understanding of relevant terms, concepts, theories, methods and models in relation to the two options (AO1)
- the interpretation and/or calculation of data (AO2)
- an analysis of arguments relating to both options in context (AO3)
- an evaluation of the two options to make informed judgements or propose evidence-based solutions to business issues (AO4).

Example: AS Paper 1 Question 02.6

To expand the business in the future, do you think Peloton should focus on increasing:

- sales of its fitness equipment
- or
- subscriptions to its online classes?

Use **Table 5** and relevant calculations in your answer. Assess both options and make a recommendation.

[15 marks]

A response to this question requires:

- knowledge and understanding of sales (AO1)
- the use of the context of Peloton with reference to the data in Tables 5 and using relevant calculations (AO2)
- an analysis of arguments relating to both options (AO3)
- an evaluation of the two options to make a judgement on which option Peloton should focus on to expand the business (AO4).

Rationale for item type

This item type requires learners to interpret data and/or use calculations to support their arguments. When asked to undertake calculations learners will be provided with a formula sheet but will have to select the relevant calculations to undertake.

This means that the interpretation of data and the undertaking of calculations are not set as questions in isolation. The findings from the interpretation or calculation of data are used as part of an argument, thereby making the use of quantitative skills meaningful.

Content sampled

Paper 1 will draw questions from Focus 3.1: “What is business, managing marketing and finance”.

This comprises:

- 3.1.1 Business and objectives
- 3.1.2 Forms of business and stakeholders
- 3.1.3 Marketing management
- 3.1.4 Financial management

Paper 2 will draw questions from 3.1.1 (business and objectives), 3.1.2 (forms of business and stakeholders) and Focus 3.2: “Managing operations and people”.

This comprises:

- 3.1.3 Business and objectives
- 3.1.2 Forms of business and stakeholders
- 3.2.1 Operations management
- 3.2.2 People management

The focus of a question will be drawn directly from the specific content areas of the Focus linked to that paper. However, in answering these questions learners can draw upon knowledge and understanding from areas of the specification covered by the earlier paper. For example, in Paper 2 learners may draw on their understanding of marketing and finance from Paper 1.

Example: AS Paper 1 Question 02.6

To expand the business in the future, do you think Peloton should focus on increasing:

- sales of its fitness equipment
- or
- subscriptions to its online classes?

Use **Table 5** and relevant calculations in your answer. Assess both options and make a recommendation.

[15 marks]

Sales and subscriptions are both part of the marketing management content of Focus 3.1. (3.1.3). Relevant calculations could include profit and profit margins which are part of the financial management content in Focus 3.1 (3.1.4).

Mark scheme considerations

There are four assessment objectives which are assessed in this type of question, and these are highlighted in the levels of response mark scheme.

The mark scheme provides an overview and descriptors of each of the levels that a response might achieve and highlights how each Assessment Objective might be achieved.

Indicative content is provided highlighting the knowledge and understanding, the use of context and the analysis that may occur. All other relevant arguments are accepted.

The levels of response marking grids are the same for all 6-mark questions, which supports more reliable marking.

The response is marked holistically and assessed on how well the demands of the question are met. The demands of the question are highlighted in the mark scheme.

Examiners will use the ladder approach outlined in the assessment strategy, to decide which level describes the quality of the response.

A best fit approach will be applied (as outlined in the assessment strategy) to determine the final mark within a level.

The mark scheme will be supported by training, standardisation and examples of the different levels.

Example: AS Paper 1 Question 02.6

To expand the business in the future, do you think Peloton should focus on increasing:

- sales of its fitness equipment
- or
- subscriptions to its online classes?

Use **Table 5** and relevant calculations in your answer. Assess both options and make a recommendation.

[15 marks]

Mark scheme

AO1: 3, AO2: 3, AO3: 4, AO4: 5

Level	The student will typically demonstrate	Marks
5	<p>An excellent response overall that is fully focused on the key demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> • good knowledge and understanding • good application to the context throughout • good analysis throughout • excellent evaluation of quantitative and/or qualitative information 	13-15

	<ul style="list-style-type: none"> a convincing judgement/recommendation which is built effectively on strong arguments and weighs up both options 	
4	<p>A good response overall that focuses on the demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> good knowledge and understanding good application to the context good analysis good evaluation of quantitative and/or qualitative information a clear judgement/recommendation which is supported by arguments and considers both options 	10-12
3	<p>A reasonable response overall that focuses on some demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> reasonable knowledge and understanding reasonable application to the context reasonable analysis reasonable evaluation of quantitative and/or qualitative information a judgement/recommendation which is supported by some of the arguments made 	7-9
2	<p>A limited response overall with little focus on the demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> limited knowledge and understanding limited application to the context analysis with little development limited evaluation of quantitative and/or qualitative information to support the arguments a judgement/recommendation which has limited support 	4-6
1	<p>A weak response overall lacking focus on the demands of the question.</p> <p>Provides an answer to the question that demonstrates:</p> <ul style="list-style-type: none"> isolated or imprecise knowledge and understanding descriptive application to the context weak analysis weak evaluation of quantitative and/or qualitative information a judgement/recommendation based on assertions 	1-3

The demands of the question are:

- demonstrate knowledge and understanding of sales (AO1)
- in the context of Peloton (AO2)

- to analyse the two options (AO3)
- to support a judgement on which option Peloton should focus on to expand the business (AO4).

Arguments for focusing on equipment:

- Fitness equipment remains the most significant source of revenue, but this is falling (85% to 78%); subscription fees are becoming more important.
- The profit from equipment has gone from \$70m to \$910m.

Arguments for focusing on subscriptions:

- Sales of fitness equipment have slowed with opening of gyms and also problems such as safety issues.
- Sales of equipment may necessarily slow unless new markets are targeted; once customers have equipment, they may want to replace it at some time in the future and they may (if space) buy different piece of equipment but saturation could be reached.
- By comparison, with online streaming the offer can be developed to increase the range of classes and degree of participation.
- The profit from subscriptions is much smaller than from equipment (\$4m compared to \$542m) but the profit margin on equipment has gone down from 38% to 29% whereas the subscriptions' profit margin has risen from 12% to 62%.

Judgement:

- Item and data suggest subscriptions may have more opportunities for future growth especially as it is regular monthly income rather than a one-off sale.
- Need to make sure members have equipment in the first place, once they do can then focus on developing spending on subscriptions.

All relevant arguments and judgement are credited.

Accessibility considerations

All 15-mark questions will have the same instruction that learners should: "Assess both options and make a recommendation". This makes it clear to learners what is expected of them in their response. Where the use of data or a calculation is an essential demand of the question this is specified in the question, so learners know exactly what is required in their response.

The question will clearly relate to items covered by the specification. For example, in the example question sales and subscriptions are both part of the marketing management content of Focus 3.1. (3.1.3). Relevant calculations could include profit and profit margins which are part of the financial management content in Focus 3.1 (3.1.4).

The structure of questions will be kept as direct and clear as possible. We will use the Oxford 5000 as a point of reference to ensure that the language used is accessible.

Level of demand

High. This item type requires all four assessment objectives. Learners must weigh up two different options to make a recommendation/provide a solution based on the analysis of quantitative and qualitative information in context.