



# **Examiners' Report June 2022**

**IAL Business WBS14 01**

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## Introduction

The fourth sitting of the new specification WBS14 paper seemed to go well. The paper discriminated well, with candidates accessing a wide range of marks, with some good, and occasionally very good, responses to the questions set.

Strong candidates did well, with some excellent and thoughtful responses, particularly for the longer questions. By contrast, there were also some very weak responses that showed little understanding of, or even familiarity with, the specification content.

The main reasons for some candidates underachieving were not heeding command words and not reading the questions carefully enough. Command words are still being ignored by a sizeable number. Instructions to 'Assess' and 'Evaluate' were not followed by some candidates.

Some of the candidates missed out on marks because they did not answer the question that was set. This was a particular problem for Q01(c), and Q01(d) where a failure to read the wording of the question carefully cost them valuable marks.

It is worth reminding future candidates of the need to apply proper context to all responses. Good examples do much to reinforce the quality of an argument. Repeating generic or stock answers or just copying the text from the case study will not access the higher levels of the mark scheme.

## Question 1 (a)

Those candidates that knew the right formula inevitably did well on this question.

Unfortunately, some did not and missed out on what should have been a straightforward few marks. Others lost a mark by missing the dollar sign or by making mistakes with decimal places.

- 1 (a) Using Extract A, calculate to **two** decimal places the GDP per capita of Thailand. (4)

$$\begin{aligned} \text{GDP per Capita} &= \frac{\text{GDP}}{\text{Population}} \\ \text{GDP per Capita} &= \frac{546\,000\,000\,000}{69\,410\,000} \end{aligned}$$

$546 \text{ bn} = 546\,000\,000\,000$

~~$= \$78\,6630.17$~~

$= \$78\,66.30$



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This response gained 4 marks.

Note that an earlier incorrect answer has been crossed out. If the candidate had not realised their mistake, it would still have gained 3 marks for the correct formula and the correct selection of the figures.

This is a good example of why always showing your working is a good idea.

## Question 1 (b)

This was mostly answered well with candidates knowing what specialisation meant and most were able to identify a relevant advantage, such as job creation or export earnings. Use of context was generally good, but attempted analysis often lacked enough development to explain why the identified advantage came about.

Some candidates are still defining the key term in these 4-mark questions; it is not needed and is not part of the mark scheme.

(b) Explain **one** advantage for Thailand of specialising in the production of rubber.

(4)

Specialisation is when a country focuses on one area to develop expertise and be the best at it. Thailand specialising in rubber would allow them to produce at a lower cost. The lower cost can be passed on as lower prices which could be the reason that Thailand is the largest natural rubber exporter in the world and 42.4% of it being exported to China and them having ~~33.3%~~ 33.3% of global export market for rubber that is worth \$4.63bn. This in turn would bring in higher export revenue.



**ResultsPlus**  
Examiner Comments

A good answer that identifies an advantage, develops the explanation as to why it is an advantage and makes good use of the evidence to support the response.

It gained all 4 marks.

## Question 1 (c)

The term 'employment patterns' was widely misunderstood and far too many candidates failed to score any marks at all.

Most discussed employment totals which is not the same thing at all. Better responses based their answer on the move that would occur from the primary sector to the secondary sector as economic growth took place and Vietnam became more industrialised. The growth of the tertiary sector, backed up by use of evidence from the extracts, was a further line of development.

Centres should note that although there is no requirement to provide a conclusion on this question, balance (assessment) is definitely needed. A number of otherwise good answers failed to do this and just described the changes without comment.

(c) Discuss the extent to which economic growth in a country such as Vietnam may have caused its employment patterns to change.

(8)

Economic growth refers to increasing the economic stability of a country through various statistics such as GDP or HDI. (Gross Domestic Product and Human Development Index, respectively).

Extract B indicates the difference in 2000 to 2020 GDP of Vietnam which shows great improvement. In 2000, the GDP was less than \$50bn but it has been more than \$250bn in 2020.

This means that Vietnam has encountered great deal of economic growth thus reflecting the employment patterns to change. Overall, in most underdeveloped countries there is high percentage of primary sector. However, as Vietnam grows economically, the sectors change to secondary and tertiary sector. This involves ~~extraction~~ manufacturing and production of services such as tourism. There are less jobs in the primary sector and black economy as well.

In conclusion, most emerging countries like Vietnam has changed its employment patterns to secondary and tertiary sector such as textiles and tourism from extraction of raw material. (primary sector) as we can see the GDP increase in Extract B. This will also effect the living standards in a positive way.



A good response that gained 6 marks.

It makes effective use of the context to develop logical chains of reasoning that show how employment patterns may change in terms of the primary, secondary and tertiary sectors.

However, it does lack assessment and an awareness of competing arguments.



From Q01(c) onwards, all the responses require some evaluation to reach the highest marks.

Don't forget to consider the competing arguments.



## Question 1 (d)

Instead of focusing on the trade opportunities for European businesses, many focused on the trade opportunities for developing economies which was not the question set. This illustrates the need for candidates to read the question wording carefully and think about their response before putting pen to paper.

For the most part, those that did make this distinction answered the question well. The possible opportunities for European businesses posed by the economic growth of developing economies were discussed with some development. Balance often took the form of the likelihood of the developing economies growing and posing a threat to the market share of the European businesses. Some good responses looked at the nature of the products and services and their price elasticities; others balanced the short run against the long run.

Less convincing responses suggested that European businesses should re-locate production to the developing economies to take advantage of cheaper labour costs. This rather ignored the likelihood that as economies grow, so too do wage rates and other costs.

(d) Assess how economic growth in developing economies may affect the trade opportunities for European businesses.

(12)

Economic growth is the increase in a ~~country's~~ country's productive capacity.

Developing countries, such as Vietnam, Thailand, UAE, and Bangladesh, are countries that have low levels of literacy, poor infrastructure, low incomes, low standards of living, and low incomes. Increased economic growth in such countries allows them to move closer to being developed economies.

Between 2010 and 2019 many developing economies have experienced ~~increased~~ large economic growth and have improved their positions in the global ~~share~~ market. The value of goods exported from developing countries rose to 44.3% of the global total and the value of services exported rose to 30% of the global total. The UAE increased its share of ~~exports~~ <sup>services</sup> export ~~from~~ from 0.3% in 2010 to 1.2% in 2019 and Vietnam increased their share of world export of goods from 0.47% in 2010 to 1.4% in 2019.

The increase in global standing of developing economies will likely have a negative effect on the trade opportunities of European businesses.

The increase in global export value of goods and services of developing economies will likely mean that the value of exports of goods and services of developed economies, such as most European countries, will have fallen.

~~From~~ Asian countries are recognised for their low labour costs due to which they can minimise their costs of production and offer lower prices. European countries may not be able to compete with the prices offered by developing Asian economies and might lose demand for their exports.

However, European exports may be of better quality and meet higher standards, which products from developing economies don't meet. In this case European countries will be able to charge higher prices and won't lose demand for their exports.

Due to the lower quality of Asian products, Asian producers may be able to produce bigger quantities and in faster time, which will attract ~~the~~ demand for the product and may harm European exports.

The increase in economic growth in developing countries is likely to negatively affect ~~European~~<sup>trade</sup> opportunities of European countries, as they might not be able to match <sup>low</sup> prices and quick production times of developing economies.



This is an example of a Level 3 response that gained 6 marks.

Much of the first part is taken directly from the extracts, but is not developed or used effectively.

The response improves in the second part and discusses the threat posed by increased competition.

There are developed chains of reasoning and assessment is attempted, but is rather brief.

This response is a good example of the Level 3 descriptor in the mark scheme.

(d) Assess how economic growth in developing economies may affect the trade opportunities for European businesses.

(12)

Economic growth is when the gross domestic product of a country is continuously increasing. A developing economy ~~that is~~ ~~is~~ an economy that is growing at a rapid speed, much faster than ~~a~~ a mature ~~economy~~ economy. An example is Brazil or south Africa.

On the one hand, the economic growth ~~of~~ <sup>in</sup> a developing economy might positively affect the trade opportunities for European businesses for various reasons. Firstly, economic growth usually results in improved infrastructure and technology of a country. This would benefit European businesses as improved infrastructure leads to easier operations, as transportation of goods would become easier and faster due to new and improved transportation methods, such as new ~~ways~~ airports or roads. ~~Another~~ ~~benefit of economic growth in developing economies~~ This is beneficial for European Business because it means that distribution services will improve, and they would be able to distribute to new areas and distribute more, leading to more sales opportunities which may potentially lead to more sales and revenue for the businesses. Another benefit of economic growth in developing countries is economic growth is a result of increased GDP for the country, which ~~results~~ involves increased disposable income. Increased disposable income is a benefit for European

businesses because it means that the population as a whole are more likely to purchase European products as they have more money to do so. Furthermore, as the population has more disposable income, the demand for European products would increase as they are more financially available to purchase imports from Europe. This is beneficial as more demand leads to increased sales and revenue, which ~~results~~ results in increased profit for European businesses, which is highly beneficial. However, on the other hand, economic growth in a developing country will highly likely result in increased competition from both domestic and ~~international~~ international businesses. This is disadvantageous for European businesses as increased competition in an economy affects the sale opportunities of each business. Increased competition restricts the possible number of sales of businesses, which leads to less sales and profit than there could be. Furthermore, increased competition from foreign ~~on~~ businesses may force developing countries to introduce trade barriers and tariffs in order to protect their domestic business from larger foreign businesses. This is disadvantageous for European businesses as it makes trading and expansion in ~~developing~~ the certain country more difficult due to trade restrictions.



This is an example of a Level 4 response that gained 9 marks.

It has a clear and logical development, firstly looking at the advantages that might be gained by European businesses in the form of improved infrastructure and purchasing power.

It then provides sound assessment by looking at the potential negative effects of potential competition arising from economic growth and the possibility of protectionism.

The response could have benefited from more context and a supported judgement.



With a question like this that considers a wide subject such as 'European businesses', it can be a good idea to consider what types of business might be involved by way of assessment. For example, are makers of luxury goods likely to be more, or less, successful than those producing everyday items?

## Question 1 (e)

This questions was mostly well answered. Candidates showed a good understanding of trade blocs and the possible effects of trade liberalisation. Access to cheaper inputs and the opportunity to sell to a larger market without the cost or burden of trade restrictions were widely discussed.

Balance was usually shown by looking at the threats posed to domestic businesses once trade barriers were removed or reduced. Good responses took this a stage further and looked at the size and nature of some of the other countries such as China and Australia.



(e) Assess the possible impact on businesses in countries such as Thailand and Vietnam from their membership of a trading bloc.

(12)

A trade bloc is a group of nations that agree ~~to~~ on trade negotiations in terms of decreasing restrictions amongst the nations as a way to increase trade. ASEAN is a trade bloc consisting of 10 nations including Thailand and Vietnam. Countries usually form a trade bloc, like EU, in order to gain the benefits of being a member.

Being part of a trade bloc allows businesses in countries such as Thailand and Vietnam to easily access new markets considering the fact that restrictions will be significantly reduced to increase the ease of trading with countries in the bloc. With more access to markets, businesses will be able to increase its sales and market share in those countries while gaining reputation. This highly benefits the businesses as more opportunities will allow them to increase its profitability and help with the expansion.

With few to no restrictions or trade barriers like tariffs or quotas, businesses will see reduced cost in doing business overseas, making them more willing to settle or establish their businesses abroad. ~~with~~ This will reduce the costs of adhering to regulations while giving businesses the competitive advantage of lower costs and eventually lower prices for consumers, which will consequently lead to increase in sales and revenue.

However, the restrictions or trade barriers will only make trading within the bloc easier as countries will continue to maintain its restrictions

with countries outside the trade bloc; therefore, as retaliation, other countries will also maintain its trade restrictions, limiting the growth or expansion of Thai or Vietnamese businesses in ~~between~~ potential economies.

Reducing trade restrictions as part of being a trade bloc means that domestic businesses in Thailand and Vietnam will see increased levels of competition, which may take away the market share of domestic businesses as well as cause the country to be unable to protect infant industries in the country.

Being part of a trade bloc also means that Thailand and Vietnam, as members, will need to agree on all trade negotiations made as a trade bloc is required to be united and be a collective group. By agreeing with all agreements, it would mean that countries may also have to stop trading or increase trade barriers if the trade bloc decides to do so, limiting the actions of Thailand and Vietnam when it comes to trading with countries outside the bloc.

In conclusion, although Thailand and Vietnam will face competition against businesses from other countries, it doesn't restrict domestic businesses from growing overseas, especially with more trade opportunities after signing the RCEP and creating another trade bloc consisting of 15 members, making the trade bloc the largest while covering 30% of global output and significantly increasing opportunities for businesses.



A well written response that reached Level 4 and gained 10 marks.

The arguments are well-developed and show accurate and thorough knowledge and understanding.

There is balance and a conclusion which supports the answer.



Remember to use the conditional when appropriate such as 'this may happen' or 'it is likely that'. It is rare that there is a ever a certain link or outcome in this subject.

(e) Assess the possible impact on businesses in countries such as Thailand and Vietnam from their membership of a trading bloc.

(12)

Trading bloc is when countries within the same geographic region form a treaty for the members of trading bloc to promote easy and free trade.

It is mentioned in Extract D that in November 2020 after eight years of negotiations the RCEP was signed in Vietnam. It consists of total 15 members from which 10 members are from ASEAN including Thailand and Vietnam. After being agreed from all its member it will form the world's largest trading bloc, covering 30% of global output and almost one-third of the global population.

This trading bloc can bring a lot of opportunities for businesses in Vietnam and Thailand as they ~~can now~~ <sup>will be able</sup> trade easily without any tariffs or import quotas. Thus decreasing costs and increasing profitability. They will also be ~~exp~~ exempted from ~~transporting~~ transportation fee so it will be easier to import and export goods and make production more efficient. Businesses can also move their production facilities to countries in trading bloc where there is cheap and skilled labour and more efficient transportation channels. Many businesses can also expand their operations in ~~the~~ <sup>new</sup> markets of the trading bloc through FDI, mergers or takeovers. This will help them target new customer base and increase the sales of their products making shareholder satisfied. Moreover, if they opt for mergers or acquisitions then they

will be able to enter new markets without any risk. As the business operating in these markets will already have knowledge. In addition to this, if ~~pa~~ businesses from other countries invest in them then it will bring in innovation and can also encourage competition.

However, people of Thailand and Vietnam might no longer opt domestic businesses and only choose other businesses which will decrease the demand of domestic products and make it difficult for them to compete with other businesses and will eventually have to shut down. There is also a possibility other businesses from trading bloc will exploit the domestic businesses of Thailand and Vietnam. Moreover, if more businesses can easily enter markets then competition and chances of dominance can also rise. ~~More~~ Furthermore, regardless of trading bloc the paper work can increase as the businesses will have to show certificates as proof of where the products are produced etc. Some business might also face <sup>high</sup> labour turnover if employees leave for a better salary package somewhere else.

Overall, this can be a great opportunity for businesses in Vietnam and Thailand to expand and increase their sales as well as ~~to~~ enter new markets without ~~restrictions~~ restrictions.



A good response that is typical of Level 3 and it gained 6 marks.

There is good knowledge and understanding, but there is also a tendency to make assertions without developing the causes. For example, why would the people in Vietnam and Thailand opt for foreign goods and why would other businesses from the bloc exploit domestic businesses?

## Question 2

This proved to be an accessible question with many candidates able to knowledgeably discuss glocalisation, ethnocentric marketing and other terms from the specification.

Common lines of argument for the benefits of adapting to local tastes included customer loyalty and a competitive advantage which could lead to increased sales, despite the extra costs of research and marketing. This was contrasted with the one size fits all approach, with its opportunity for economies of scale and strong branding. Better responses brought in outside examples (commonly McDonalds and Apple) and discussed a mix of approaches rather than one or the other, they often concluded that much depended on the product or service in question and its intended market.

For those responses that did not do so well, it was usually because they had simply copied out, or re-written the evidence, with little or no attempt at analysis or evaluation. Good conclusions were rare; simply re-writing previously made points adds nothing to the answer. As ever, the key to doing well in these longer questions is to develop the arguments and support them with evidence.

2 Evaluate the extent to which a global business will benefit from adapting to local tastes and preferences.

(20)

Global businesses adapt different strategies to introduce their product in a market. Normally, businesses use the technique, polycentrism.

It makes sure to gain information about local tastes, preferences, traditions etc. How the product is introduced, it all depends on what the customer likes and how he likes it.

For example, Nike, a sportswear has launched Nike Unite to connect local communities. As each Nike will seek to reflect its local community, it is a polycentric approach.

On the other hand, Aldi, a German supermarket expands ~~into~~ into the United States and it has not taken Americas tastes and preferences into account. It does not ~~make~~ have to research on the US community to see their preferences as their approach is ethnocentric. E.g, American consumers are used to big stores with a variety of items but Aldi continued to expand with the same 'limited range of items' but it still continues to be successful and grow on a global level.



Polycentricism is a good strategy as consumers like it when the product is according to their local expectations. People will want to try out more of it if the business is somewhat familiar.

There will be more sales and thus more revenue will be generated, this will eventually allow the business to enjoy economies of scale.

Adapting to local tastes and preferences is like similar to a global niche market. Consumers will be happy with the product and brand loyalty will increase.

Although Aldi proves wrong, the concept that if the business is not tailored to local needs and preferences, it will fail, it still is much stable and sustainable in the long-run to keep in mind the customers preferences and tastes.

Having such a global business will help businesses to grow. Competition will increase between domestic businesses and MNC's.



A rather brief response that typifies a Level 2 response and it gained 8 marks.

There are chains of reasoning, but they are not always developed or complete.

Much of the evidence is simply reproduced with little added value, the balance is unconvincing.



In the longer questions, it is always advisable to use your own knowledge and bring in outside examples to broaden the scope of your arguments and make a more convincing response.

2 Evaluate the extent to which a global business will benefit from adapting to local tastes and preferences.

(20)

In Extract E and F, the businesses adapt; Nike and Aldi adopt different global marketing strategies to help them succeed. Nike is implied to ~~also~~ adopt a more Polycentric / Geocentric which refers to when business adopt / modify / tailor their goods and services to better fit the ~~more~~ particular needs and wants of customers. Aldi adopts a more ethno-centric approach which refers to ~~not~~ standardising a good or service ~~to be~~ in its distribution ~~across~~ despite being in various countries / markets.

Firstly, a global business can benefit from adapting to local tastes and preferences as ~~it can~~ through increasing sales volumes. As Nike has opened five new branches in the UK, US and South Korea they have carried out research to understand each market and its specific needs / wants. As a result, Nike is better able to understand its customers and to ~~also~~ able to develop its product ~~to~~ to be better suited. <sup>for example,</sup> They have mentioned that each Nike store will reflect its local community and tailor the products to reflect local sporting interests. This is important as the sporting interests of the US may have been significantly different than those in the UK (for example). However they also do mention that in order for this project to work they will use an ambassador programme

to train local coaches to better or support local projects. The training costs may raise the overall cost of the business. However, these costs may be a short-term, on the other hand.

Secondly, tailoring products to local markets provides the benefit of businesses being able to develop more effective marketing strategies and ultimately evade costs of good ~~unsuccessful~~ unsuccessful goods. For example, by Nike ~~to~~ knowing the particular interests of each ~~community they~~ local community they sell in, they can better navigate the best ~~of~~ distribution channels, prices or advertisements used to sell their goods. As a result, Nike may find a better chance in ~~avoiding~~ staying competitive in these different markets they operate in and saving costs on ~~new produce~~ waste/products with weak marketing strategies that didn't sell. However, the success of Nike in global markets may ~~not~~ depend on aspects beyond the marketing mix such as the quality of labour that is available and the exact business for each of their branches.

On the other hand, ~~the~~ adopting a more ethnocentric approach and not adopting a product may be the better option. For example, companies like Aldi have expanded to the US and have not adapted their supermarkets to take account of US ~~a~~ tastes and preferences. For example, they ~~do have not~~ their cashiers scan shoe items and place them in the trolley rather than packing their bags for them. One advantage of this approach may be in that Aldi can build a greater sense of coordination between those that

their work force in Germany and America. Workers may perhaps feel even motivated & in the being ~~clear~~ ~~clear~~ a comfortable in a clear brand identity that is consistent across the nations. Aldi trades in. On the hand Aldi, does face the risk of customers having a bad experience with their service as it is not what American consumers are used to - which could hinder sales. However, Aldi does mention that despite this, they continue to be successful and grow in both America & worldwide. ~~Therefore this depends~~

Lastly, ~~then~~ not adapting products to customers particular needs could benefit the global businesses exploit economies of scale. For example, as a result of producing standardised versions of a product, in bulk, business ~~can~~ may benefit from lower production costs. However this would depend on the nature and size of a company. For example, Aldi's stores are 'much smaller' than American stores and have a limited range of items', therefore, their exploitation of ~~producing~~ economies of scale in the standardisation of their goods ~~maybe~~ may be lower. However, despite this Aldi still enjoys positive growth and success for the business 'worldwide'.

To conclude, businesses such as Aldi and Niche show that it can be advantageous to tailor products / standardise them. However it the nature and size of the business in addition to factors like beyond the product and marketing mix will an influence the success of firms in international markets.



A good response that reached Level 4 and gained 16 marks.

It uses the evidence which is then developed to support the points being made.

There is balance and a conclusion although it would have been stronger if it had brought in more examples in support.

### Question 3

As with question 2, many candidates limited their marks by just re-writing the evidence or producing lists of push and pull factors without developing or analysing them. This particular question also asked for a judgement as to which factors were more important. Although most candidates did make a choice, there was often no rationale or justification for doing so.

Better responses considered the nature of the business and the market in which it operated and then looked at the push or pull factors that might apply in that instance. Some pointed out that some businesses, such as those reliant on natural resources had little choice as to where to locate. Others realised that it was not a binary choice and that some locations, China for example, had both push and pull factors and the decision depended on the business itself and the contrasting short and long run positions.

3 Evaluate whether push or pull factors are more important for an international business when deciding where to locate.

(20)

Push and pull factors help determine a business whether they should enter or leave a market.

Push factors are very important for an international business when deciding where to locate this can be decided by the current increase in tariff costs as tariffs imposed by the US and Chinese government during the past years. This has led to supply chain costs increasing by up to 10% for more than 40% of businesses. This means that now when business buy and supply products from the suppliers its going to be more expensive by 10%. As a result of this businesses will have an increase in costs by about 10% which furthermore may lead to worse quality products being produced. Therefore businesses may want to consider moving their businesses else where so that they are not impacted by the tariffs so much. However, if the business isn't exporting or importing any resources and is using what is available in China, they will not be impacted by the new tariffs that were imposed by the Chinese government. Due to the fact that they are manufacturers and selling products in China only so they don't need to



import or export any products.

Pull factors are also very important for international businesses when deciding where to locate. These pull factors consist of cheap rent for land, subsidised power and water, tax breaks and improved transport times, which are often the longest component of the entire logistics journey of goods. All these factors are very beneficial to businesses because they get to benefit from lower costs, great supply chains and flexibility. For this businesses may want to consider countries like Vietnam, India and Mexico where they will benefit from much lower costs compared to China where they have high tariffs and larger costs. As a result of this businesses may want to consider these emerging economies like Vietnam, India and Mexico in order to benefit from lower costs. Therefore the pull factors may influence international businesses to move to these countries as they have more benefits. However, countries like Vietnam, India and Mexico are developing economies so depending on the type of product you are selling these countries may not have as much of a demand for them compared to the US or China due to them being a developed economy. This means that the general population is much wealthier and have a higher disposable income to buy the products.

In conclusion, its a hard decision for the business on where to locate as it all depends on who the businesses target market is and what their customer needs are. This means that all international businesses will interpret the push and pull factors differently and will conduct their own analysis to see what is more beneficial from them. Therefore its hard to make the decision as it all depends on what type of business it is even though I think that most will want lower costs for production so will choose countries like Vietnam, India and Mexico instead of US and China.



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A good response that reached Level 4 and gained 17 marks.

It is well-written and argued and develops its chains of reasoning well.

The conclusion is particularly strong and effective, justifying its choice of answer to the question.

3 Evaluate whether push or pull factors are more important for an international business when deciding where to locate.

(20)

When relocating, an international business should consider several factors. It could be analyzing the market through Porter's 5 forces, or analyzing your own portfolio through the Ansoffs matrix, or consider the push factors weightage and then the pull factors for the new market option.

Pull factors may be more important for a business to consider than push factors because they should check upon where they are relocating and if that place will be suitable for their particular business type.

For example, as mentioned in extract G, the main pull factors could be the land rent, power and water availability, transport availability etc. ~~If the company~~

The company considering to relocate may want to check its necessities in production and services both and then decide. Moreover, it may want to see the market conditions. If the market is saturated, they may not want to move there and go in some market which is untouched and enjoy the 'new mover' advantages. ~~Otherwise~~ Otherwise they would have to face competition and firms that are there since ages ago may play

with the prices to kick them out, and in a saturated market, customers already have lots of options so they may not consider a new one.

However, considering the pull factors for a business, it should then weigh it with the push factors and if it is ~~not~~ actually necessary to relocate, as relocating will add up to costs quite a bit, from logistics, to setting up a whole production/warehouse and a brick and mortar place also.

In conclusion, pull and push factors both may be ~~not~~ equally important, as well as other analysis but it is true to say that it is ~~not~~ indeed necessary to check the full factors i.e. the market conditions before setting up there.



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This response is typical of the Level 2 descriptor and gained 8 marks.

It has some knowledge and understanding, but lacks context and is prone to assertion and never really gets to grips with the question.

## Paper Summary

There was very little evidence to suggest that candidates did not have enough time to complete the paper.

**Based on their performance on this paper, candidates are offered the following advice:**

- Do read the question carefully and answer the question that is set.
- Do watch out for command words such as 'Assess' or 'Evaluate'.
- Do use examples to illustrate your argument.
- Do use the language of the subject and avoid generalities.
- Do watch your timing and do not spend too long on one question.
- Do write concisely (and as neatly as possible please!).
- Do add a relevant conclusion to the longer questions.

## **Grade boundaries**

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