Please write clearly in block capitals.

Centre number | | | | | | Candidate number | | | | |

Surname _____

Forename(s) _____

Candidate signature _____
I declare this is my own work.

A-level
BUSINESS

Paper 2 Business 2

Sample assessment material

Time allowed: 2 hours

Materials
For this paper you must have:
- a calculator
- the Formulae Sheet (enclosed).

Instructions
- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions.
- You must answer the questions in the spaces provided. Do not write outside the box around each page or on blank pages.
- If you need extra space for your answer(s), use the lined pages at the end of this book. Write the question number against your answer(s).
- Do all rough work in this answer book. Cross through any work you do not want to be marked.

Information
- The marks for questions are shown in brackets.
- The maximum mark for this paper is 90.

For Examiner's Use	
Question	Mark
1.1	
1.2	
1.3	
1.4	
1.5	
2.1	
2.2	
2.3	
2.4	
2.5	
TOTAL	

Answer **all** questions in the spaces provided.

0 1

SHEIN

SHEIN is an online fashion retailer. Founded in 2008, it has experienced explosive growth in the US and Europe. It now has nearly 10,000 employees, sells in over 150 countries and operates in over 20 languages.

SHEIN's annual revenue target for 2025 is $58.5bn, up from $22.7bn in 2022. That would exceed the existing combined sales of its main competitors, H&M and Zara.

The average price of an item sold by SHEIN is just £7.90. At any moment the company's website has over 600,000 items on sale. It adds 6,000 new items each day.

SHEIN has a lean production model. It only produces 100 to 200 pieces of any item when launched and responds with increased production only if demand justifies it. The company uses complex computer models to estimate future sales accurately and match production to demand more closely than its competitors. Through its on-demand production, SHEIN is able to consistently limit the amount of excess inventory to a level that is much lower than traditional retailers.

The company supports its suppliers with training and investment in advanced technology. SHEIN ships orders to its customers directly, mostly from one huge warehouse near Guangzhou in China.

The fast fashion business model that SHEIN adopts has been widely criticised. It has been suggested that 8 per cent of global carbon emissions are produced by the fashion industry. Fast fashion businesses are also criticised for encouraging consumers to replace, rather than repair or reuse clothing. Fast fashion allows customers to buy cheap products which they then discard, before quickly buying something new.

However, SHEIN states "Our operations are guided by a sustainability mindset tackling waste and circularity at every stage". The company aims to optimise the efficiency of its processes to conserve water, energy and raw materials while minimising waste. As part of its sustainability approach, in September 2022, SHEIN committed to reducing absolute (total) greenhouse gas emissions by 25 per cent by 2030.

SHEIN has strict quality standards. Its approach includes a quality-check process where products are examined when they arrive at the warehouse. Factors tested include tear-strength and whether the colour of an item will fade when washed.

SHEIN's values for employees include:

- having a 'customer-first' approach
- treating internal departments as if they are customers. (This is part of its quality assurance approach.)
- being good team-players who work well in a collaborative environment.

Sources: FT.com, 2023; Shein, 2024

Table 1: Estimated global carbon dioxide emissions from the clothing industry (base year, 2022 = 100)

Year	Index of global CO_2 emissions (gigatonnes)
2025	118
2030	145

Source: adapted from World Resource Institute, 2021

0 1 . 1 SHEIN values teamwork.

Analyse how teamwork can contribute to SHEIN's success.

[6 marks]

6

0 1 . 2 Analyse why SHEIN does not offer a ‘next-day delivery’ service in the UK.

[6 marks]

6

0 1 . 3 Assess whether SHEIN's 'sustainability mindset' is likely to improve its competitiveness.

[9 marks]

9

0 1 . 4 Assess whether SHEIN's approach to quality is likely to increase its profits.

[9 marks]

9

0 1 . 5 Which is more important to SHEIN's success:

- its use of lean production

or

- its relationship with suppliers?

Assess both options and make a judgement.

[15 marks]

15

0 2 Read the information below and then answer the questions that follow.

Netflix

Netflix is one of the world's leading entertainment services. It has more than 247 million paid memberships in over 190 countries. Members enjoy TV series, films and games across a wide variety of genres and in over 30 languages. Members can play, pause and resume watching Netflix's content as much as they want: anytime and anywhere. Netflix's competitors include Disney+, Amazon Prime, HBO and Paramount.

Technological development is one factor creating rapid change in the industry. The use of advanced digital technology affects all aspects of Netflix's operations. For example, it:

- enables the smooth streaming of content
- adjusts the quality of the video for the platform it is viewed on
- enables the production of high-quality content
- enhances users' experience on the Netflix site through features such as efficient search functions and personalised recommendations of content
- provides Netflix with data on all its users search and watching habits enabling personalised recommendations and informing future programmes.

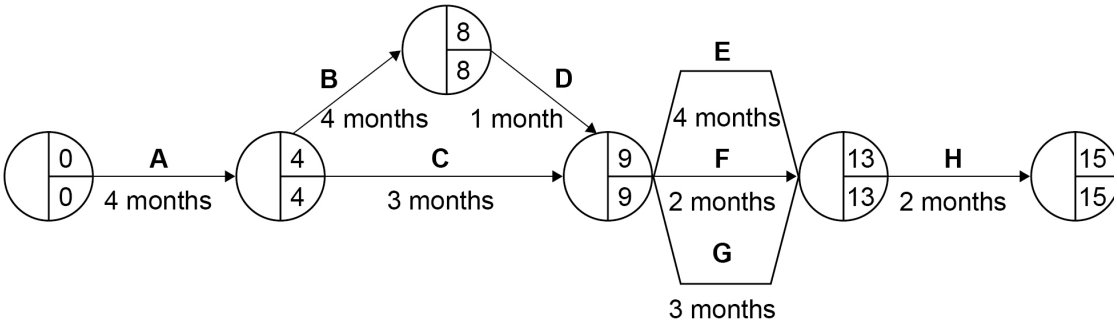
Netflix aims for diversity and inclusion in its workforce. Its employees are paid top rates for what they do and are given shares in the business as part of their rewards.

Netflix claims it has a unique culture and much of its success is down to its employees. There are very few rules at the business because Netflix trusts employees to make the right choices. Employees are given the freedom to decide what to do but, in return, must take responsibility for their actions. The company expects employees to be high performers who are excellent team players. Underperformers are asked to leave. For every significant decision, Netflix identifies an "informed captain of the ship". This person is an expert in their area and is responsible for listening to other people's views and then making a judgment call on the right way forward.

Appendix A shows a fictional network diagram for a major new series that Netflix hopes to launch in 17 months' time. If it is launched later than this, the series launch will have missed the peak holiday season and Netflix's subscription targets will not be achieved, affecting its budgets.

Source: Netflix, 2024

Appendix A: A fictional network diagram for potential development of a new series (activity durations in months)



	Activity
A	Planning and financing
B	Market research
C	Script-writing
D	Casting
E	Filming
F	Pre-release promotion
G	Screen-testing
H	Post-production

Figure 1: Netflix share price 2019-2023 ($)

Source: Google, 2024; NASDAQ, 2024

Table 2: A fictional example of the number of employees remote working at Netflix (base year = 2023)

Year	Number of employees working remotely
2024	102
2026	105
2028	107
2030	110

0 2 . 1 Analyse how Netflix might benefit if the proposed changes to remote working happen (see **Table 2**).

[6 marks]

6

0 2 . 2 Recent strike action has delayed Activity C in Appendix A by 5 months.

Analyse how this delay might affect Netflix.

Use **Appendix A** and relevant calculations in your answer.

[6 marks]

6

0 2 . 3 Assess whether greater diversity and inclusion in Netflix's workforce is likely to increase its profits.

[9 marks]

9

0 2 . 4 Assess whether giving shares is a good way for Netflix to reward its employees.

[9 marks]

9

0 2 . 5 Which is more likely to contribute to Netflix's future growth:

- its use of digital technology

or

- its culture?

Assess both options and make a judgement.

[15 marks]

END OF QUESTIONS

There are no questions printed on this page

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ANSWER IN THE SPACES PROVIDED

Question number	**Additional page, if required.** **Write the question numbers in the left-hand margin.**

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