

---

**BUSINESS**

**9609/22**

Paper 2 Data Response

**October/November 2018**

MARK SCHEME

Maximum Mark: 60

---

**Published**

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the October/November 2018 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

---

This document consists of **20** printed pages.

**Generic Marking Principles**

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

**GENERIC MARKING PRINCIPLE 1:**

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

**GENERIC MARKING PRINCIPLE 2:**

Marks awarded are always **whole marks** (not half marks, or other fractions).

**GENERIC MARKING PRINCIPLE 3:**

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

**GENERIC MARKING PRINCIPLE 4:**

Rules must be applied consistently e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

**GENERIC MARKING PRINCIPLE 5:**

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

**GENERIC MARKING PRINCIPLE 6:**

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

| Question  | Answer   | Marks   |       |                      |   |  |   |                       |   |          |       |           |   |   |               |                                |   |               |  |   |               |                           |   |   |                              |   |  |                   |   |                                       |  |   |   |                                    |   |             |   |
|---|--|---|-------|----------------------|---|--|---|-----------------------|---|----------|-------|-----------|---|---|---------------|--------------------------------|---|---------------|--|---|---------------|---------------------------|---|---|------------------------------|---|--|-------------------|---|---------------------------------------|--|---|---|------------------------------------|---|-------------|---|
| 1(a)(i)   | <p data-bbox="312 248 767 282"><b>Define the term ‘venture capital’.</b></p> <table border="1" data-bbox="323 315 1310 577"> <thead> <tr> <th data-bbox="323 315 1195 378">Knowledge</th> <th data-bbox="1195 315 1310 378">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="323 378 1195 443">A correct definition</td> <td data-bbox="1195 378 1310 443">2</td> </tr> <tr> <td data-bbox="323 443 1195 508">A partial, vague or unfocused definition</td> <td data-bbox="1195 443 1310 508">1</td> </tr> <tr> <td data-bbox="323 508 1195 573">No creditable content</td> <td data-bbox="1195 508 1310 573">0</td> </tr> </tbody> </table> <p data-bbox="312 611 427 645"><b>Content</b></p> <p data-bbox="312 678 1310 745">One mark for an understanding that this is a source of finance (from the business perspective) or an investment (from the entrepreneurs perspective)</p> <ul data-bbox="312 745 919 779" style="list-style-type: none"> <li>• Source of finance/investment/equity/funds</li> </ul> <p data-bbox="312 813 1294 880">One mark for an understanding that this is risky, or for a risky purpose – <b>do not allow ‘risk’ on its own as all investments have risk</b></p> <ul data-bbox="312 880 1086 947" style="list-style-type: none"> <li>• Provided for high risk/risky/riskier/new businesses/high growth/innovations</li> </ul> <table border="1" data-bbox="323 981 1310 1971"> <thead> <tr> <th data-bbox="323 981 759 1046">Exemplar</th> <th data-bbox="759 981 874 1046">Marks</th> <th data-bbox="874 981 1310 1046">Rationale</th> </tr> </thead> <tbody> <tr> <td data-bbox="323 1046 759 1146">A source of finance provided to high risk businesses.</td> <td data-bbox="759 1046 874 1146">2</td> <td data-bbox="874 1046 1310 1146">Both elements</td> </tr> <tr> <td data-bbox="323 1146 759 1247">Investment into a new business</td> <td data-bbox="759 1146 874 1247">2</td> <td data-bbox="874 1146 1310 1247">Both elements</td> </tr> <tr> <td data-bbox="323 1247 759 1348">The equity into a high growth business</td> <td data-bbox="759 1247 874 1348">2</td> <td data-bbox="874 1247 1310 1348">Both elements</td> </tr> <tr> <td data-bbox="323 1348 759 1471">A risky source of finance</td> <td data-bbox="759 1348 874 1471">2</td> <td data-bbox="874 1348 1310 1471">‘Risky’ is just enough for high risk – don’t accept risk on its own</td> </tr> <tr> <td data-bbox="323 1471 759 1606">An investment with some risk</td> <td data-bbox="759 1471 874 1606">1</td> <td data-bbox="874 1471 1310 1606">Investment is worth a mark, but ‘some risk’ is true of all investments</td> </tr> <tr> <td data-bbox="323 1606 759 1706">High risk capital</td> <td data-bbox="759 1606 874 1706">1</td> <td data-bbox="874 1606 1310 1706">‘Capital’ is a repeat of the question</td> </tr> <tr> <td data-bbox="323 1706 759 1874">The money provided to a business when it starts up</td> <td data-bbox="759 1706 874 1874">1</td> <td data-bbox="874 1706 1310 1874">‘starts up’ is good enough (new business), but ‘money provided’ is not enough (source of finance)</td> </tr> <tr> <td data-bbox="323 1874 759 1971">The capital provided for a venture</td> <td data-bbox="759 1874 874 1971">0</td> <td data-bbox="874 1874 1310 1971">A tautology</td> </tr> </tbody> </table> | Knowledge   | Marks | A correct definition | 2 | A partial, vague or unfocused definition | 1 | No creditable content | 0 | Exemplar | Marks | Rationale | A source of finance provided to high risk businesses. | 2 | Both elements | Investment into a new business | 2 | Both elements | The equity into a high growth business | 2 | Both elements | A risky source of finance | 2 | ‘Risky’ is just enough for high risk – don’t accept risk on its own | An investment with some risk | 1 | Investment is worth a mark, but ‘some risk’ is true of all investments | High risk capital | 1 | ‘Capital’ is a repeat of the question | The money provided to a business when it starts up | 1 | ‘starts up’ is good enough (new business), but ‘money provided’ is not enough (source of finance) | The capital provided for a venture | 0 | A tautology | 2 |
| Knowledge   | Marks  |   |       |                      |   |  |   |                       |   |          |       |           |   |   |               |                                |   |               |  |   |               |                           |   |   |                              |   |  |                   |   |                                       |  |   |   |                                    |   |             |   |
| A correct definition                                  | 2  |   |       |                      |   |  |   |                       |   |          |       |           |   |   |               |                                |   |               |  |   |               |                           |   |   |                              |   |  |                   |   |                                       |  |   |   |                                    |   |             |   |
| A partial, vague or unfocused definition              | 1  |   |       |                      |   |  |   |                       |   |          |       |           |   |   |               |                                |   |               |  |   |               |                           |   |   |                              |   |  |                   |   |                                       |  |   |   |                                    |   |             |   |
| No creditable content                                 | 0  |   |       |                      |   |  |   |                       |   |          |       |           |   |   |               |                                |   |               |  |   |               |                           |   |   |                              |   |  |                   |   |                                       |  |   |   |                                    |   |             |   |
| Exemplar  | Marks  | Rationale   |       |                      |   |  |   |                       |   |          |       |           |   |   |               |                                |   |               |  |   |               |                           |   |   |                              |   |  |                   |   |                                       |  |   |   |                                    |   |             |   |
| A source of finance provided to high risk businesses. | 2  | Both elements   |       |                      |   |  |   |                       |   |          |       |           |   |   |               |                                |   |               |  |   |               |                           |   |   |                              |   |  |                   |   |                                       |  |   |   |                                    |   |             |   |
| Investment into a new business                        | 2  | Both elements   |       |                      |   |  |   |                       |   |          |       |           |   |   |               |                                |   |               |  |   |               |                           |   |   |                              |   |  |                   |   |                                       |  |   |   |                                    |   |             |   |
| The equity into a high growth business                | 2  | Both elements   |       |                      |   |  |   |                       |   |          |       |           |   |   |               |                                |   |               |  |   |               |                           |   |   |                              |   |  |                   |   |                                       |  |   |   |                                    |   |             |   |
| A risky source of finance                             | 2  | ‘Risky’ is just enough for high risk – don’t accept risk on its own                               |       |                      |   |  |   |                       |   |          |       |           |   |   |               |                                |   |               |  |   |               |                           |   |   |                              |   |  |                   |   |                                       |  |   |   |                                    |   |             |   |
| An investment with some risk                          | 1  | Investment is worth a mark, but ‘some risk’ is true of all investments                            |       |                      |   |  |   |                       |   |          |       |           |   |   |               |                                |   |               |  |   |               |                           |   |   |                              |   |  |                   |   |                                       |  |   |   |                                    |   |             |   |
| High risk capital                                     | 1  | ‘Capital’ is a repeat of the question   |       |                      |   |  |   |                       |   |          |       |           |   |   |               |                                |   |               |  |   |               |                           |   |   |                              |   |  |                   |   |                                       |  |   |   |                                    |   |             |   |
| The money provided to a business when it starts up    | 1  | ‘starts up’ is good enough (new business), but ‘money provided’ is not enough (source of finance) |       |                      |   |  |   |                       |   |          |       |           |   |   |               |                                |   |               |  |   |               |                           |   |   |                              |   |  |                   |   |                                       |  |   |   |                                    |   |             |   |
| The capital provided for a venture                    | 0  | A tautology   |       |                      |   |  |   |                       |   |          |       |           |   |   |               |                                |   |               |  |   |               |                           |   |   |                              |   |  |                   |   |                                       |  |   |   |                                    |   |             |   |

| Question  | Answer   | Marks   |           |       |   |   |   |   |   |   |   |   |   |          |       |           |  |   |   |  |   |   |   |   |  |   |   |  |                                |   |           |   |
|---|--|---|-----------|-------|---|---|---|---|---|---|---|---|---|----------|-------|-----------|--|---|---|--|---|---|---|---|--|---|---|--|--------------------------------|---|-----------|---|
| 1(a)(ii)  | <p><b>Briefly explain the term ‘internal growth’.</b></p> <p>Award one mark for each point of explanation:</p> <table border="1" data-bbox="312 383 1318 880"> <thead> <tr> <th></th> <th>Knowledge</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>C</td> <td>Example (<b>an example needs to be specific – not the same as items in the A mark</b>) or some other way of showing good understanding, for example AKA organic growth or less risky than external growth, higher cost, higher profitability etc.</td> <td>1</td> </tr> <tr> <td>B</td> <td>Explanation of internal (in terms of growth), – using own funds, reinvesting etc. or in terms of NOT merging/taking over another business (do not allow <b>not external</b>)</td> <td>1</td> </tr> <tr> <td>A</td> <td>Explanation of growth – expansion, getting bigger, opening more stores/factories/outlets etc.</td> <td>1</td> </tr> </tbody> </table> <p><b>Content</b></p> <p>When a business expands its own operations using internal sources of finance. Known as organic growth.</p> <table border="1" data-bbox="312 1081 1318 1939"> <thead> <tr> <th>Exemplar</th> <th>Marks</th> <th>Rationale</th> </tr> </thead> <tbody> <tr> <td>Organic growth by using the businesses profits to open more shops.</td> <td>3</td> <td>‘Organic growth’ – C mark<br/>‘using businesses own profits’ – B mark<br/>‘to open more shops’ – A mark</td> </tr> <tr> <td>Expansion by reinvesting profits as opposed to a merger.</td> <td>2</td> <td>Expansion is A mark<br/>Reinvesting is B mark<br/>‘As opposed to merger’ is also the B mark</td> </tr> <tr> <td>Growth by using the businesses own funds. It is also known as organic growth.</td> <td>2</td> <td>B and C mark – do not award ‘growth’ as the A mark because it is part of the term/in the question.</td> </tr> <tr> <td>Expansion by opening more stores or selling more products. This growth will lead to more sales and the business being able to grow even more in the future.</td> <td>1</td> <td>This is only about growth – A mark, but many times which only gives one mark</td> </tr> <tr> <td>Growth by using internal funds</td> <td>0</td> <td>Tautology</td> </tr> </tbody> </table> |   | Knowledge | Marks | C | Example ( <b>an example needs to be specific – not the same as items in the A mark</b> ) or some other way of showing good understanding, for example AKA organic growth or less risky than external growth, higher cost, higher profitability etc. | 1 | B | Explanation of internal (in terms of growth), – using own funds, reinvesting etc. or in terms of NOT merging/taking over another business (do not allow <b>not external</b> ) | 1 | A | Explanation of growth – expansion, getting bigger, opening more stores/factories/outlets etc. | 1 | Exemplar | Marks | Rationale | Organic growth by using the businesses profits to open more shops. | 3 | ‘Organic growth’ – C mark<br>‘using businesses own profits’ – B mark<br>‘to open more shops’ – A mark | Expansion by reinvesting profits as opposed to a merger. | 2 | Expansion is A mark<br>Reinvesting is B mark<br>‘As opposed to merger’ is also the B mark | Growth by using the businesses own funds. It is also known as organic growth. | 2 | B and C mark – do not award ‘growth’ as the A mark because it is part of the term/in the question. | Expansion by opening more stores or selling more products. This growth will lead to more sales and the business being able to grow even more in the future. | 1 | This is only about growth – A mark, but many times which only gives one mark | Growth by using internal funds | 0 | Tautology | 3 |
|   | Knowledge  | Marks   |           |       |   |   |   |   |   |   |   |   |   |          |       |           |  |   |   |  |   |   |   |   |  |   |   |  |                                |   |           |   |
| C   | Example ( <b>an example needs to be specific – not the same as items in the A mark</b> ) or some other way of showing good understanding, for example AKA organic growth or less risky than external growth, higher cost, higher profitability etc.  | 1   |           |       |   |   |   |   |   |   |   |   |   |          |       |           |  |   |   |  |   |   |   |   |  |   |   |  |                                |   |           |   |
| B   | Explanation of internal (in terms of growth), – using own funds, reinvesting etc. or in terms of NOT merging/taking over another business (do not allow <b>not external</b> )  | 1   |           |       |   |   |   |   |   |   |   |   |   |          |       |           |  |   |   |  |   |   |   |   |  |   |   |  |                                |   |           |   |
| A   | Explanation of growth – expansion, getting bigger, opening more stores/factories/outlets etc.  | 1   |           |       |   |   |   |   |   |   |   |   |   |          |       |           |  |   |   |  |   |   |   |   |  |   |   |  |                                |   |           |   |
| Exemplar  | Marks  | Rationale   |           |       |   |   |   |   |   |   |   |   |   |          |       |           |  |   |   |  |   |   |   |   |  |   |   |  |                                |   |           |   |
| Organic growth by using the businesses profits to open more shops.  | 3  | ‘Organic growth’ – C mark<br>‘using businesses own profits’ – B mark<br>‘to open more shops’ – A mark |           |       |   |   |   |   |   |   |   |   |   |          |       |           |  |   |   |  |   |   |   |   |  |   |   |  |                                |   |           |   |
| Expansion by reinvesting profits as opposed to a merger.  | 2  | Expansion is A mark<br>Reinvesting is B mark<br>‘As opposed to merger’ is also the B mark             |           |       |   |   |   |   |   |   |   |   |   |          |       |           |  |   |   |  |   |   |   |   |  |   |   |  |                                |   |           |   |
| Growth by using the businesses own funds. It is also known as organic growth.   | 2  | B and C mark – do not award ‘growth’ as the A mark because it is part of the term/in the question.    |           |       |   |   |   |   |   |   |   |   |   |          |       |           |  |   |   |  |   |   |   |   |  |   |   |  |                                |   |           |   |
| Expansion by opening more stores or selling more products. This growth will lead to more sales and the business being able to grow even more in the future. | 1  | This is only about growth – A mark, but many times which only gives one mark                          |           |       |   |   |   |   |   |   |   |   |   |          |       |           |  |   |   |  |   |   |   |   |  |   |   |  |                                |   |           |   |
| Growth by using internal funds  | 0  | Tautology   |           |       |   |   |   |   |   |   |   |   |   |          |       |           |  |   |   |  |   |   |   |   |  |   |   |  |                                |   |           |   |

| Question                                       | Answer  | Marks     |       |  |   |   |   |                       |   |        |           |       |                |                  |   |                            |   |   |                  |  |   |              |                                      |   |                  |  |   |   |
|--|---|-----------|-------|--|---|---|---|-----------------------|---|--------|-----------|-------|----------------|------------------|---|----------------------------|---|---|------------------|--|---|--------------|--------------------------------------|---|------------------|--|---|---|
| 1(b)(i)  | <p data-bbox="312 248 1267 282"><b>Refer to Table 1. Calculate the current ratio as at 31 December 2017.</b></p> <table border="1" data-bbox="325 315 1307 573"> <thead> <tr> <th data-bbox="325 315 1193 380">Rationale</th> <th data-bbox="1193 315 1307 380">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="325 380 1193 445">Correct answer with or without correct working</td> <td data-bbox="1193 380 1307 445">2</td> </tr> <tr> <td data-bbox="325 445 1193 510">Formulae or identification of correct figures</td> <td data-bbox="1193 445 1307 510">1</td> </tr> <tr> <td data-bbox="325 510 1193 573">No creditable content</td> <td data-bbox="1193 510 1307 573">0</td> </tr> </tbody> </table> <p data-bbox="312 611 427 645"><b>Content</b></p> <p data-bbox="312 647 363 680">CA</p> <p data-bbox="312 683 363 716">CL</p> <p data-bbox="312 757 371 790"><u>200</u></p> <p data-bbox="312 792 363 826">40</p> <p data-bbox="312 866 520 900">= 5:1 (accept 5)</p> <table border="1" data-bbox="312 934 1321 1456"> <thead> <tr> <th data-bbox="312 934 643 999">Answer</th> <th data-bbox="643 934 1187 999">Rationale</th> <th data-bbox="1187 934 1321 999">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="312 999 643 1064">5 (no working)</td> <td data-bbox="643 999 1187 1064">A correct answer</td> <td data-bbox="1187 999 1321 1064">2</td> </tr> <tr> <td data-bbox="312 1064 643 1196">CL/CA<br/>= 40/200<br/>= 1:5</td> <td data-bbox="643 1064 1187 1196">Formula is wrong way round but correct figures have been identified</td> <td data-bbox="1187 1064 1321 1196">1</td> </tr> <tr> <td data-bbox="312 1196 643 1294">1:5 (no working)</td> <td data-bbox="643 1196 1187 1294">No formula or correct identification of correct figures.</td> <td data-bbox="1187 1196 1321 1294">0</td> </tr> <tr> <td data-bbox="312 1294 643 1359">40/200 = 0.2</td> <td data-bbox="643 1294 1187 1359">Correct figures have been identified</td> <td data-bbox="1187 1294 1321 1359">1</td> </tr> <tr> <td data-bbox="312 1359 643 1456">0.2 (no working)</td> <td data-bbox="643 1359 1187 1456">No formula or correct identification of correct figures.</td> <td data-bbox="1187 1359 1321 1456">0</td> </tr> </tbody> </table> | Rationale | Marks | Correct answer with or without correct working | 2 | Formulae or identification of correct figures | 1 | No creditable content | 0 | Answer | Rationale | Marks | 5 (no working) | A correct answer | 2 | CL/CA<br>= 40/200<br>= 1:5 | Formula is wrong way round but correct figures have been identified | 1 | 1:5 (no working) | No formula or correct identification of correct figures. | 0 | 40/200 = 0.2 | Correct figures have been identified | 1 | 0.2 (no working) | No formula or correct identification of correct figures. | 0 | 2 |
| Rationale                                      | Marks   |           |       |  |   |   |   |                       |   |        |           |       |                |                  |   |                            |   |   |                  |  |   |              |                                      |   |                  |  |   |   |
| Correct answer with or without correct working | 2   |           |       |  |   |   |   |                       |   |        |           |       |                |                  |   |                            |   |   |                  |  |   |              |                                      |   |                  |  |   |   |
| Formulae or identification of correct figures  | 1   |           |       |  |   |   |   |                       |   |        |           |       |                |                  |   |                            |   |   |                  |  |   |              |                                      |   |                  |  |   |   |
| No creditable content                          | 0   |           |       |  |   |   |   |                       |   |        |           |       |                |                  |   |                            |   |   |                  |  |   |              |                                      |   |                  |  |   |   |
| Answer   | Rationale   | Marks     |       |  |   |   |   |                       |   |        |           |       |                |                  |   |                            |   |   |                  |  |   |              |                                      |   |                  |  |   |   |
| 5 (no working)                                 | A correct answer  | 2         |       |  |   |   |   |                       |   |        |           |       |                |                  |   |                            |   |   |                  |  |   |              |                                      |   |                  |  |   |   |
| CL/CA<br>= 40/200<br>= 1:5                     | Formula is wrong way round but correct figures have been identified   | 1         |       |  |   |   |   |                       |   |        |           |       |                |                  |   |                            |   |   |                  |  |   |              |                                      |   |                  |  |   |   |
| 1:5 (no working)                               | No formula or correct identification of correct figures.  | 0         |       |  |   |   |   |                       |   |        |           |       |                |                  |   |                            |   |   |                  |  |   |              |                                      |   |                  |  |   |   |
| 40/200 = 0.2                                   | Correct figures have been identified  | 1         |       |  |   |   |   |                       |   |        |           |       |                |                  |   |                            |   |   |                  |  |   |              |                                      |   |                  |  |   |   |
| 0.2 (no working)                               | No formula or correct identification of correct figures.  | 0         |       |  |   |   |   |                       |   |        |           |       |                |                  |   |                            |   |   |                  |  |   |              |                                      |   |                  |  |   |   |

| Question | Answer  |  |              |   | Marks        |
|----------|---|--|--------------|---|--------------|
| 1(b)(ii) | <b>Analyse two limitations to Thamir of using published accounts to decide whether to invest in CL.</b>   |  |              |   | <b>8</b>     |
|          | <b>Level</b>  | <b>Knowledge and Application<br/>(4 marks)</b>                           | <b>Marks</b> | <b>Analysis<br/>(4 marks)</b>   | <b>Marks</b> |
|          | 2   | Shows understanding of <b>two</b> limitations of CL's published accounts | 4            | Developed analysis to Thamir of <b>two</b> limitations of using CL's published accounts | 4            |
|          |   | Shows understanding of <b>one</b> limitation of CL's published accounts  | 3            | Developed analysis to Thamir of <b>one</b> limitation of using CL's published accounts  | 3            |
|          | 1   | Shows knowledge of <b>two</b> limitations of published accounts          | 2            | Limited analysis of <b>two</b> limitations of using published accounts                  | 2            |
|          |   | Shows knowledge of <b>one</b> limitation of published accounts           | 1            | Limited analysis of <b>one</b> limitation of using published accounts                   | 1            |
|          | 0   | No creditable content  |              |   |              |
|          | <p><b>OFR</b><br/> Do not accept answers which state that the published accounts could be 'wrong' without a valid reason why they might be wrong.<br/> Analysis must be about the limitations to Thamir (as a potential owner/investor) to achieve level 2.<br/> Non-contextual answers can only gain 2 + 2 = 4 marks</p> |  |              |   |              |

| Question  | Answer   |   |   |  | Marks   |                                 |                                       |   |                           |  |   |   |                             |  |                         |  |                                   |  |  |  |  |
|---|--|---|---|--|---|---------------------------------|---------------------------------------|---|---------------------------|--|---|---|-----------------------------|--|-------------------------|--|-----------------------------------|--|--|--|--|
| 1(b)(ii)  | <p><b>Content</b></p> <ul style="list-style-type: none"> <li>• Historical – Published accounts are backward looking and will not tell Thamir much about the current state of the business for his investment. Is the business worth the same now as it was when the accounts were published. Also these accounts are from 31/12/17 – so half a year out of date.</li> <li>• Need something to compare the accounts with – this is only one year, so there is nothing to compare with for Thamir to know if CL is improving or not.</li> <li>• Need other businesses within industry to compare – no other businesses in the clothing industry to compare CL’s accounts with.</li> <li>• Non-financial assets are not included, e.g. human resources, management. May not give the full picture to Thamir. Only includes quantitative values</li> <li>• Income statement only shows totals for the year</li> <li>• Statement of financial position only a snapshot of a business at one point in time</li> <li>• Market is dynamic and changes will not be reflected in the historical account</li> </ul> <p><b>Accept reference to what is missing from the given accounts (fig 1) as contextual (even though the data might appear in the published accounts), e.g. no inventory shown</b></p> <table border="1" data-bbox="312 1070 1318 1933"> <thead> <tr> <th data-bbox="312 1070 552 1301">Examples of knowledge of a limitation of using published accounts</th> <th data-bbox="552 1070 847 1301">Examples of application/context</th> <th data-bbox="847 1070 1082 1301">Examples of possible limited analysis</th> <th data-bbox="1082 1070 1318 1301">Examples of developed analysis in context</th> </tr> </thead> <tbody> <tr> <td data-bbox="312 1301 552 1532">Can be window dressed (K)</td> <td data-bbox="552 1301 847 1532">CL may have postponed payment of bills until after 31st December (APP)</td> <td data-bbox="847 1301 1082 1532">This could make the current assets appear to be worth more (AN)</td> <td data-bbox="1082 1301 1318 1532">Which may lead Thamir to pay more for 50% of the business (DEV)</td> </tr> <tr> <td data-bbox="312 1532 552 1700">May not reflect changes (K)</td> <td data-bbox="552 1532 847 1700">Which may make Thamir’s 50% investment in shares (APP)</td> <td data-bbox="847 1532 1082 1700">a risky investment (AN)</td> <td data-bbox="1082 1532 1318 1700">and may lead to him losing his money (DEV)</td> </tr> <tr> <td data-bbox="312 1700 552 1933">May not show customer loyalty (K)</td> <td data-bbox="552 1700 847 1933">The \$760 000 value of the non-current assets may not include the customer loyalty (APP)</td> <td data-bbox="847 1700 1082 1933">The business may be worth more than Thamir thinks it is (AN)</td> <td data-bbox="1082 1700 1318 1933">Which may lead Thamir to not invest in the business. (DEV)</td> </tr> </tbody> </table> |   |   |  | Examples of knowledge of a limitation of using published accounts | Examples of application/context | Examples of possible limited analysis | Examples of developed analysis in context | Can be window dressed (K) | CL may have postponed payment of bills until after 31st December (APP) | This could make the current assets appear to be worth more (AN) | Which may lead Thamir to pay more for 50% of the business (DEV) | May not reflect changes (K) | Which may make Thamir’s 50% investment in shares (APP) | a risky investment (AN) | and may lead to him losing his money (DEV) | May not show customer loyalty (K) | The \$760 000 value of the non-current assets may not include the customer loyalty (APP) | The business may be worth more than Thamir thinks it is (AN) | Which may lead Thamir to not invest in the business. (DEV) |  |
| Examples of knowledge of a limitation of using published accounts | Examples of application/context  | Examples of possible limited analysis                           | Examples of developed analysis in context                       |  |   |                                 |                                       |   |                           |  |   |   |                             |  |                         |  |                                   |  |  |  |  |
| Can be window dressed (K)   | CL may have postponed payment of bills until after 31st December (APP)   | This could make the current assets appear to be worth more (AN) | Which may lead Thamir to pay more for 50% of the business (DEV) |  |   |                                 |                                       |   |                           |  |   |   |                             |  |                         |  |                                   |  |  |  |  |
| May not reflect changes (K)                                       | Which may make Thamir’s 50% investment in shares (APP)   | a risky investment (AN)   | and may lead to him losing his money (DEV)                      |  |   |                                 |                                       |   |                           |  |   |   |                             |  |                         |  |                                   |  |  |  |  |
| May not show customer loyalty (K)                                 | The \$760 000 value of the non-current assets may not include the customer loyalty (APP)   | The business may be worth more than Thamir thinks it is (AN)    | Which may lead Thamir to not invest in the business. (DEV)      |  |   |                                 |                                       |   |                           |  |   |   |                             |  |                         |  |                                   |  |  |  |  |

| Question   | Answer   |       |             | Marks    |   |                           |            |                           |                   |   |                       |   |  |  |     |   |                                    |   |       |                                   |   |   |   |                       |   |  |
|--|--|-------|-------------|----------|---|---------------------------|------------|---------------------------|-------------------|---|-----------------------|---|--|--|-----|---|------------------------------------|---|-------|-----------------------------------|---|---|---|-----------------------|---|--|
| 1(c)   | <b>Explain two qualities that Thamir is likely to need as a successful entrepreneur.</b> |       |             | <b>4</b> |   |                           |            |                           |                   |   |                       |   |  |  |     |   |                                    |   |       |                                   |   |   |   |                       |   |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="312 344 427 409">Level</th> <th data-bbox="427 344 970 409">Knowledge and Application</th> <th data-bbox="970 344 1086 409">Marks</th> <th data-bbox="1086 344 1318 409">Annotations</th> </tr> </thead> <tbody> <tr> <td data-bbox="312 409 427 510" rowspan="2" style="text-align: center;">2</td> <td data-bbox="427 409 970 510">Explanation of two characteristics in context</td> <td data-bbox="970 409 1086 510" style="text-align: center;">4</td> <td data-bbox="1086 409 1318 510" style="text-align: center;">APP + APP</td> </tr> <tr> <td data-bbox="427 510 970 611">Explanation of one characteristic in context</td> <td data-bbox="970 510 1086 611" style="text-align: center;">3</td> <td data-bbox="1086 510 1318 611" style="text-align: center;">APP</td> </tr> <tr> <td data-bbox="312 611 427 676" rowspan="2" style="text-align: center;">1</td> <td data-bbox="427 611 970 676">Explanation of two characteristics</td> <td data-bbox="970 611 1086 676" style="text-align: center;">2</td> <td data-bbox="1086 611 1318 676" style="text-align: center;">K + K</td> </tr> <tr> <td data-bbox="427 676 970 741">Explanation of one characteristic</td> <td data-bbox="970 676 1086 741" style="text-align: center;">1</td> <td data-bbox="1086 676 1318 741" style="text-align: center;">K</td> </tr> <tr> <td data-bbox="312 741 427 806" style="text-align: center;">0</td> <td data-bbox="427 741 970 806">No creditable content</td> <td data-bbox="970 741 1086 806" style="text-align: center;">0</td> <td data-bbox="1086 741 1318 806"></td> </tr> </tbody> </table> |  |       |             |          | Level   | Knowledge and Application | Marks      | Annotations               | 2                 | Explanation of two characteristics in context | 4                     | APP + APP   | Explanation of one characteristic in context | 3  | APP | 1 | Explanation of two characteristics | 2 | K + K | Explanation of one characteristic | 1 | K | 0 | No creditable content | 0 |  |
| Level  | Knowledge and Application  | Marks | Annotations |          |   |                           |            |                           |                   |   |                       |   |  |  |     |   |                                    |   |       |                                   |   |   |   |                       |   |  |
| 2  | Explanation of two characteristics in context  | 4     | APP + APP   |          |   |                           |            |                           |                   |   |                       |   |  |  |     |   |                                    |   |       |                                   |   |   |   |                       |   |  |
|  | Explanation of one characteristic in context   | 3     | APP         |          |   |                           |            |                           |                   |   |                       |   |  |  |     |   |                                    |   |       |                                   |   |   |   |                       |   |  |
| 1  | Explanation of two characteristics   | 2     | K + K       |          |   |                           |            |                           |                   |   |                       |   |  |  |     |   |                                    |   |       |                                   |   |   |   |                       |   |  |
|  | Explanation of one characteristic  | 1     | K           |          |   |                           |            |                           |                   |   |                       |   |  |  |     |   |                                    |   |       |                                   |   |   |   |                       |   |  |
| 0  | No creditable content  | 0     |             |          |   |                           |            |                           |                   |   |                       |   |  |  |     |   |                                    |   |       |                                   |   |   |   |                       |   |  |
| <p><b>Content</b></p> <ul style="list-style-type: none"> <li>• Risk taker</li> <li>• Leadership skills</li> <li>• Energy and enthusiasm</li> <li>• Self-belief and confidence</li> <li>• Persistence and drive</li> <li>• Ability to work under pressure</li> <li>• Creativity and imagination</li> <li>• Multi-skilled</li> <li>• Dynamic</li> </ul>  |  |       |             |          |   |                           |            |                           |                   |   |                       |   |  |  |     |   |                                    |   |       |                                   |   |   |   |                       |   |  |
| <p><b>ARA</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="320 1294 815 1395">Knowledge of entrepreneurial quality needed for success (K)</th> <th data-bbox="815 1294 1310 1395">Possible context (APP)</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 1395 815 1462">Risk taker</td> <td data-bbox="815 1395 1310 1462">To invest venture capital</td> </tr> <tr> <td data-bbox="320 1462 815 1563">Leadership skills</td> <td data-bbox="815 1462 1310 1563">To become a 50% owner/manager in CL</td> </tr> <tr> <td data-bbox="320 1563 815 1664">Energy and enthusiasm</td> <td data-bbox="815 1563 1310 1664">To take on managerial roles such as advice on JIT</td> </tr> <tr> <td data-bbox="320 1664 815 1753">Drive</td> <td data-bbox="815 1664 1310 1753">Because he was driven to build up an international retail business</td> </tr> </tbody> </table>   |  |       |             |          | Knowledge of entrepreneurial quality needed for success (K) | Possible context (APP)    | Risk taker | To invest venture capital | Leadership skills | To become a 50% owner/manager in CL           | Energy and enthusiasm | To take on managerial roles such as advice on JIT | Drive  | Because he was driven to build up an international retail business |     |   |                                    |   |       |                                   |   |   |   |                       |   |  |
| Knowledge of entrepreneurial quality needed for success (K)  | Possible context (APP)   |       |             |          |   |                           |            |                           |                   |   |                       |   |  |  |     |   |                                    |   |       |                                   |   |   |   |                       |   |  |
| Risk taker   | To invest venture capital  |       |             |          |   |                           |            |                           |                   |   |                       |   |  |  |     |   |                                    |   |       |                                   |   |   |   |                       |   |  |
| Leadership skills  | To become a 50% owner/manager in CL  |       |             |          |   |                           |            |                           |                   |   |                       |   |  |  |     |   |                                    |   |       |                                   |   |   |   |                       |   |  |
| Energy and enthusiasm  | To take on managerial roles such as advice on JIT  |       |             |          |   |                           |            |                           |                   |   |                       |   |  |  |     |   |                                    |   |       |                                   |   |   |   |                       |   |  |
| Drive  | Because he was driven to build up an international retail business                       |       |             |          |   |                           |            |                           |                   |   |                       |   |  |  |     |   |                                    |   |       |                                   |   |   |   |                       |   |  |



| Question | Answer   |              |                   |  |              | Marks     |                    |
|----------|--|--------------|-------------------|--|--------------|-----------|--------------------|
| 1(d)     | <b>Discuss which stakeholders of CL are likely to be most affected by the introduction of Just in Time (JIT) inventory management.</b> |              |                   |  |              | <b>11</b> |                    |
|          | <b>Knowledge and Application (4 marks)</b>   | <b>Marks</b> | <b>Annotation</b> | <b>Analysis and Evaluation (7 marks)</b>   | <b>Marks</b> |           | <b>Annotation</b>  |
|          |  |              |                   | A justified judgement based on a developed argument of at least two stakeholders         | 7            |           | EVAL + EVAL + EVAL |
|          |  |              |                   | A developed judgement based on a developed argument of at least two stakeholders         | 6            |           | EVAL + EVAL        |
|          |  |              |                   | A basic judgement based on a developed argument of at least two stakeholders             | 5            |           | EVAL               |
|          | Shows understanding of <b>two</b> stakeholders in context  | 3–4          | APP + APP         | Argument based on the impact on <b>two</b> stakeholders of CL of just in time in context | 4            |           | DEV + DEV          |
|          | Shows understanding of <b>one</b> stakeholder in context   |              | APP               | Argument based on the impact on <b>one</b> stakeholder of CL of just in time in context  | 3            |           | DEV                |

| Question   | Answer                                     |              |                   |   |              | Marks             |
|--|--|--------------|-------------------|---|--------------|-------------------|
| 1(d)   | <b>Knowledge and Application (4 marks)</b> | <b>Marks</b> | <b>Annotation</b> | <b>Analysis and Evaluation (7 marks)</b>  | <b>Marks</b> | <b>Annotation</b> |
|  | Shows knowledge of two stakeholders        | 1–2          | K + K             | Limited analysis on <b>two</b> stakeholders of CL of the introduction of just in time | 2            | AN + AN           |
|  | Shows knowledge of one stakeholder         |              | K                 | Limited analysis on <b>one</b> of CL stakeholder of the introduction of just in time  | 1            | AN                |
|  | No creditable content                      |              |                   |   |              | 0                 |
| <p><b>Content</b></p> <ul style="list-style-type: none"> <li>Suppliers – at the moment the suppliers deliver once a month but just in time will require more regular deliveries (perhaps daily). This is likely to increase the costs of the supplier which they may or may not pass on to CL. Will CL need to change to closer suppliers?</li> <li>Current owners – could require significant investment. May also be savings to be made on the large warehouse that may not be needed any more.</li> <li>Employees – May be made redundant if they work in the warehouse – alternatively their job may change to distribution rather than warehouse.</li> <li>Customers – used to next day delivery, but this may not be possible if clothes have to be ordered from suppliers after they have been ordered by the customer.</li> <li>Thamir – Condition of him investing in CL</li> </ul> |  |              |                   |   |              |                   |

| Question  | Answer  |   |   |  |   | Marks |
|-----------|---|---|---|--|---|-------|
| 1(d)      | <b>ARA</b><br>An example of how an answer could develop and how it should be annotated. |   |   |  |   |       |
|           | <b>K</b>  | <b>APP</b>  | <b>AN</b>   | <b>DEV</b>   | <b>EVAL</b>   |       |
|           | Suppliers   | only deliver inventory to CL once a month and will need to increase this.         | JIT might mean that the suppliers would need to deliver goods every day increasing their costs. | Which could decrease the suppliers profit.   | Overall the supplier will be more affected by the introduction of JIT than the customer (EVAL). |       |
| Customers | Expect their deliveries the next day if ordered by 18.00.                               | With JIT this may no longer be possible and the customer may have to wait longer. | Which could make the customer have to order from elsewhere.                                     | Because the supplier may not have enough other customers to stop supplying CL, whereas the customer is likely to have greater choice of where to buy clothes from. (EVAL EVAL).<br><br>However this depends on how much extra time the customer will have to wait for delivery (EVAL EVAL EVAL). |   |       |

| Question                                 | Answer   | Marks                       |       |                      |   |  |   |                       |   |          |      |           |                            |   |                       |                             |   |                           |                  |   |                             |                                 |   |                             |   |
|--|--|-----------------------------|-------|----------------------|---|--|---|-----------------------|---|----------|------|-----------|----------------------------|---|-----------------------|-----------------------------|---|---------------------------|------------------|---|-----------------------------|---------------------------------|---|-----------------------------|---|
| 2(a)(i)                                  | <p data-bbox="311 248 869 282"><b>Define the term ‘primary sector’ (line x).</b></p> <table border="1" data-bbox="327 315 1305 573"> <thead> <tr> <th data-bbox="327 315 1193 376">Knowledge</th> <th data-bbox="1193 315 1305 376">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="327 376 1193 443">A correct definition</td> <td data-bbox="1193 376 1305 443">2</td> </tr> <tr> <td data-bbox="327 443 1193 510">A partial, vague or unfocused definition</td> <td data-bbox="1193 443 1305 510">1</td> </tr> <tr> <td data-bbox="327 510 1193 573">No creditable content</td> <td data-bbox="1193 510 1305 573">0</td> </tr> </tbody> </table> <p data-bbox="311 611 427 645"><b>Content</b></p> <p data-bbox="311 645 1193 712">The sector of business that deals directly with natural resources/the extraction of natural resources.</p> <p data-bbox="311 745 1125 779">One mark for showing understanding that it is about extraction</p> <ul data-bbox="311 779 965 813" style="list-style-type: none"> <li data-bbox="311 779 965 813">• Extraction, mining, fishing, farming/agriculture</li> </ul> <p data-bbox="311 846 1201 880">One mark for showing understating that it is to do with raw materials</p> <ul data-bbox="311 880 853 913" style="list-style-type: none"> <li data-bbox="311 880 853 913">• Raw materials, natural resources etc.</li> </ul> <table border="1" data-bbox="327 947 1305 1272"> <thead> <tr> <th data-bbox="327 947 762 1014">Exemplar</th> <th data-bbox="762 947 874 1014">Mark</th> <th data-bbox="874 947 1305 1014">Rationale</th> </tr> </thead> <tbody> <tr> <td data-bbox="327 1014 762 1081">Extraction of raw material</td> <td data-bbox="762 1014 874 1081">2</td> <td data-bbox="874 1014 1305 1081">Both elements covered</td> </tr> <tr> <td data-bbox="327 1081 762 1149">Acquiring natural materials</td> <td data-bbox="762 1081 874 1149">1</td> <td data-bbox="874 1081 1305 1149">‘Acquiring’ is not enough</td> </tr> <tr> <td data-bbox="327 1149 762 1216">Farming the land</td> <td data-bbox="762 1149 874 1216">1</td> <td data-bbox="874 1149 1305 1216">No idea of the raw material</td> </tr> <tr> <td data-bbox="327 1216 762 1272">Mining things out of the ground</td> <td data-bbox="762 1216 874 1272">1</td> <td data-bbox="874 1216 1305 1272">No idea of the raw material</td> </tr> </tbody> </table> | Knowledge                   | Marks | A correct definition | 2 | A partial, vague or unfocused definition | 1 | No creditable content | 0 | Exemplar | Mark | Rationale | Extraction of raw material | 2 | Both elements covered | Acquiring natural materials | 1 | ‘Acquiring’ is not enough | Farming the land | 1 | No idea of the raw material | Mining things out of the ground | 1 | No idea of the raw material | 2 |
| Knowledge                                | Marks  |                             |       |                      |   |  |   |                       |   |          |      |           |                            |   |                       |                             |   |                           |                  |   |                             |                                 |   |                             |   |
| A correct definition                     | 2  |                             |       |                      |   |  |   |                       |   |          |      |           |                            |   |                       |                             |   |                           |                  |   |                             |                                 |   |                             |   |
| A partial, vague or unfocused definition | 1  |                             |       |                      |   |  |   |                       |   |          |      |           |                            |   |                       |                             |   |                           |                  |   |                             |                                 |   |                             |   |
| No creditable content                    | 0  |                             |       |                      |   |  |   |                       |   |          |      |           |                            |   |                       |                             |   |                           |                  |   |                             |                                 |   |                             |   |
| Exemplar                                 | Mark   | Rationale                   |       |                      |   |  |   |                       |   |          |      |           |                            |   |                       |                             |   |                           |                  |   |                             |                                 |   |                             |   |
| Extraction of raw material               | 2  | Both elements covered       |       |                      |   |  |   |                       |   |          |      |           |                            |   |                       |                             |   |                           |                  |   |                             |                                 |   |                             |   |
| Acquiring natural materials              | 1  | ‘Acquiring’ is not enough   |       |                      |   |  |   |                       |   |          |      |           |                            |   |                       |                             |   |                           |                  |   |                             |                                 |   |                             |   |
| Farming the land                         | 1  | No idea of the raw material |       |                      |   |  |   |                       |   |          |      |           |                            |   |                       |                             |   |                           |                  |   |                             |                                 |   |                             |   |
| Mining things out of the ground          | 1  | No idea of the raw material |       |                      |   |  |   |                       |   |          |      |           |                            |   |                       |                             |   |                           |                  |   |                             |                                 |   |                             |   |

| Question  | Answer   | Marks              |           |       |   |  |   |   |   |   |   |  |   |          |      |           |  |   |                    |   |   |                    |  |   |               |  |   |               |   |   |             |   |
|---|--|--------------------|-----------|-------|---|--|---|---|---|---|---|--|---|----------|------|-----------|--|---|--------------------|---|---|--------------------|--|---|---------------|--|---|---------------|---|---|-------------|---|
| 2(a)(ii)  | <p><b>Briefly explain the term ‘flow production’ (line x).</b></p> <p>Award one mark for each point of explanation:</p> <table border="1" data-bbox="312 349 1321 779"> <thead> <tr> <th></th> <th>Knowledge</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>C</td> <td>Example or some other way of showing good understanding, for example (high) use of machinery/capital, homogeneous (exactly the same) products, allows greater economies of scale</td> <td>3</td> </tr> <tr> <td>B</td> <td>Allows greater/faster production/high volume/mass – i.e. can produce more</td> <td>2</td> </tr> <tr> <td>A</td> <td>Use of an assembly line, continuous, produced in stages, one after another</td> <td>1</td> </tr> </tbody> </table> <p><b>Content</b><br/>Flow production – the continuous movement of products through the production process. When one task is finished the next task starts.</p> <p>Flow production is also known as mass production and uses production lines e.g. car manufacturer. High volume of similar items.</p> <table border="1" data-bbox="312 1048 1321 1738"> <thead> <tr> <th>Exemplar</th> <th>Mark</th> <th>Rationale</th> </tr> </thead> <tbody> <tr> <td>Mass production on an assembly line, for example car manufacture</td> <td>3</td> <td>All three elements</td> </tr> <tr> <td>Continuous production of many goods, often using high levels of capital</td> <td>3</td> <td>All three elements</td> </tr> <tr> <td>Making large amounts of the same product</td> <td>2</td> <td>B and C marks</td> </tr> <tr> <td>Flow production is mass producing products on an assembly line</td> <td>2</td> <td>A and B marks</td> </tr> <tr> <td>When goods are made one after another in a continuous production line</td> <td>1</td> <td>Only A mark</td> </tr> </tbody> </table> |                    | Knowledge | Marks | C | Example or some other way of showing good understanding, for example (high) use of machinery/capital, homogeneous (exactly the same) products, allows greater economies of scale | 3 | B | Allows greater/faster production/high volume/mass – i.e. can produce more | 2 | A | Use of an assembly line, continuous, produced in stages, one after another | 1 | Exemplar | Mark | Rationale | Mass production on an assembly line, for example car manufacture | 3 | All three elements | Continuous production of many goods, often using high levels of capital | 3 | All three elements | Making large amounts of the same product | 2 | B and C marks | Flow production is mass producing products on an assembly line | 2 | A and B marks | When goods are made one after another in a continuous production line | 1 | Only A mark | 3 |
|   | Knowledge  | Marks              |           |       |   |  |   |   |   |   |   |  |   |          |      |           |  |   |                    |   |   |                    |  |   |               |  |   |               |   |   |             |   |
| C   | Example or some other way of showing good understanding, for example (high) use of machinery/capital, homogeneous (exactly the same) products, allows greater economies of scale   | 3                  |           |       |   |  |   |   |   |   |   |  |   |          |      |           |  |   |                    |   |   |                    |  |   |               |  |   |               |   |   |             |   |
| B   | Allows greater/faster production/high volume/mass – i.e. can produce more  | 2                  |           |       |   |  |   |   |   |   |   |  |   |          |      |           |  |   |                    |   |   |                    |  |   |               |  |   |               |   |   |             |   |
| A   | Use of an assembly line, continuous, produced in stages, one after another   | 1                  |           |       |   |  |   |   |   |   |   |  |   |          |      |           |  |   |                    |   |   |                    |  |   |               |  |   |               |   |   |             |   |
| Exemplar  | Mark   | Rationale          |           |       |   |  |   |   |   |   |   |  |   |          |      |           |  |   |                    |   |   |                    |  |   |               |  |   |               |   |   |             |   |
| Mass production on an assembly line, for example car manufacture        | 3  | All three elements |           |       |   |  |   |   |   |   |   |  |   |          |      |           |  |   |                    |   |   |                    |  |   |               |  |   |               |   |   |             |   |
| Continuous production of many goods, often using high levels of capital | 3  | All three elements |           |       |   |  |   |   |   |   |   |  |   |          |      |           |  |   |                    |   |   |                    |  |   |               |  |   |               |   |   |             |   |
| Making large amounts of the same product                                | 2  | B and C marks      |           |       |   |  |   |   |   |   |   |  |   |          |      |           |  |   |                    |   |   |                    |  |   |               |  |   |               |   |   |             |   |
| Flow production is mass producing products on an assembly line          | 2  | A and B marks      |           |       |   |  |   |   |   |   |   |  |   |          |      |           |  |   |                    |   |   |                    |  |   |               |  |   |               |   |   |             |   |
| When goods are made one after another in a continuous production line   | 1  | Only A mark        |           |       |   |  |   |   |   |   |   |  |   |          |      |           |  |   |                    |   |   |                    |  |   |               |  |   |               |   |   |             |   |

| Question   | Answer  | Marks     |       |  |   |   |   |  |   |  |   |                       |   |        |           |       |     |                |   |                   |                         |   |                  |                                 |   |                |   |   |                                     |   |   |                  |   |   |                   |   |   |          |
|--|---|-----------|-------|--|---|---|---|--|---|--|---|-----------------------|---|--------|-----------|-------|-----|----------------|---|-------------------|-------------------------|---|------------------|---------------------------------|---|----------------|---|---|-------------------------------------|---|---|------------------|---|---|-------------------|---|---|----------|
| 2(b)(i)  | <p><b>Refer to Table 2. Calculate the market size of WW's target market.</b></p> <table border="1" data-bbox="325 315 1305 703"> <thead> <tr> <th>Rationale</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>Correct answer, with or without working or million (m)</td> <td>4</td> </tr> <tr> <td>Attempt at the final answer using correct figures</td> <td>3</td> </tr> <tr> <td>Calculation of one correct figure (can be OFR)</td> <td>2</td> </tr> <tr> <td>Formula* <b>or</b> identification of correct figures</td> <td>1</td> </tr> <tr> <td>No creditable content</td> <td>0</td> </tr> </tbody> </table> <p><i>*Formula can be implied from the use of the correct figures</i></p> <p><b>Content</b></p> $\frac{\text{Target market}}{\text{Population}} \times 100$ <p>80% purchase bottled water = 80% of 60m = 48m <b>(2)</b></p> <p>15% of 48m take part in sport = 15% of 48m = 7.2m <b>(4)</b></p> <p>Answer = 7.2m <b>(4)</b></p> <table border="1" data-bbox="312 1191 1321 1843"> <thead> <tr> <th>Answer</th> <th>Rationale</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>7.2</td> <td>Correct answer</td> <td>4</td> </tr> <tr> <td>15% of 48m = 0.72</td> <td>An error in final stage</td> <td>3</td> </tr> <tr> <td>80% of 60m = 48m</td> <td>One correct figure with working</td> <td>2</td> </tr> <tr> <td>15% of 60m = 9</td> <td>Missed out a stage, but a correct calculation based on their own figure</td> <td>2</td> </tr> <tr> <td>60/80 = 0.075m<br/>0.075/15 = 0.005m</td> <td>Incorrect way to calculate a percentage but identification of correct figures</td> <td>1</td> </tr> <tr> <td>48m (no working)</td> <td>An incorrect answer with no working to back it up</td> <td>0</td> </tr> <tr> <td>0.72 (no working)</td> <td>An incorrect answer with no working to back it up</td> <td>0</td> </tr> </tbody> </table> | Rationale | Marks | Correct answer, with or without working or million (m) | 4 | Attempt at the final answer using correct figures | 3 | Calculation of one correct figure (can be OFR) | 2 | Formula* <b>or</b> identification of correct figures | 1 | No creditable content | 0 | Answer | Rationale | Marks | 7.2 | Correct answer | 4 | 15% of 48m = 0.72 | An error in final stage | 3 | 80% of 60m = 48m | One correct figure with working | 2 | 15% of 60m = 9 | Missed out a stage, but a correct calculation based on their own figure | 2 | 60/80 = 0.075m<br>0.075/15 = 0.005m | Incorrect way to calculate a percentage but identification of correct figures | 1 | 48m (no working) | An incorrect answer with no working to back it up | 0 | 0.72 (no working) | An incorrect answer with no working to back it up | 0 | <b>4</b> |
| Rationale  | Marks   |           |       |  |   |   |   |  |   |  |   |                       |   |        |           |       |     |                |   |                   |                         |   |                  |                                 |   |                |   |   |                                     |   |   |                  |   |   |                   |   |   |          |
| Correct answer, with or without working or million (m) | 4   |           |       |  |   |   |   |  |   |  |   |                       |   |        |           |       |     |                |   |                   |                         |   |                  |                                 |   |                |   |   |                                     |   |   |                  |   |   |                   |   |   |          |
| Attempt at the final answer using correct figures      | 3   |           |       |  |   |   |   |  |   |  |   |                       |   |        |           |       |     |                |   |                   |                         |   |                  |                                 |   |                |   |   |                                     |   |   |                  |   |   |                   |   |   |          |
| Calculation of one correct figure (can be OFR)         | 2   |           |       |  |   |   |   |  |   |  |   |                       |   |        |           |       |     |                |   |                   |                         |   |                  |                                 |   |                |   |   |                                     |   |   |                  |   |   |                   |   |   |          |
| Formula* <b>or</b> identification of correct figures   | 1   |           |       |  |   |   |   |  |   |  |   |                       |   |        |           |       |     |                |   |                   |                         |   |                  |                                 |   |                |   |   |                                     |   |   |                  |   |   |                   |   |   |          |
| No creditable content                                  | 0   |           |       |  |   |   |   |  |   |  |   |                       |   |        |           |       |     |                |   |                   |                         |   |                  |                                 |   |                |   |   |                                     |   |   |                  |   |   |                   |   |   |          |
| Answer   | Rationale   | Marks     |       |  |   |   |   |  |   |  |   |                       |   |        |           |       |     |                |   |                   |                         |   |                  |                                 |   |                |   |   |                                     |   |   |                  |   |   |                   |   |   |          |
| 7.2  | Correct answer  | 4         |       |  |   |   |   |  |   |  |   |                       |   |        |           |       |     |                |   |                   |                         |   |                  |                                 |   |                |   |   |                                     |   |   |                  |   |   |                   |   |   |          |
| 15% of 48m = 0.72                                      | An error in final stage   | 3         |       |  |   |   |   |  |   |  |   |                       |   |        |           |       |     |                |   |                   |                         |   |                  |                                 |   |                |   |   |                                     |   |   |                  |   |   |                   |   |   |          |
| 80% of 60m = 48m                                       | One correct figure with working   | 2         |       |  |   |   |   |  |   |  |   |                       |   |        |           |       |     |                |   |                   |                         |   |                  |                                 |   |                |   |   |                                     |   |   |                  |   |   |                   |   |   |          |
| 15% of 60m = 9   | Missed out a stage, but a correct calculation based on their own figure   | 2         |       |  |   |   |   |  |   |  |   |                       |   |        |           |       |     |                |   |                   |                         |   |                  |                                 |   |                |   |   |                                     |   |   |                  |   |   |                   |   |   |          |
| 60/80 = 0.075m<br>0.075/15 = 0.005m                    | Incorrect way to calculate a percentage but identification of correct figures   | 1         |       |  |   |   |   |  |   |  |   |                       |   |        |           |       |     |                |   |                   |                         |   |                  |                                 |   |                |   |   |                                     |   |   |                  |   |   |                   |   |   |          |
| 48m (no working)                                       | An incorrect answer with no working to back it up   | 0         |       |  |   |   |   |  |   |  |   |                       |   |        |           |       |     |                |   |                   |                         |   |                  |                                 |   |                |   |   |                                     |   |   |                  |   |   |                   |   |   |          |
| 0.72 (no working)                                      | An incorrect answer with no working to back it up   | 0         |       |  |   |   |   |  |   |  |   |                       |   |        |           |       |     |                |   |                   |                         |   |                  |                                 |   |                |   |   |                                     |   |   |                  |   |   |                   |   |   |          |

| Question   | Answer   | Marks |                           |       |   |                                     |   |   |                          |   |   |                       |   |  |                                   |                  |   |                    |   |                         |   |   |
|--|--|-------|---------------------------|-------|---|-------------------------------------|---|---|--------------------------|---|---|-----------------------|---|--|-----------------------------------|------------------|---|--------------------|---|-------------------------|---|---|
| 2(b)(ii)   | <p data-bbox="312 248 1078 282"><b>Explain one benefit to WW of targeting a niche market.</b></p> <table border="1" data-bbox="320 315 1313 577"> <thead> <tr> <th data-bbox="320 315 437 376">Level</th> <th data-bbox="437 315 1198 376">Knowledge and Application</th> <th data-bbox="1198 315 1313 376">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 376 437 443">2</td> <td data-bbox="437 376 1198 443">Explanation of a benefit in context</td> <td data-bbox="1198 376 1313 443">2</td> </tr> <tr> <td data-bbox="320 443 437 510">1</td> <td data-bbox="437 443 1198 510">Explanation of a benefit</td> <td data-bbox="1198 443 1313 510">1</td> </tr> <tr> <td data-bbox="320 510 437 577">0</td> <td data-bbox="437 510 1198 577">No creditable content</td> <td data-bbox="1198 510 1313 577">0</td> </tr> </tbody> </table> <p data-bbox="312 611 427 645"><b>Content</b></p> <ul data-bbox="312 678 1246 999" style="list-style-type: none"> <li>• Less competition – <i>this needs to have some reference to the target market to become application</i></li> <li>• More brand loyalty</li> <li>• Cheaper market research</li> <li>• Higher potential profit margins</li> <li>• Less risk</li> <li>• Less initial investment</li> <li>• Lower cost for marketing/promotion</li> <li>• Higher price can be charged</li> </ul> <p data-bbox="312 1032 379 1066"><b>ARA</b></p> <table border="1" data-bbox="312 1099 1321 1559"> <thead> <tr> <th data-bbox="312 1099 818 1193">Knowledge of a benefit of targeting a niche market (K)</th> <th data-bbox="818 1099 1321 1193">Possible benefit in context (APP)</th> </tr> </thead> <tbody> <tr> <td data-bbox="312 1193 818 1328">Less competition</td> <td data-bbox="818 1193 1321 1328">There are no brands currently targeting bottled water to sportspeople</td> </tr> <tr> <td data-bbox="312 1328 818 1462">More brand loyalty</td> <td data-bbox="818 1328 1321 1462">Because consumers may feel that WW is line with their beliefs about sport and water</td> </tr> <tr> <td data-bbox="312 1462 818 1559">Cheaper market research</td> <td data-bbox="818 1462 1321 1559">WW only needs to research 7.2m not 60m people</td> </tr> </tbody> </table> | Level | Knowledge and Application | Marks | 2 | Explanation of a benefit in context | 2 | 1 | Explanation of a benefit | 1 | 0 | No creditable content | 0 | Knowledge of a benefit of targeting a niche market (K) | Possible benefit in context (APP) | Less competition | There are no brands currently targeting bottled water to sportspeople | More brand loyalty | Because consumers may feel that WW is line with their beliefs about sport and water | Cheaper market research | WW only needs to research 7.2m not 60m people | 2 |
| Level  | Knowledge and Application  | Marks |                           |       |   |                                     |   |   |                          |   |   |                       |   |  |                                   |                  |   |                    |   |                         |   |   |
| 2  | Explanation of a benefit in context  | 2     |                           |       |   |                                     |   |   |                          |   |   |                       |   |  |                                   |                  |   |                    |   |                         |   |   |
| 1  | Explanation of a benefit   | 1     |                           |       |   |                                     |   |   |                          |   |   |                       |   |  |                                   |                  |   |                    |   |                         |   |   |
| 0  | No creditable content  | 0     |                           |       |   |                                     |   |   |                          |   |   |                       |   |  |                                   |                  |   |                    |   |                         |   |   |
| Knowledge of a benefit of targeting a niche market (K) | Possible benefit in context (APP)  |       |                           |       |   |                                     |   |   |                          |   |   |                       |   |  |                                   |                  |   |                    |   |                         |   |   |
| Less competition                                       | There are no brands currently targeting bottled water to sportspeople  |       |                           |       |   |                                     |   |   |                          |   |   |                       |   |  |                                   |                  |   |                    |   |                         |   |   |
| More brand loyalty                                     | Because consumers may feel that WW is line with their beliefs about sport and water  |       |                           |       |   |                                     |   |   |                          |   |   |                       |   |  |                                   |                  |   |                    |   |                         |   |   |
| Cheaper market research                                | WW only needs to research 7.2m not 60m people  |       |                           |       |   |                                     |   |   |                          |   |   |                       |   |  |                                   |                  |   |                    |   |                         |   |   |

| Question  | Answer  |   |              |   | Marks        |
|---|---|---|--------------|---|--------------|
| 2(c)  | <b>Analyse how having two of Goleman’s emotional intelligence competencies could help the person selected fulfil the role of sales manager.</b> |   |              |   | <b>8</b>     |
|   | <b>Level</b>  | <b>Knowledge and Application (4 marks)</b>  | <b>Marks</b> | <b>Analysis (4 marks)</b>   | <b>Marks</b> |
|   | 2b  | Shows understanding of how <b>two</b> of Goleman’s competencies could help the person selected fulfil the role of sales manager | 4            | Developed analysis of the use of <b>two</b> of Goleman’s competencies could help the person selected fulfil the role of sales manager | 4            |
|   | 2a  | Shows knowledge of how <b>one</b> of Goleman’s competencies could help the person selected fulfil the role of sales manager     | 3            | Developed analysis of the use of <b>one</b> of Goleman’s competencies could help the person selected fulfil the role of sales manager | 3            |
|   | 1b  | Shows knowledge of <b>two</b> of Goleman’s competencies   | 2            | Limited analysis of the use of <b>two</b> of Goleman’s competencies in recruitment  | 2            |
|   | 1a  | Shows knowledge of <b>one</b> of Goleman’s competencies   | 1            | Limited analysis of the use of <b>one</b> of Goleman’s competencies in recruitment  | 1            |
|   | 0   | No creditable content   |              |   |              |
| <p><b>NOTE. the analytical impact can be on any stakeholder of the business</b><br/> <b>Candidates must show that they know the specific competencies by name</b></p> |   |   |              |   |              |



| Question                          | Answer  |  |  |  | Marks                             |                                  |                                       |   |                |   |  |  |                           |  |  |  |  |
|-----------------------------------|---|--|--|--|-----------------------------------|----------------------------------|---------------------------------------|---|----------------|---|--|--|---------------------------|--|--|--|--|
| 2(c)                              | <p><b>Content</b></p> <p><u>Self-awareness</u> i.e. Emotional self-awareness; accurate self-assessment; self-confidence.<br/><i>e.g. needs to be able to recognise own skills and develop these within the sales role at WW.</i></p> <p><u>Self management</u> – Self-control, trustworthiness, conscientiousness, adaptability, focus on achievement and initiative.<br/><i>e.g. Needs time management skills. Ability to work on own.</i></p> <p><u>Social awareness</u> – Empathy, understanding of the organisation of the business, focus on customer service.<br/><i>e.g. needs understand how to negotiate</i></p> <p><u>Social skills/management</u> – Influencing others, leadership, developing others, communication skills, conflict management, teamworking and collaboration.<br/><i>e.g. ability to work as a team. Good communicator</i></p> <table border="1" data-bbox="312 853 1318 1619"> <thead> <tr> <th data-bbox="312 853 564 1016">Examples of Golman’s competencies</th> <th data-bbox="564 853 817 1016">Examples of application/ context</th> <th data-bbox="817 853 1069 1016">Examples of possible limited analysis</th> <th data-bbox="1069 853 1318 1016">Examples of possible developed analysis</th> </tr> </thead> <tbody> <tr> <td data-bbox="312 1016 564 1386">Self-awareness</td> <td data-bbox="564 1016 817 1386">The sales manager must be willing to develop their own skills</td> <td data-bbox="817 1016 1069 1386">If the manager is self-aware then they know which skills to develop in themselves so that WW can have a successful launch into the market.</td> <td data-bbox="1069 1016 1318 1386">This is likely to lead to WW being able to dominate the niche market and make more profit.</td> </tr> <tr> <td data-bbox="312 1386 564 1619">Social skills/ management</td> <td data-bbox="564 1386 817 1619">Important because the sales manager must lead a team of sales-people</td> <td data-bbox="817 1386 1069 1619">This is likely to make the sales team more effective</td> <td data-bbox="1069 1386 1318 1619">Which could lead to WW establishing the brand and gaining a high market share.</td> </tr> </tbody> </table> |  |  |  | Examples of Golman’s competencies | Examples of application/ context | Examples of possible limited analysis | Examples of possible developed analysis | Self-awareness | The sales manager must be willing to develop their own skills | If the manager is self-aware then they know which skills to develop in themselves so that WW can have a successful launch into the market. | This is likely to lead to WW being able to dominate the niche market and make more profit. | Social skills/ management | Important because the sales manager must lead a team of sales-people | This is likely to make the sales team more effective | Which could lead to WW establishing the brand and gaining a high market share. |  |
| Examples of Golman’s competencies | Examples of application/ context  | Examples of possible limited analysis  | Examples of possible developed analysis  |  |                                   |                                  |                                       |   |                |   |  |  |                           |  |  |  |  |
| Self-awareness                    | The sales manager must be willing to develop their own skills   | If the manager is self-aware then they know which skills to develop in themselves so that WW can have a successful launch into the market. | This is likely to lead to WW being able to dominate the niche market and make more profit. |  |                                   |                                  |                                       |   |                |   |  |  |                           |  |  |  |  |
| Social skills/ management         | Important because the sales manager must lead a team of sales-people  | This is likely to make the sales team more effective   | Which could lead to WW establishing the brand and gaining a high market share.             |  |                                   |                                  |                                       |   |                |   |  |  |                           |  |  |  |  |

| Question | Answer   |              |                   |   |              | Marks     |                    |
|----------|--|--------------|-------------------|---|--------------|-----------|--------------------|
| 2(d)     | <b>Recommend suitable promotional methods for the launch of WW bottled water. Justify your recommendation.</b> |              |                   |   |              | <b>11</b> |                    |
|          | <b>Knowledge and Application (4 marks)</b>   | <b>Marks</b> | <b>Annotation</b> | <b>Analysis and Evaluation (7 marks)</b>  | <b>Marks</b> |           | <b>Annotation</b>  |
|          |  |              |                   | A justified recommendation based on a developed argument of at least two promotional methods in context | 7            |           | EVAL + EVAL + EVAL |
|          |  |              |                   | A developed recommendation based on a developed argument of at least two promotional methods in context | 6            |           | EVAL + EVAL        |
|          |  |              |                   | A basic recommendation based on a developed argument of at least two promotional methods in context     | 5            |           | EVAL               |
|          | Shows understanding of <b>two</b> promotional methods in context   | 3–4          | APP + APP         | Argument based on <b>two</b> promotional methods in context   | 4            |           | DEV + DEV          |
|          | Shows understanding of <b>one</b> promotional method in context  |              | APP               | Argument based on <b>one</b> promotional method in context  | 3            |           | DEV                |

| Question   | Answer  |              |                   |  |              | Marks             |
|--|---|--------------|-------------------|--|--------------|-------------------|
| 2(d)   | <b>Knowledge and Application (4 marks)</b>        | <b>Marks</b> | <b>Annotation</b> | <b>Analysis and Evaluation (7 marks)</b>           | <b>Marks</b> | <b>Annotation</b> |
|  | Shows knowledge of <b>two</b> promotional methods | 1–2          | K + K             | Limited analysis of <b>two</b> promotional methods | 2            | AN + AN           |
|  | Shows knowledge of <b>one</b> promotional method  |              | K                 | Limited analysis of <b>one</b> promotional method  | 1            | AN                |
|  | No creditable content                             |              |                   |  |              |                   |
| <p><b>NOTE – allow different types of advertising (i.e. radio and TV) as separate promotional methods.</b></p> <p><b>Content</b><br/>Promotional methods could include:</p> <ul style="list-style-type: none"> <li>• Television</li> <li>• Radio</li> <li>• Cinema</li> <li>• Sponsorship</li> <li>• Newspapers</li> <li>• Sales promotions</li> <li>• Packaging</li> <li>• Direct marketing</li> <li>• Digital marketing</li> <li>• Email</li> <li>• Trade fairs</li> <li>• Merchandising</li> <li>• Telesales</li> <li>• Personal selling</li> </ul> <p>Analysis and evaluation should focus on the contextual elements, including:</p> <ul style="list-style-type: none"> <li>• WW only sold in country X – suggests a national method is more suitable</li> <li>• WW is targeted at a niche market – mass marketing method may not be appropriate and may be too expensive</li> <li>• WW is a new business – no idea of the promotional budget. Cheaper/below the line methods are likely to be more suitable</li> <li>• WW seems to have an ethical stance (no harmful chemical) so certain no-environmental methods might be unsuitable (i.e. newspaper)</li> <li>• 7.2m market – although niche this is still a sizable market to reach – might suggest mass marketing methods are more suitable</li> </ul> |   |              |                   |  |              |                   |

| Question                 | Answer  |   |  |  | Marks |     |    |     |      |             |   |   |  |  |                          |  |   |  |  |  |
|--------------------------|---|---|--|--|-------|-----|----|-----|------|-------------|---|---|--|--|--------------------------|--|---|--|--|--|
| 2(d)                     | <ul style="list-style-type: none"> <li>• WW selling through wholesalers and retailers, so industrial marketing methods (i.e. direct sales etc.) will be needed as well as any consumer marketing. To what extent will retailers and wholesalers promote the product for WW?</li> <li>• No other competitors, so WW might be able to start a ‘slow’ promotional campaign – less urgency at launch</li> <li>• New sales manager suggests the importance of direct sales</li> </ul> <p><b>ARA</b></p> <p>An example of how an answer could develop and how it should be annotated.</p> <table border="1" data-bbox="320 689 1310 1928"> <thead> <tr> <th data-bbox="320 689 520 754">K</th> <th data-bbox="520 689 716 754">APP</th> <th data-bbox="716 689 916 754">AN</th> <th data-bbox="916 689 1112 754">DEV</th> <th data-bbox="1112 689 1310 754">EVAL</th> </tr> </thead> <tbody> <tr> <td data-bbox="320 754 520 1122">Advertising</td> <td data-bbox="520 754 716 1122">WW is targeting a large number of people (7.2m) and advertising is likely to hit a mass market.</td> <td data-bbox="716 754 916 1122">The advertising may make people aware of WW and increase sales.</td> <td data-bbox="916 754 1112 1122">Leading to an increase in profit for WW.</td> <td data-bbox="1112 754 1310 1122">Overall advertising is a better method of promotion for the launch of WW. (EVAL)</td> </tr> <tr> <td data-bbox="320 1122 520 1928">Below the line promotion</td> <td data-bbox="520 1122 716 1928">WW is a new business and BTL promotion has a low cost.</td> <td data-bbox="716 1122 916 1928">This is good for WW because they are unlikely to have much cash when launching the bottled water.</td> <td data-bbox="916 1122 1112 1928">Which is more likely to allow WW to spend on other more important areas of the business.</td> <td data-bbox="1112 1122 1310 1928">Because WW need to build up a market share quickly more than they need to reduce costs. (EVAL EVAL)<br/><br/>However this depends on WW having the cashflow to afford advertising for the launch. (EVAL EVAL EVAL)</td> </tr> </tbody> </table> |   |  |  | K     | APP | AN | DEV | EVAL | Advertising | WW is targeting a large number of people (7.2m) and advertising is likely to hit a mass market. | The advertising may make people aware of WW and increase sales. | Leading to an increase in profit for WW. | Overall advertising is a better method of promotion for the launch of WW. (EVAL) | Below the line promotion | WW is a new business and BTL promotion has a low cost. | This is good for WW because they are unlikely to have much cash when launching the bottled water. | Which is more likely to allow WW to spend on other more important areas of the business. | Because WW need to build up a market share quickly more than they need to reduce costs. (EVAL EVAL)<br><br>However this depends on WW having the cashflow to afford advertising for the launch. (EVAL EVAL EVAL) |  |
| K                        | APP   | AN  | DEV  | EVAL   |       |     |    |     |      |             |   |   |  |  |                          |  |   |  |  |  |
| Advertising              | WW is targeting a large number of people (7.2m) and advertising is likely to hit a mass market.   | The advertising may make people aware of WW and increase sales.                                   | Leading to an increase in profit for WW.   | Overall advertising is a better method of promotion for the launch of WW. (EVAL)   |       |     |    |     |      |             |   |   |  |  |                          |  |   |  |  |  |
| Below the line promotion | WW is a new business and BTL promotion has a low cost.  | This is good for WW because they are unlikely to have much cash when launching the bottled water. | Which is more likely to allow WW to spend on other more important areas of the business. | Because WW need to build up a market share quickly more than they need to reduce costs. (EVAL EVAL)<br><br>However this depends on WW having the cashflow to afford advertising for the launch. (EVAL EVAL EVAL) |       |     |    |     |      |             |   |   |  |  |                          |  |   |  |  |  |