Questions matter

A-level Business

Sample assessment material item commentaries

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A-level Paper 1, Paper 2 and Paper 3

Questions: 1 and/or 2

- Marks: 6
- Command: Analyse

Assessment objectives and marks

AO1	AO2	AO3	AO4
2	2	2	0

Rationale for assessment objective classification

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

A typical question might ask learners to:
- "Analyse why A has introduced B"

or
- "Analyse the impact of C on D"

or
- "Analyse how E might lead to F"

- **AO1** will relate to knowledge and understanding of relevant terms, concepts, theories, methods and models e.g. demonstrating a knowledge and understanding of the relevant factors that relate to why something happened or issues relating to the impact of a change.
- **AO2** will relate to the use of the context in the response. The item material typically will relate to a particular business and to achieve AO2 the response must be in this context rather than generic.
- **AO3** will reward analysis. To achieve AO3 a response must develop a chain of argument.

Example: A-level Paper 3, Question 01.1

Analyse why exchange rate changes are a risk to Microsoft.

[6 marks]

- **AO1:** learners will need to demonstrate a knowledge and understanding of how exchange rates may create a risk e.g. by increasing costs or selling prices in foreign currencies.
- **AO2**: learners will need to demonstrate how exchange rate changes link to Microsoft. Information on this is present in the item which demonstrates the international nature of the business.
- **AO3:** learners will need to develop a chain of argument to show how exchange rate changes may be a risk for Microsoft; for example, potential changes may affect the price of items and therefore sales in the various regions where Microsoft operates or it may affect its costs, thereby creating risks for the business.

Rationale for item type

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

Content sampled

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

This comprises:

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

Paper 2 will draw questions from Focus 3.2: "Managing operations and people".

This comprises:

3.2.1   Operations management
3.2.2   People management
3.2.3   Managing business culture

Paper 3 will draw questions from Focus 3.3: "Business and society, business and the external environment, and business strategy".

This comprises:

3.3.1   Business and society
3.3.2   Business and the external environment
3.3.3   Strategy
3.3.4   Change

The focus of a question will be drawn directly from the specific content areas of the Focus linked to that paper. However, in answering these questions learners can draw upon knowledge and understanding from areas of the specification covered by earlier papers. For example, in Paper 3 learners may draw on their understanding of marketing and finance from Paper 1 and operations and human resources from Paper 2 when answering a question on strategy.

Example: A-level Paper 3, Question 01.1

Analyse why exchange rate changes are a risk to Microsoft.

[6 marks]

Exchange rates are listed as content in Focus 3.3.

Mark scheme consideration

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

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

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

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

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

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

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

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

Example: A-level Paper 3, Question 01.1

Analyse why exchange rate changes are a risk to Microsoft.

[6 marks]

Mark scheme

AO1: 2, AO2: 2, AO3: 2

Level	The student will typically demonstrate	Mark
3	**A good response overall that focuses on many of the demands of the question.** Provides an answer to the question that demonstrates: • good knowledge and understanding • good application to the context • good analysis.	**5–6**
2	**A reasonable response overall that focuses on some of the demands of the question.** Provides an answer to the question that demonstrates: • good knowledge and understanding • reasonable application to the context • reasonable analysis.	**3–4**

1	**A limited response overall with little focus on the demands of the question.** Provides an answer to the question that demonstrates: • some knowledge and understanding • limited application to the context • limited analysis.	**1–2**

The demands of the question are:
• to demonstrate knowledge and understanding of exchange rates (AO1)
• in the context of Microsoft (AO2)
• to analyse why exchange rate changes are a risk to Microsoft (AO3).

Arguments:
• a significant proportion of Microsoft's turnover and costs are in foreign currencies, so any adverse change presents a risk to profits (and therefore probably share price).
For example:
• the dollar value of costs may rise if the dollar becomes weaker against other currencies such as Euro.
• the dollar value of revenues may fall if the dollar becomes stronger in export markets such as Europe.

Exchange rate changes therefore create a risk that Microsoft's profits may fall below the 2022 level of $72bn. This may reduce demand for shares creating a risk that the market capitalisation falls below the current level of $2 trillion.

All relevant arguments are credited.

Accessibility considerations

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

The demands of the question will clearly relate to the specification content. For example, exchange rates are listed in Focus 3.3 (3.3.2).

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

Level of demand

Medium. Analysis of qualitative information.

Questions: 1 and/or 2

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

Assessment objectives and marks

AO1	AO2	AO3	AO4
2	2	2	

Rationale for assessment objective classification

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

A typical question might ask learners to:
- "Analyse why A has introduced B"

or
- "Analyse the impact of C on D"

or
- "Analyse how E might lead to F"

- **AO1** will relate to knowledge and understanding of the relevant terms, concepts, theories, methods and models e.g. demonstrating a knowledge and understanding of the relevant factors that relate to why something happened or the impact of a change.
- **AO2** will relate to the use of data provided in the item. Learners will be directed to a figure or table to use in their response. Learners will be expected to interpret the data and/or undertake calculations in their responses.
- **AO3** will reward analysis. To achieve AO3 a response must develop a chain of argument.

Example: A-level Paper 2: Question 02.2

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

Analyse how this delay might affect Netflix.

Use Appendix A and relevant calculations in your answer.

[6 marks]

Rationale for item type

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

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

Content sampled

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

This comprises:

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

Paper 2 will draw questions from Focus 3.2: "Managing operations and people".

This comprises:

3.2.1   Operations management
3.2.2   People management
3.2.3   Managing business culture

Paper 3 will draw questions from Focus 3.3: "Business and society, business and the external environment, and business strategy".

This comprises:

3.3.1   Business and society
3.3.2   Business and the external environment
3.3.3   Strategy
3.3.4   Change

The focus of a question will be drawn directly from the specific content areas of the Focus linked to that paper. However, in answering these questions learners can draw upon knowledge and understanding from areas of the specification covered by earlier papers. For example, in Paper 3 learners may draw on their understanding of marketing and finance from Paper 1 and operations and human resources from Paper 2 when answering a question on strategy.

Example: A-level Paper 2: Question 02.2

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

Analyse how this delay might affect Netflix.

Use Appendix A and relevant calculations in your answer.

[6 marks]

Network analysis and critical path are listed as content in Focus 3.2 (3.2.1)

Mark scheme considerations

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

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

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

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

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

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

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

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

Example: A-level Paper 2: Question 02.2

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

Analyse how this delay might affect Netflix.

Use Appendix A and relevant calculations in your answer.

[6 marks]

Mark scheme

AO1: 2, AO2: 2, AO3: 2

Level	The student will typically demonstrate	Mark
3	**A good response overall that focuses on many of the demands of the question.** Provides an answer to the question that demonstrates: • good knowledge and understanding • good application to the context • good analysis.	5–6
2	**A reasonable response overall that focuses on some of the demands of the question.** Provides an answer to the question set that demonstrates:	3–4

	• good knowledge and understanding • reasonable application to the context • reasonable analysis.	
1	**A limited response overall with little focus on the demands of the question.** Provides an answer to the question set that demonstrates: • some knowledge and understanding • limited application to the context • limited analysis.	1–2

The demands of the question are:
- to demonstrate knowledge and understanding of network diagrams (AO1)
- in the context of the information provided (AO2)
- to analyse how a delay might affect Netflix (AO3).

Arguments
- The critical path changes from ABDEH to ACEH
- Activity C previously had a float time of 2 months and so the delay to C means that the earliest start time for activities E, F & G is now 12 months rather than 9 months
- The project is likely to be delayed by a total of 3 months which will mean it cannot be screened as scheduled for 17 months
- This will affect subscriptions and budgets which might either affect profits and share price or lead to cost cutting elsewhere.

All relevant arguments will be credited.

Accessibility considerations

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

The question will clearly relate to items listed on the specification. For example, the example question is a network analysis and critical path question which are listed in Focus 3.2 (3.2.1).

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

Level of demand

Medium. Analysis of quantitative and/or qualitative information.

Questions: 3 and/or 4

- Marks: 9
- Command: Assess

Assessment objectives and marks

AO1	AO2	AO3	AO4
2	2	2	3

Rationale for assessment objective classification

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

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

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

A response to this question requires:

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

Example: A-level Paper 1 Question 1.03

Assess whether Gymshark is right to use influencers to promote the business.

[9 marks]

Rationale for item type

This item type requires judgement and is more demanding that the 6 -mark analysis questions, hence the higher tariff. However, the judgement is focused on one specific issue which makes it relatively contained compared to the 15-mark questions. The structure of a response (for, against and judgement) is clear in the instructions given to learners.

Content sampled

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

This comprises:

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

Paper 2 will draw questions from Focus 3.2: "Managing operations and people".

This comprises:

3.2.1   Operations management
3.2.2   People management
3.2.3   Managing business culture

Paper 3 will draw questions from Focus 3.3: "Business and society, business and the external environment, and business strategy".

This comprises:

3.3.1   Business and society
3.3.2   Business and the external environment
3.3.3   Strategy
3.3.4   Change

The focus of a question will be drawn directly from the specific content areas of the Focus linked to that paper. However, in answering these questions learners can draw upon knowledge and understanding from areas of the specification covered by earlier papers. For example, in Paper 3 learners may draw on their understanding of marketing and finance from Paper 1 and operations and human resources from Paper 2 when answering a question on strategy.

Example: A-level Paper 1 Question 1.03

Assess whether Gymshark is right to use influencers to promote the business.

[9 marks]

"Influencers" are listed as an element of the marketing mix in Focus 3.1. (3.1.3)

Mark scheme considerations

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

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

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

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

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

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

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

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

Example: A-level Paper 1 Question 1.03
Assess whether Gymshark is right to use influencers to promote the business.

[9 marks]

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

Level	The student will typically demonstrate	Marks
3	**A good response overall that focuses on the demands of the question.** Provides an answer to the question that demonstrates: • good knowledge and understanding • good application to the context • good analysis • judgement which is supported by argument(s) based on quantitative and/or qualitative information.	**7–9**
2	**A reasonable response overall that focuses on some demands of the question.** Provides an answer to the question that demonstrates: • good knowledge and understanding • reasonable application to the context	**4–6**

	• reasonable analysis • judgement which has some support from argument(s) based on quantitative and/or qualitative information.	
1	**A limited response overall with little focus on the demands of the question.** Provides an answer to the question that demonstrates: • knowledge and understanding which may lack depth or contain some inaccuracy • limited application to the context • limited analysis • judgement which has limited support from argument(s) based on quantitative and/or qualitative information. •	**1–3**

The demands of the question are:
- to demonstrate knowledge and understanding of influencers (AO1)
- in the context of Gymshark (AO2)
- to analyse the use of influencers (AO3)
- to support a judgment on whether it is right for Gymshark to use them to promote the business (AO4).

Arguments supporting the use of influencers to promote the business:
- Influencers can have a wide reach (sometimes millions of users) and could help Gymshark be seen by many potential customers. The sportswear market is competitive, and exposure can therefore be crucial to success.
- Gymshark is targeting younger gym goers who are likely to be aware of influencers and more likely to purchase based on an influencer showing or using Gymshark.
- Facebook and Instagram are huge platforms and therefore using influencers could be seen by billions of people. Facebook has over 3 billion active users globally, Instagram 2 billion and Tik Tok over 1 billion.
- Influencers may be a cheaper form of promotion than advertising and using shops to promote the brand. Some influencers may want to be associated with the Gymshark brand and therefore may be prepared to take Gymshark clothes as payment for promotion.
- Influencers can be selected based on their abilities and number of followers. For example, Gymshark can choose influencers who are body builders or athletes. This could help boost sales and help Gymshark to portray the image it is hoping for.

Arguments against using influencers to promote the business:
- Ben has a large following of his own, so wouldn't necessarily need to pay money to use influencers if he can promote the products using his own social media.
- Influencers with many followers may be expensive. This could raise the costs for Gymshark and force prices higher. In such a competitive market, Gymshark's products may be price sensitive and therefore this could damage its profit margins.

- Using influencers could mean that potential customers from other demographics may not be able to see the promotion for the brand. This may limit its reach. Facebook, Instagram and Tik Tok for example may not appeal to certain people and therefore the promotion may not have the reach it is hoping for.

Judgement:
- Influencers use platforms such as Facebook, Instagram and Tik Tok. Due to the number of active users across these platforms, this could be an effective and quick way to reach many customers and help to achieve growth.
- Depends on cost and reach of influencers and who is chosen. There is a risk if there are any scandals or bad publicity linked to the influencer.

All relevant arguments and judgements will be credited.

Accessibility considerations

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

The question will clearly relate to items listed on the specification. For example, "influencers" are listed as an element of the marketing mix in Focus 3.1. (3.1.3)

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

Level of demand

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

Questions: 3 and/or 4

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

Assessment objectives and marks

AO1	AO2	AO3	AO4
2	2	2	3

Rationale for assessment objective classification

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

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

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

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

Example: A-level Paper 1 Question 01.4

Assess whether Gymshark was in a better financial position in 2022 than 2021.

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

[9 marks]

Rationale for item type

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

Content sampled

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

This comprises:

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

Paper 2 will draw questions from Focus 3.2: "Managing operations and people".

This comprises:

3.2.1   Operations management
3.2.2   People management
3.2.3   Managing business culture

Paper 3 will draw questions from Focus 3.3: "Business and society, business and the external environment, and business strategy".

This comprises:

3.3.1   Business and society
3.3.2   Business and the external environment
3.3.3   Strategy
3.3.4   Change

The focus of a question will be drawn directly from the specific content areas of the Focus linked to that paper. However, in answering these questions learners can draw upon knowledge and understanding from areas of the specification covered by earlier papers. For example, in Paper 3 learners may draw on their understanding of marketing and finance from Paper 1 and operations and human resources from Paper 2 when answering a question on strategy.

Example: A-level Paper 1 Question 01.4

Assess whether Gymshark was in a better financial position in 2022 than 2021.

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

[9 marks]

Financial analysis including ratios is part of the content of Focus 3.1. (3.1.4)

Mark scheme considerations

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

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

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

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

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

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

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

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

Example: A-level Paper 1 Question 01.4

Assess whether Gymshark was in a better financial position in 2022 than 2021.

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

[9 marks]

Mark scheme

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

Level	The student will typically demonstrate	Marks
3	**A good response overall that focuses on the demands of the question.** Provides an answer to the question that demonstrates: • good knowledge and understanding • good application to the context • good analysis • judgement which is supported by argument(s) based on quantitative and/or qualitative information	7–9
2	**A reasonable response overall that focuses on some demands of the question.** Provides an answer to the question that demonstrates:	4–6

	• good knowledge and understanding • reasonable application to the context • reasonable analysis • judgement which has some support from argument(s) based on quantitative and/or qualitative information	
1	**A limited response overall with little focus on the demands of the question.** Provides an answer to the question that demonstrates: • knowledge and understanding which may lack depth or contain some inaccuracy • limited application to the context • limited analysis • judgement which has limited support from argument(s) based on quantitative and/or qualitative information	**1–3**

The demands of the question are:
• to demonstrate knowledge and understanding of financial data (AO1)
• in the context of Gymshark in 2022 compared to 2021 (AO2)
• to analyse its financial position (AO3)
• to support a judgement on whether the financial position was better in 2022 than 2021 (AO4).

	2022 £000	Calculations	2021 £000	Calculations
Turnover	484,476	NPM 4.65%	401,946	NPM 9.08%
Net profit	22,529	Gearing 48.90%	36,497	Gearing 17.96%
Non-current liabilities	76,743	ROCE 14.33%	16,849	ROCE 38.89%
Capital employed	157 256		93,835	

Arguments supporting that Gymshark's financial position was better in 2022 than 2021:
• Turnover in 2022 is higher by £82,530,000.
• Gearing in 2022 is significantly higher than in 2021, but still less than 50%. This could be because of increased borrowing to fund expansion. It could be argued that 17.96% in 2021 could be too low and represent a lack of risk taking.
• Gymshark opened a physical store in October 2022 which is likely to mean that non-current assets would increase and could be the cause of the increase in gearing. This is less of an issue in terms of financial performance.

Arguments against Gymshark's financial position being better in 2022 than 2021:
- Gearing was lower in 2021 (17.96% compared to 48.90%) suggesting that Gymshark was less susceptible to changes in interest rates than it would be in 2022.
- Net profit was higher in 2021 by £1,396,800 and the net profit margin was higher in 2021 (9.08% compared to 4.65%). This suggests that Gymshark could struggle to access profit as a source of finance to open further physical stores.
- Return on capital employed was higher in 2021 showing a more efficient use of financial resources in 2021.

Judgement:
Overall, the financial position does look worse in 2022: gearing is higher, profit margin and the ROCE is lower. Ideally would have comparisons with other businesses and an understanding of the strategy would help to place these numbers in context.

All relevant arguments and judgements will be credited.

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

The question will clearly relate to items listed on the specification. For example, financial analysis including ratios is part of the content of Focus 3.1.

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

Level of demand
Medium to high. An evaluation of quantitative and qualitative information.

Question: 5

- Marks: 15
- Command: Assess

Assessment objectives and marks

AO1	AO2	AO3	AO4
3	3	4	5

Rationale for assessment objective classification

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

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

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

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

Example: A-level Paper 2 Question 02.5

Which is more likely to contribute to Netflix's future growth:
- its use of digital technology

or
- its culture?

Assess both options and make a judgement.

[15 marks]

A response to this question requires:
- knowledge and understanding of digital technology (in marketing and operations) and culture (AO1)
- the use of the context of Netflix and the industry it is in, drawn from the item AO2)
- an analysis of arguments relating to digital technology and Netflix's culture (AO3)
- an evaluation of the two options to make a judgement regarding the contribution of digital technology compared to Netflix's culture in relation to future growth (AO4).

Rationale for item type

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

Content sampled

Paper 1 will draw questions from Focus 3.1: "What is business, managing marketing and finance ".
This comprises:
3.1.1   Business and objectives
3.1.2   Forms of business and stakeholders
3.1.3   Marketing management
3.1.4   Financial management

Paper 2 will draw questions from Focus 3.2: "Managing operations and people".
This comprises:
3.2.1   Operations management
3.2.2   People management
3.2.3   Managing business culture

Paper 3 will draw questions from Focus 3.3: "Business and society, business and the external environment, and business strategy".
This comprises:
3.3.1   Business and society
3.3.2   Business and the external environment
3.3.3   Strategy
3.3.4   Change

The focus of a question will be drawn directly from the specific content areas of the Focus linked to that paper. However, in answering these questions learners can draw upon knowledge and understanding from areas of the specification covered by earlier papers. For example, in Paper 3 learners may draw on their understanding of marketing and finance from Paper 1 and operations and human resources from Paper 2 when answering a question on strategy.

Example: A-level Paper 2 Question 02.5

Which is more likely to contribute to Netflix's future growth:
- its use of digital technology

or
- its culture?

Assess both options and make a judgement.

[15 marks]

Digital technology and culture are both part of the content for Focus 3.2 (3.2.1 and 3.2.3). Knowledge and understanding can also be drawn from digital technology in 3.1 (3.1.3).

Mark scheme considerations

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

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

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

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

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

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

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

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

Example: A-level Paper 2 Question 02.5
Which is more likely to contribute to Netflix's future growth:
- its use of digital technology

or
- its culture?

Assess both options and make a judgement.

[15 marks]

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

Level	The student will typically demonstrate	Marks
5	**An excellent response overall that is fully focused on the key demands of the question.** Provides an answer to the question that demonstrates: • good knowledge and understanding • good application to the context throughout • good analysis throughout	**13–15**

	• excellent evaluation of quantitative and/or qualitative information • a convincing judgement/recommendation which is built effectively on strong arguments and weighs up both options.	
4	**A good response overall that focuses on the demands of the question.** Provides an answer to the question that demonstrates: • good knowledge and understanding • good application to the context • good analysis • good evaluation of quantitative and/or qualitative information • a clear judgement/recommendation which is supported by arguments and considers both options.	**10–12**
3	**A reasonable response overall that focuses on some demands of the question.** Provides an answer to the question that demonstrates: • reasonable knowledge and understanding • reasonable application to the context • reasonable analysis • reasonable evaluation of quantitative and/or qualitative information • a judgement/recommendation which is supported by some of the arguments made.	**7–9**
2	**A limited response overall with little focus on the demands of the question.** Provides an answer to the question that demonstrates: • limited knowledge and understanding • limited application to the context • limited analysis • limited evaluation of quantitative and/or qualitative information to support the arguments • a judgement/recommendation which has limited support.	**4–6**
1	**A weak response overall lacking focus on the demands of the question.** Provides an answer to the question that demonstrates: • isolated or imprecise knowledge and understanding • descriptive application to the context • weak analysis • weak evaluation of quantitative and/or qualitative information • a judgement/recommendation based on assertions.	**1–3**

The demands of the question are:
- to demonstrate knowledge and understanding of digital technology (in operations) and culture (AO1)
- in the context of Netflix (AO2)
- to analyse the options given (AO3)
- to support a judgement on which is more likely to contribute to Netflix's future growth (AO4).

Arguments for the use of digital technology:
- Digital technology allows the company to receive a range of data relating to its current content and therefore is an important source of market research information, helping it compete in a growing sector.
- Personalised recommendations are facilitated and so the company can better meet the needs of users, improving their experience and so Netflix's competitiveness.
- Digital technology affords improved efficiency when producing original content. This can reduce costs, improve product quality and increase output and thus improves competitiveness.
- Digital technology improves the quality of delivery leading to more subscriptions eg because of the smooth streaming of content and better-quality video.

Arguments for Netflix's culture:
- The company operates with very few rules suggesting it has a strong culture that is widely understood and may support operational effectiveness when quick decisions are needed.
- A culture where employees are trusted to make the right decisions and given freedom and responsibility may be motivational and so lead to increased productivity and quality which can differentiate Netflix from competitors.
- Common approaches to decision-making should promote familiarity with shared working practices, allowing project and cross-functional teams to work effectively.

Judgement:
- Because it uses technology to create and deliver its services, digital innovations may be vital in gathering market research, developing products and improving the delivery of content to differentiate Netflix and so allow it to survive and grow in a competitive market.
- However, a strong culture can be crucial in a service-sector business if it can foster innovative solutions as a result of staff sharing a common set of values and approaches to creating value as Netflix looks to consolidate its market leadership in a growing market.
- The culture may support the development and successful use of the digital technology.

All relevant arguments and judgements will be credited.

Accessibility considerations

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

The question will clearly relate to items covered by the specification. For example, in the example question, digital technology and culture are both part of the content for Focus 3.2.

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

Level of demand

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

Question: 5

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

Assessment objectives and marks

AO1	AO2	AO3	AO4
3	3	4	5

Rationale for assessment objective classification

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

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

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

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

Example: A-level Paper 3 Question 01.5

Is it better for Microsoft to expand through:
- internal growth

or
- external growth?

Use Tables 1 to 3 in your answer. Assess both options and make a judgement.

[15 marks]

A response to this question requires:
- knowledge and understanding of internal and external growth (AO1)
- the use of the context of Microsoft with reference to the data in Tables 1 to 3 (AO2)
- an analysis of arguments relating to both options (AO3)
- an evaluation of the two options to make a judgement (AO4).

Rationale for item type

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

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

Content sampled

Paper 1 will draw questions from Focus 3.1: "What is business, managing marketing and finance ".
This comprises:
3.1.1   Business and objectives
3.1.2   Forms of business and stakeholders
3.1.3   Marketing management
3.1.4   Financial management

Paper 2 will draw questions from Focus 3.2: "Managing operations and people".
This comprises:
3.2.1   Operations management
3.2.2   People management
3.2.3   Managing business culture

Paper 3 will draw questions from Focus 3.3: "Business and society, business and the external environment, and business strategy".
This comprises:
3.3.1   Business and society
3.3.2   Business and the external environment
3.3.3   Strategy
3.3.4   Change

The focus of a question will be drawn directly from the specific content areas of the Focus linked to that paper. However, in answering these questions learners can draw upon knowledge and understanding from areas of the specification covered by earlier papers. For example, in Paper 3 learners may draw on their understanding of marketing and finance from Paper 1 and operations and human resources from Paper 2 when answering a question on strategy.

Example: A-level Paper 3 Question 01.5

Is it better for Microsoft to expand through:

- internal growth

or

- external growth?

Use Tables 1 to 3 in your answer. Assess both options and make a judgement.

[15 marks]

Internal and external growth are both part of the content of Focus 3.3.(3.3.3)

Mark scheme considerations

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

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

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

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

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

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

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

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

Example: A-level Paper 3 Question 01.5

Is it better for Microsoft to expand through:

- internal growth

or

- external growth?

Use Tables 1 to 3 in your answer. Assess both options and make a judgement.

[15 marks]

Mark scheme

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

Level	The student will typically demonstrate	Marks
5	**An excellent response overall that is fully focused on the key demands of the question.** Provides an answer to the question that demonstrates: • good knowledge and understanding • good application to the context throughout • good analysis throughout • excellent evaluation of quantitative and/or qualitative information	**13–15**

	• a convincing judgement/recommendation which is built effectively on strong arguments and weighs up both options.	
4	**A good response overall that focuses on the demands of the question.** Provides an answer to the question that demonstrates: • good knowledge and understanding • good application to the context • good analysis • good evaluation of quantitative and/or qualitative information • a clear judgement/recommendation which is supported by arguments and considers both options.	**10–12**
3	**A reasonable response overall that focuses on some demands of the question.** Provides an answer to the question that demonstrates: • reasonable knowledge and understanding • reasonable application to the context • reasonable analysis • reasonable evaluation of quantitative and/or qualitative information • a judgement/recommendation which is supported by some of the arguments made.	**7–9**
2	**A limited response overall with little focus on the demands of the question.** Provides an answer to the question that demonstrates: • limited knowledge and understanding • limited application to the context • analysis with little development • limited evaluation of quantitative and/or qualitative information to support the arguments • a judgement/recommendation which has limited support.	**4–6**
1	**A weak response overall lacking focus on the demands of the question.** Provides an answer to the question that demonstrates: • isolated or imprecise knowledge and understanding • descriptive application to the context • weak analysis • weak evaluation of quantitative and/or qualitative information • a judgement/recommendation based on assertions.	**1–3**

The demands of the question are:
- to demonstrate knowledge and understanding of internal and external growth (AO1)
- in the context of Microsoft (AO2)
- to analyse both options (AO3)
- to support a judgement on which is the better form of growth for Microsoft (AO4).

Arguments for growing externally
- growing externally allows Microsoft to access the experience and product portfolios of other businesses quickly (as with Activision Blizzard and Open AI); could take years and heavy investment to build up this presence itself in a market and may not succeed
- growth is one of its aims and external growth allows rapid expansion so helps it fulfil its aim quickly

but
- external growth can be expensive eg $75 billion for Activision
- current gearing is around 67% so need to consider how acquisition may be financed
- can lead to culture clashes

Arguments for growing internally
- may be slower but Microsoft may have more control can finance it with high profit margins (40%) and high levels of profit ($72bn)
- has strong R&D to develop own products
- may avoid potential culture clashes or challenges of incorporating a new business (as happened with Activision Blizzard)

Judgement
- what markets it wants to expand into eg does it have necessary expertise?
- how fast it wants to grow
- the extent of cultural differences and Microsoft's ability to overcome them
- whether they are hostile or friendly acquisitions

All relevant arguments and judgement are credited.

Accessibility considerations

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

The question will clearly relate to items covered by the specification. For example, in the example question internal and external growth are both part of the content of Focus 3.3.

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

Level of demand

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