

# Bishop Challoner Catholic College



## Exam Success in Business Assessment Guide 2023

## Overview

In this guide there will be information on how to structure exam answers in response to different command words. These words are common across the two papers you will be sitting.

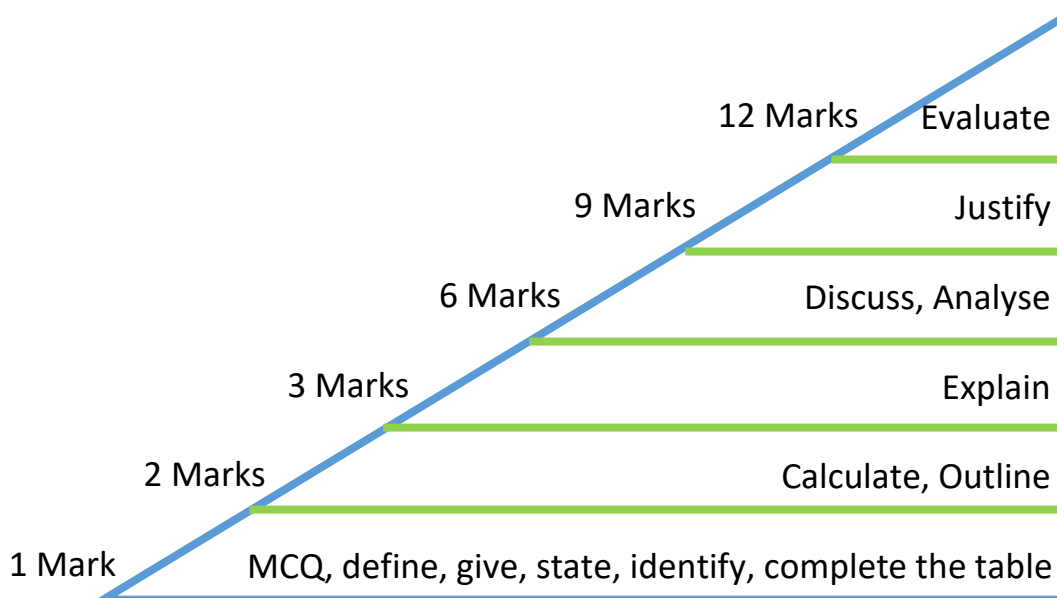
There are exemplar answers that you can use as a guide on what to aim for when structuring your responses.

There is also information about the final examinations and the structure of them. This will be handy when planning your responses under exam conditions.

## Command Word Overview

Edexcel provide a list of the command words they will use throughout the paper. Each of these words requires a different type of response. You will be examined on different skills for each command word. Remember to also take note of how many marks will be available for your answer.

These command words are ramped; you are not going to see an 'Evaluate' question with only 3 marks attached to it. Likewise you will not see an 'Outline' question for 12 marks. The ramping structure is in *fig 1*.



*Fig 1*

Command Word	What are you being tested on?	Required Response
Define	<i>Knowledge</i>	Define a term from the specification content.
Give	<i>Knowledge</i>	Recall knowledge based on the question given. A simple statement will suffice
State	<i>Application</i>	Similar to a 'give' answer only it must be linked to the context given. A simple statement will suffice
Identify	<i>Application</i>	Select the correct answer from reading a graph or table of data
Calculate	<i>Application</i>	Use mathematical skills to reach the answer, based on given data. Calculators may be used and workings should be given
Outline [2]	<i>Application</i>	Give two linked points about a business concept or issue, placed in context in the question.
Explain [3]	<i>Knowledge and understanding</i>	Make your initial point, offering two points explaining why this is the case and what might be the consequences to a business. These questions will not be in context and rely on your understanding of business concepts.
Discuss [6]	<i>Understanding and Analysis of either numerical data or qualitative data</i>	The first of the extended responses. Aim to make <b>two</b> points within your answer, expanding on each of them by explaining <b>why</b> they occur and any effects that this may have on a business. You do not need to give a balanced argument but can be if you deem appropriate. These questions will not be based on a given context, but you can use an example to help to explain your response.
Analyse [6]	<i>Application and Analysis of data</i>	Try to make <b>two</b> points within your answer, expanding on each of them and explaining <b>why</b> they occur. This is very similar to a 'discuss' question, but this time you will be given a context which you must embed your answer in. Simply including the business name will not suffice.
Justify [9]	<i>Application, Analysis of data and evaluating your findings by making judgements</i>	These questions will always have a business scenario attached to them, so you must embed your response in context. In the question you will be given two options. You must make a judgement on which option will be most appropriate. Your answer must be <b>balanced</b> . Pick one of the options and look at the advantages and disadvantages of this option. You should be aiming to make at least two well developed points. There must be a conclusion.
Evaluate [12]	<i>Understanding, Application, Analysis and Evaluation by drawing a conclusion</i>	Each paper will end with a 12 mark 'evaluate' question. Here you will need to draw a conclusion using your business knowledge regarding a particular scenario. This will be in context so your answer must be relevant to the scenario. Your answer must be balanced- you should look at the scenario from different view points, finally deciding which of these you agree with and why. You should apply weighting to your conclusion: "I believe...because..."

## ***Exemplar Answers***

All topics can be applied to all command words and so you will need to not only have the knowledge of structure but also an in depth knowledge of all content. In this section you are provided with answers that would score full marks.

### Outline

*Outline a dynamic force currently putting pressure on companies in the crisps market*

**There is a social pressure for healthy eating. Consumers may not view crisps as fitting into the healthy foods category.**

### Explain

*Explain why it is easier to make bold business decisions if your business is limited company than if it is a sole trader with unlimited liability.*

**A limited company will have limited liability. This means that as the company is a separate legal entity, the shareholders are not personally responsible for any debt the business may incur. This means that if a bold decision is made, there is an element of protection against your personal belongings making it less risky to take a chance.**

### Discuss

*Discuss the importance to a first time entrepreneur of studying the strengths and weaknesses of competitors.*

**For a brand new business it is important to look at competitors as they need to find out how they can make themselves stand out to their potential customers. If they don't stand out then consumers will be reluctant to change their current provider as it will feel risky to them to try something new. By looking at their strengths and weaknesses, the entrepreneur can look at what is being done well in the market and they can exploit the areas that their competitors are struggling in. For instance, if their main competitor has a slow delivery time then they could ensure that they have one day delivery. If their strength is that they have cheap prices- which could be true as there may be larger companies in the market- then the first time entrepreneur will need to find a way to differentiate themselves, for instance having a pleasant environment.**

## Analyse

Giant multinational Reckitt Benckiser had an interesting start to 2016. In April the company was fined nearly A\$1.7 million after an Australian court criticised its misleading way of marketing Nurofen. The packaging suggests that 'Nurofen Back Pain' offers 'fast targeted relief' specifically for back pain, but in fact it is just the same as any other Nurofen.



The makers of Nurofen were fined by an Australian court for misleading marketing

More importantly, in May the head of Reckitt Benckiser Korea was forced to apologise for the deaths of 92 customers whose lung injuries were caused by a product sold only in South Korea. He also apologised for the company's repeated

denials of wrongdoing as they kept selling the product for years after the problem came to light: 'We were late. Five years have passed.' On 29 July 2016, Reckitt announced a £300 million charge on their profits to cover possible fines and compensation to be paid in South Korea.

The news was happier for Reckitt's chief executive, Rakesh Kapoor, who received a £23 million pay package. Shareholders objected noisily to such a huge pay award (roughly double the 2015 figure), but the pay package was approved.

*Analyse which stakeholder groups Reckitt Benckiser seems to have been prioritising in recent years*

**The main priority for the business has been to maximise profits. This is evidenced by the company consistently making false claims on their packaging of their Nurofen tablets to try and get more people to buy them. By doing this, Reckitt Benckiser can pay directors a huge sum of £23 million. This shows that their main stakeholder group has been their directors.**

**A group that has certainly not been a priority for the company has been the customers; Reckitt Benckiser has been willing to lie to customers in Australia by making false claims. In Korea their faulty products have led to customers actually dying. The company may have cut costs in the testing phase of product development in the hope of keeping profit margins high, again a benefit for the directors of the company. This would normally have been a priority for shareholders. However, this is not the case here as the shareholders objected 'noisily' to the company's behaviour.**

## Justify

Inspired by the growth of craft beer sales, in 2012 Ed Taylor and Robyn Simms started producing and selling handmade soft drinks. Rhubarb soda may not sound tempting to you, but farmers' market shoppers were keen. Seeing a serious business opportunity, in 2013 Robyn gave up her salaried job to see where Square Root sodas could be taken. Premises were found in a railway arch in Dalston – at the heart of trendy East London. Nearby were important farmers' markets plus a series of independent pubs, bars and restaurants: just the places that want to offer their customers something quirky and new.

Ed and Robyn saw their target market as adults who want a natural, tangy alternative to alcohol. Both brought a fanatical approach to sourcing ingredients direct from the farm (such as that rhubarb, brought down from Yorkshire), which helps in generating good publicity. It also helps when everything is done by hand, including hand-squeezing lemons for the lemonade. In 2015, Square Root won the BBC's Food and

Farming Award for Best Drinks Producer. A glance at their website ([www.squarerootsoda.co.uk](http://www.squarerootsoda.co.uk)) in August 2016 shows several items as out-of-stock – and an advertisement for a new member of the production staff. Good signs that sales are going well.

*Ed and Robyn are getting concerned about keeping up with demand. They see two options:*

- 1. Follow the example of big name competitor Fever Tree and get an established soft drink producer to manufacture Square Root sodas for them*
- 2. Rent a second railway arch and hire more staff to double the rate of production.*

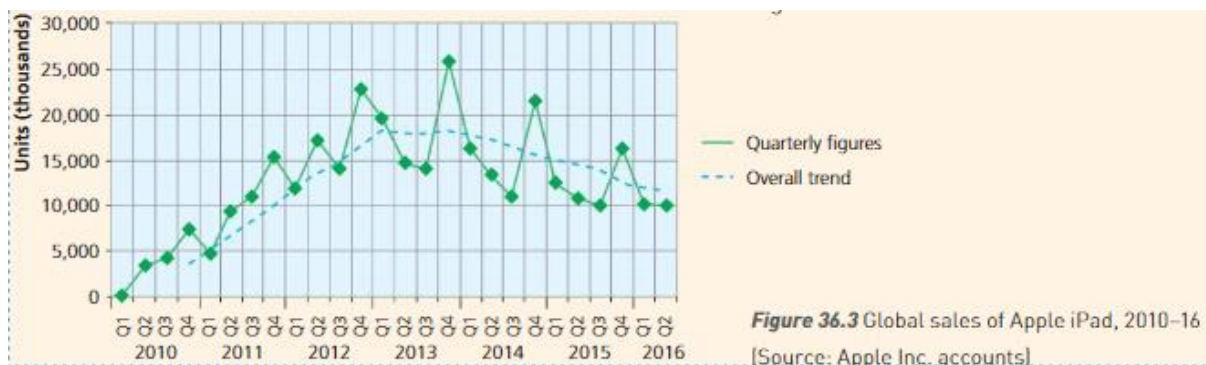
*Justify which of these options they should choose.*

**By outsourcing production, Square Root could take advantage of another company's specialist equipment and knowledge and get the done to a high standard. It also means that Ed and Robyn won't need to buy the equipment themselves, which could have massive cost implications for a small company. On the other hand, Square Root have established themselves as being a 'home grown' business, with products such as rhubarb being sourced locally and some processes being done by hand. If they move away from this business model there is a chance that their customers may stop buying their products.**

**However, if Square Root decided to go with Option 2 then they would be sticking to their initial vision and producing their drinks in a way that is true to them. Having this image can add value to their business and consumers may be willing to pay more for a drink that is produced in this way. However, renting a second archway and taking on new staff may be expensive and the initial costs may be too much for a small company.**

**In conclusion I believe that Ed and Robyn should go with Option One. I believe this because producing for a high level of demand in the conditions that they currently work in is unsustainable and the initial costs may cripple them. Fever Tree's global success shows that people do not necessarily care where something is made and in what way although Ed and Robyn could shop around for a company to outsource to so some of their ideals are met.**

## Evaluate



The first Apple iPad was launched in April 2010, quickly becoming a must-have item. The launch of the much-improved iPad2 a year later saw sales zoom ahead. iPad2's most important feature was a backwards camera, unlocking Facetime software. As the product started to mature, Q4 (Christmas) sales became steadily more important. The product had gone from must-have to must-give. The launch of the iPad Air (2013) and iPadPro (2015) helped to keep the iPad's product life cycle reasonably long.

*From the data provided, evaluate the effectiveness of the extension strategies used by Apple for its iPad. You should use the information given, as well as your own business knowledge.*

At the end of 2012 there is a dip in the overall trend for the sale of iPads. This indicates the product may be possibly going into the decline phase. However, in 2013 we can see a big spike in Q4 indicating that there was an effective extension strategy put in place. This is emphasised further by the plateau of sales up to the beginning of 2014. In the text it tells us that in 2013 there was the launch of the iPad Air and people began giving the product as a gift rather than simply buying it for themselves. This is obviously an effective extension strategy as the overall trend of sales remained steady rather than falling into decline.

In 2015 there was a launch of the iPad pro and this was put in place to continue the product life cycle for even longer. However, the graph shows that this hasn't had the same impact as the iPad Air, with only a small increase in sales in Q4 of 2015 (something that is quite common in all years displayed in the graph). This may be due to the fact that by this stage, those people who own an iPad will already have one and the changes to the product may not be enough to get them to go out and upgrade. The product is quite expensive and will be a luxury for most people. If the technology isn't improved to a big enough extent then people will be reluctant to buy a new one. Therefore I would say that this extension strategy was less effective than the one in 2013.

I believe that it is not that the extension strategy was a bad idea but that the nature of the industry that Apple are selling this product in means that the product life cycle is finite. It is not like Heinz; their baked beans have a long maturity because once people eat them they will have to go out and buy more. Equally, they are seen as a store cupboard essential by a lot of people. Once people have bought the iPad it is unlikely that they will keep upgrading every time a new one is offered as they are expensive and the technology changes are becoming less noticeable.