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# Introduction

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Sample assessment materials (SAMs) provide learners and centres with specimen questions and mark schemes. These are used as the benchmark to develop the external assessment learners will take.

## **Unit 2: Finance for Business**

The SAMs for this external unit have been provided for the following qualifications:

- BTEC Level 1/Level 2 First Award in Business
- BTEC Level 1/Level 2 First Certificate in Business
- BTEC Level 1/Level 2 First Extended Certificate in Business
- BTEC Level 1/Level 2 First Diploma in Business

The sample test demonstrates some of the mechanisms used within an onscreen test.

## **Unit 9: Principles of Marketing**

The SAMs for this external unit have been provided for the following qualifications:

- BTEC Level 1/Level 2 First Certificate in Business
- BTEC Level 1/Level 2 First Extended Certificate in Business
- BTEC Level 1/Level 2 First Diploma in Business

*As the Award is nested within the Certificate and Extended Certificate,, we have adopted the convention of titling external assessments for the smallest award for which they are available across the whole BTEC first suite. This is the same convention used for AS/GCE which is also a nested qualification.*



## **Unit 2: Finance for Business - sample assessment test and mark scheme**

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This sample assessment test and mark scheme is for the following qualifications:

- BTEC Level 1/Level 2 First Award in Business
- BTEC Level 1/Level 2 First Certificate in Business
- BTEC Level 1/Level 2 First Extended Certificate in Business
- BTEC Level 1/Level 2 First Diploma in Business

The sample assessment test is available online at [www.btec.co.uk/business2012](http://www.btec.co.uk/business2012)



## General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed-out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question Number	Answer	Mark
1	Bicycle sales	(1)

Question Number	Answer	Mark
2	<ul style="list-style-type: none"> <li>• Paper</li> <li>• Ink</li> </ul> <p><b>Accept any other appropriate alternatives</b></p>	(2)

Question Number	Answer	Mark
3	<b>Start-up costs:</b> Buying tables and chairs Advertising	(1)
	<b>Running costs:</b> Heating the cafe Paying staff wages	(1)
	1 correct = 0 marks 2/3 correct = 1 mark 4 correct = 2 marks	

Question Number	Answer	Mark
4(a)	Variable costs = £5000	(1)
	Fixed costs = £4000	(1)

Question Number	Answer	Mark
4(b)	£4000 or the same/no change	(1)

Question Number	Answer	Mark
5	£125000	(2) CAO
	1 mark for 50000 x 2.5 seen in working box <b>No mark for formula just in words</b>	(1)

Question Number	Answer	Mark
6(a)	The purpose of budgeting is to manage expenditure against revenue and set appropriate budgets (1) whereas budgetary control is where performance is checked against plans or budgets (1).	(2)



Question Number	Answer	Mark
6(b)	The trading account is the top section of the income statement (profit and loss account) which allows the business to analyse its performance over a period of time (1). The trading account allows analysis of gross profit margin and cost of sales (1).	(2)

Question Number	Answer	Mark
7(a)	Acceptable answers include: - no profit and no loss - when a business has made enough money through product sales to cover the cost of making the product  <b>Accept any other appropriate alternatives</b>	(1)

Question Number	Answer	Mark
7(b)	Cross dragged to intersection between total revenue and total costs	(1)

Question Number	Answer	Mark
8	Sales income; Share capital  1 mark for <b>each</b> correct answer	(2)

Question Number	Answer	Mark
9(a)	Area between total revenue and total costs highlighted	(1)

Question Number	Answer	Mark
9(b)	£350,000 Tolerance - £340,000-£360,000	(1)

Question Number	Answer	Mark
10	1 mark for adding missing payment to Total payments for October: Total payments = 11950	(1)
	1 mark for calculating correct net cash flow for October: Net cash flow = (2700)	(1)
	1 mark for calculating correct closing balance for November: Closing balance = (815)	(1)
	<b>ECF</b>	(3)

Question Number	Answer	Mark
11(a)	Possible actions: <ul style="list-style-type: none"> <li>• Reduce February payment (1)</li> <li>• Increase receipts in 2<sup>nd</sup> and/or 3<sup>rd</sup> month (1)</li> </ul>	(1)

Question Number	Answer	Mark
11(b)	Explanation should relate to action previously identified. To improve the closing balances for February and March the business could: <ul style="list-style-type: none"> <li>• Spread the February payment, e.g. by apportioning it over future months (1) or organising a loan or overdraft finance (1) or hiring rather than buying equipment (1) or negotiate longer credit periods to pay suppliers (1)</li> <li>• Increase the selling price (to increase their receipts) (1) or shortening credit periods for customers (1)</li> </ul> <p><b>Accept any other appropriate alternatives</b>  <b>Do not reward marks for 'the business has a negative cash flow'.</b></p>	(2)

Question Number	Answer	Mark
12	60  No mark for formula just in words, but 1 mark can be awarded for $12000/(1000-800)$ seen in working box	(1)

Question Number	Answer	Mark
13	<div style="display: flex; align-items: center; gap: 10px;"> <div style="border: 1px solid black; padding: 5px;">Revenue</div> <div style="border: 1px solid black; padding: 5px;">—</div> <div style="border: 1px solid black; padding: 5px;">Expenditure</div> </div>	(1)

Question Number	Answer	Mark
14	Buying raw materials	(1)

Question Number	Answer	Mark
15	Equipment  Customers who owe money  1 mark for <b>each</b> correct answer	(2)

Question Number	Answer	Mark
16	<p>Award one mark for identification of a way in which the business can improve its net profit. Award one further mark for explanation.</p> <ul style="list-style-type: none"> <li>Net profit can be increased by reducing overheads/expenses (1). Explanation should relate to the expenses listed in the question (rent, staff wages, telephone bill) and suggest how the business can reduce these expenses (1).</li> <li>Net profit can be increased by improving the gross profit margin (1). Explanation should identify that this can be done through reducing the cost of sales, with suggestions of how the business could achieve this (for example negotiating cheaper prices with suppliers of materials/stock) (1).</li> </ul> <p><b>Accept any other appropriate alternatives</b></p>	<p>(2)</p> <p>(2)</p>

Question Number	Answer	Mark																								
17	<p>Income Statement completed as below:</p> <table border="1" data-bbox="405 1041 1035 1404"> <thead> <tr> <th></th> <th>£</th> <th>£</th> </tr> </thead> <tbody> <tr> <td><b>Income from sales</b></td> <td></td> <td><b>68500</b></td> </tr> <tr> <td>Cost of sales</td> <td><b>33750</b></td> <td></td> </tr> <tr> <td>Gross profit</td> <td></td> <td><b>34750</b></td> </tr> <tr> <td>Expenses</td> <td></td> <td></td> </tr> <tr> <td><b>Vehicle leasing</b></td> <td><b>8500</b></td> <td></td> </tr> <tr> <td><b>Wages and salaries</b></td> <td><b>12750</b></td> <td></td> </tr> <tr> <td>Net profit</td> <td></td> <td><b>13500</b></td> </tr> </tbody> </table> <p>1 mark for calc of gross profit 1 mark for calc of net profit 1 mark for complete, accurate P&amp;L using own figures <b>(ECF)</b></p>		£	£	<b>Income from sales</b>		<b>68500</b>	Cost of sales	<b>33750</b>		Gross profit		<b>34750</b>	Expenses			<b>Vehicle leasing</b>	<b>8500</b>		<b>Wages and salaries</b>	<b>12750</b>		Net profit		<b>13500</b>	<p>(1)</p> <p>(1)</p> <p>(1)</p> <p>(3)</p>
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Question Number	Answer	Mark
18	<p>Up to 2 marks per explained action.</p> <p>Reduce their stock levels (1) or get their trade receivables to pay them (1) so that they have more cash available to:</p> <p>pay off overdraft (1) or pay off trade payables (1) or invest in the business (1).</p> <p><b>Accept any reasonable explanation that relates to the action identified.</b></p>	(4)

Question Number	Indicative content	Mark
19	<p>The answer needs to refer to the importance of using planning tools such as breakeven analysis to manage the success of the first year of business.</p> <p>Answers might include:</p> <p><b>Benefits of breakeven analysis</b></p> <ul style="list-style-type: none"> <li>• It shows when the business is making enough money to cover their costs</li> <li>• It is necessary in order to fix an appropriate selling price for goods</li> <li>• It is needed to know how much to sell to enable the business to make a profit</li> <li>• It is needed to identify and track costs (both fixed and variable costs)</li> <li>• It can help businesses identify where they can change their costs, for example, buying cheaper materials or finding a cheaper supplier</li> <li>• It is needed to highlight the margin of safety</li> </ul> <p><b>Risks of not completing a breakeven analysis</b></p> <ul style="list-style-type: none"> <li>• The business sets the wrong selling price for goods and ends up making a loss</li> <li>• The business costs are higher than the revenue generated</li> <li>• The business will not be aware of the margin of safety</li> <li>• The business will not be aware of how much they need to sell to make a profit</li> <li>• It can help businesses identify where they can change their costs, for example, buying cheaper materials or finding a cheaper supplier</li> </ul> <p>Better responses are likely to expand their discussion to include other planning tools, e.g. cash flow forecasts or budgets. Answers including coverage of these might include:</p> <p><b>Importance and benefits of other planning tools such as budgeting and cash flow analysis</b></p> <ul style="list-style-type: none"> <li>• Shows when money is coming into the business (cash inflows)</li> <li>• Shows individual and total outflows and the dates/timings of those outflows</li> <li>• Highlights surpluses in finances and deficits</li> <li>• A new business would have no past records to use for planning</li> </ul> <p><b>Risks of not completing a cash flow forecast or budget</b></p> <ul style="list-style-type: none"> <li>• Inaccurate or imprecise planning of finances particularly as a new business would have no past records</li> <li>• Payments to be made or received may be forgotten/ not accounted for</li> <li>• The business may not be able to negotiate payment dates with debtors and creditors or spread payments</li> <li>• Inability to plan and organise overdrafts and loans in advance so that emergency funds could incur penalties</li> </ul>	(8)

Level	Mark	Descriptor
	0	No rewardable material
1	1-3	A few key points identified, <b>or</b> one point described in some detail. The answer is likely to be in the form of a list. Only one viewpoint considered. Points made will be superficial/generic and not applied/directly linked to the situation in the question.
2	4-6	Some points identified, <b>or</b> a few key points described. Consideration of more than one viewpoint but there will be more emphasis on one of them. The answer is unbalanced. Most points made will be relevant to the situation in the question, but the link will not always be clear.
3	7-8	Range of points described, <b>or</b> a few key points explained in depth. All sides of the case are considered and the answer is well-balanced, giving weight to all viewpoints. The majority of points made will be relevant and there will be a clear link to the situation in the question.

## **Unit 9: Principles of Marketing - sample assessment test and mark scheme**

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This sample assessment test and mark scheme is for the following qualifications:

- BTEC Level 1/Level 2 First Certificate in Business
- BTEC Level 1/Level 2 First Extended Certificate in Business
- BTEC Level 1/Level 2 First Diploma in Business





Write your name here

Surname

Other names

Centre Number

Learner Registration Number

**Pearson BTEC  
Level 1/Level 2  
First Certificate**

# Business

## Unit 9: Principles of Marketing

Sample Assessment Material

**Time: 1 hour 30 minutes**

Paper Reference

**21325E**

**You do not need any other materials.**

Total Marks

### Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and learner registration number.
- Answer **all** questions.
- Answer the questions in the spaces provided  
– *there may be more space than you need.*

### Information

- The total mark for this paper is 50.
- The marks for **each** question are shown in brackets  
– *use this as a guide as to how much time to spend on each question.*

### Advice

- Read each question carefully before you start to answer it.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

S45226A

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**PEARSON**

**SECTION A**

**Answer ALL the questions**

**1** Give **two** reasons why a business uses marketing.

1 .....

.....

2 .....

.....

**(Total for Question 1 = 2 marks)**

**2** Name the missing stage of the product lifecycle.

- i. Development
- ii. Introduction
- iii .....
- iv. Maturity
- v. Decline

**(Total for Question 2 = 1 mark)**

**3** What is the meaning of the term 'niche market'?

.....

.....

**(Total for Question 3 = 1 mark)**

**4** Describe how a business can use social media to carry out viral marketing.

.....

.....

.....

.....

**(Total for Question 4 = 2 marks)**

5 Give **one** example of 'below the line' promotion.

.....  
.....

**(Total for Question 5 = 1 mark)**

6 Fizzee Drinks, a leading soft drinks manufacturer, wants to develop a distinctive brand for a new product. The business thinks this is especially important in the highly competitive soft drinks market.

(a) Outline **two** ways in which Fizzee Drinks can develop a distinctive brand.

(2)

1 .....

2 .....

(b) Explain **two** benefits to Fizzee Drinks of having a distinctive brand.

(4)

1 .....

2 .....



## SECTION B

Answer ALL the questions

### Sammie's Shoes

Sammie's Shoes is a business in the UK that specialises in the sale of shoes through the internet and in person at shoe party events. The business is owned by Tim Ritchie. It is run from his home. He does not have a physical shop and does not supply his shoes to other shops.

He advertises the business through his website and communicates directly with customers through social media. He tries to make his target customers aware of his products by putting up posters advertising his website and details about shoe parties in clothes shops, trendy bars and hair salons.

The shoes sold by Tim arrive at the customer's address gift wrapped like a present. All orders are dispatched to customers via a courier service and include a pre-paid returns label. All returns are dealt with quickly, with a 'hassle-free' return via any Post Office.

Customers of Sammie's Shoes can talk to Tim via social media about what outfits would look good with their new shoes. He reviews his range of shoes regularly to keep customers up to date with the latest fashion. The shoes are in a range of sizes and colours. Prices vary from £22 to £38 depending on the style and design. The prices are considerably lower than high street fashion shops that sell comparable shoes.

The shoe parties involve a group of people enjoying food and drink while looking at and trying on shoes. This provides scope for sales and to gather opinions on the current range and get ideas for future ranges.

In the last three years, competitors online and on the high street have rapidly increased the prices of their shoes and reduced their range of styles. Some competitors have survived the recent economic difficulties but others, including the former market leader, have gone out of business and closed all of their high street shops.

7 Give **two** benefits of ebusiness to Sammie's Shoes.

1 .....

.....

2 .....

.....

**(Total for Question 7 = 2 marks)**

8 Sammie's Shoes listens to its customers' views to decide on its strategy.

State the orientation of Sammie's Shoes.

.....

.....

**(Total for Question 8 = 1 mark)**

9 It is important that Sammie's Shoes has an appropriate marketing mix.

(a) Identify **one** service provided by Sammie's Shoes for its customers.

(1)

.....

.....

(b) Sammie's Shoes uses two distribution channels.

Identify **both** distribution channels used by Sammie's Shoes.

(2)

1 .....

.....

2 .....

.....

**(Total for Question 9 = 3 marks)**

**10** Tim Ritchie uses government data to help make marketing decisions for Sammie's Shoes.

(a) Give **two other** sources of quantitative data that Tim could use.

(2)

1 .....

2 .....

(b) Describe **two** ways in which quantitative data can be used by Tim Ritchie to support marketing decisions.

(4)

1 .....

2 .....

**(Total for Question 10 = 6 marks)**

**11** There are many factors that affect Sammie's Shoes' marketing mix.

(a) Give **one** environmental factor which may affect Sammie's Shoes marketing mix.

(1)

.....

.....

(b) Tim Ritchie has just read a report containing data about consumer spending habits in his local area.

He has found that more people in his local area buy shoes in local shops than online.

He cannot afford to purchase a physical shop to sell his shoes, so he needs to change his current business practice to fit with the needs and wants of the customers identified in the report.

Explain **two** ways he could change his current business practice to target the customers who do not shop online.

(4)

1 .....

.....

.....

.....

2 .....

.....

.....

.....



(c) Explain the impact the recent economic difficulties could have had on the following aspects of Sammie's Shoes' marketing mix.

(4)

(i) Promotion

.....

.....

.....

.....

(ii) Product

.....

.....

.....

.....

**(Total for Question 11 = 9 marks)**

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## General Marking Guidance

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- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed-out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question Number	Answer	Mark
1	<p>Any two answers from:</p> <ul style="list-style-type: none"> <li>• to increase/gain market share</li> <li>• to increase brand recognition</li> <li>• to increase the range of distribution channels</li> <li>• to launch new products</li> <li>• to retain existing customers</li> <li>• to penetrate new markets.</li> </ul> <p><b>Reward other valid responses.</b> <b>Do not reward responses that relate to corporate objectives.</b></p>	(2)

Question Number	Answer	Mark
2	<p>Missing stage named as follows:</p> <ol style="list-style-type: none"> <li>i. Development</li> <li>ii. Introduction</li> <li>iii. <b>Growth</b></li> <li>iv. Maturity</li> <li>v. Decline</li> </ol>	(1)

Question Number	Answer	Mark
3	<p>Any one of the following answers:</p> <ul style="list-style-type: none"> <li>• a focused, targetable portion of a market</li> <li>• a narrowly defined group of potential customers</li> <li>• where/when a business concentrates all of its marketing efforts on a small but specific and well defined segment of the population.</li> </ul> <p><b>Reward other valid responses.</b></p>	(1)

Question Number	Answer	Mark
4	<p>Possible answers might include:</p> <ul style="list-style-type: none"> <li>• A group could be created on a social media site such as Facebook and people could be invited to join it (1). Messages could be shared with the group such as when a new product is being released (1).</li> <li>• A Business could use social media on the internet such as Twitter (1), sending out tweets about new products using hashtags to ensure that people are likely to see them (1).</li> </ul> <p><b>Reward other valid responses.</b></p>	(2)

Question Number	Answer	Mark
5	<p>Any one of the following answers:</p> <ul style="list-style-type: none"> <li>• personal selling</li> <li>• direct mail</li> <li>• email</li> <li>• telesales</li> <li>• text messaging.</li> </ul> <p><b>Reward other valid responses.</b></p>	(1)

Question Number	Answer	Mark
6(a)	<p>Any two of the following answers:</p> <ul style="list-style-type: none"> <li>• using a logo could make the Fizzee Drinks brand distinctive and instantly recognisable to customers</li> <li>• having celebrities feature in an advertising campaign for Fizzee Drinks will make the brand distinctive.</li> </ul> <p><b>Reward any other valid responses.</b></p>	(2)

Question Number	Answer	Mark
6(b)	<p>Any two of the following answers:</p> <ul style="list-style-type: none"> <li>• a distinctive brand will give a business a unique image (1) that potential customers can recognise (1)</li> <li>• a distinctive brand will make the business to stand out from their competitors (1) encouraging customers to buy their products (1)</li> <li>• a distinctive brand could help the business to expand their range (1) and potentially increase their profits in the long term (1).</li> </ul> <p><b>Reward 1 mark for identification of a benefit and 1 mark for explanation of the benefit.</b></p> <p><b>Reward any other valid responses.</b></p>	(4)

Question Number	Indicative content	Mark
6(c)	<p>Advantages of using a penetration pricing strategy:</p> <ul style="list-style-type: none"> <li>● Fizzee Drinks would sell LemonZen at a low initial price to gain the attention of the public, giving the perception to the public that they do not have to pay higher prices for a drink that has unique ingredients or healthy properties.</li> <li>● People might be interested in trying LemonZen because it is cheap, potentially leading to repeat custom in the future, for LemonZen and other products in the Fizzee Drinks range.</li> </ul> <p>Disadvantages of using a penetration pricing strategy:</p> <ul style="list-style-type: none"> <li>● Fizzee Drinks will receive a lot of interest while the price is low but interest may decline if the price is increased after the initial launch as the market for soft drinks is so competitive.</li> <li>● Customers may think that LemonZen is cheap because even though the ingredients are unique, they are of poor quality. Increasing the price after the initial launch may put customers off buying LemonZen as they think that they are paying more for a product that they perceive to be of lower quality.</li> </ul> <p>Advantages of using a premium pricing strategy:</p> <ul style="list-style-type: none"> <li>● Charging a higher price for LemonZen might work as customers could view the unique ingredients as worth paying the extra price for. The increased price will also lead to greater overall sales revenue from LemonZen once it is launched.</li> <li>● Introducing LemonZen at a higher price could lead to a positive perception of the brand and allow them to keep charging higher prices in the long term.</li> </ul> <p>Disadvantages of using a premium pricing strategy:</p> <ul style="list-style-type: none"> <li>● If the price for LemonZen was higher than other Fizzee Drinks products, it might alter current customers previously positive perceptions of those products and the brand. This could alienate current customers and negatively affect the overall sales revenue for Fizzee Drinks across all their brands.</li> <li>● If LemonZen was introduced with a higher price, yet customers did not deem that the unique ingredients or the suggested health properties were either not worth the higher price or unique or healthy enough, then they would not buy the drink and initial sales would remain low.</li> </ul>	(8)

Level	Mark	Descriptor
	0	No rewardable material
1	1 – 3	Basic arguments for both types of pricing strategy identified, <b>or</b> only one strategy considered. The answer is likely to be in the form of a list. Points made will be superficial/generic and not applied/directly linked to what strategy is most appropriate to launch LemonZen. No conclusion produced or the conclusion a consequence of only one side of the argument being considered.
2	4 – 6	Arguments for and against each pricing strategy are described, but there will be more emphasis on one strategy than the other. The answer will be unbalanced. A conclusion is present, but this is either implicit or as a result of unbalanced consideration of the arguments. There is little or unfocused justification of the conclusion. Most points made will be relevant to launching LemonZen into the market, but the link will not always be clear.
3	7 – 8	Balanced explanation of both pricing strategies, for and against. A conclusion is produced which is justified clearly linked to the consideration of arguments for and against, and their relative importance to the situation. The majority of points made will be relevant and there will be a clear link to the launch of LemonZen into the market.



Question Number	Answer	Mark
7	<p>Any two of the following answers. Tim Ritchie/Sammie's: Shoes</p> <ul style="list-style-type: none"> <li>only requires stock and internet access, making it cheaper than physical retail.</li> <li>can trade 24 hours a day.</li> <li>can process multiple/simultaneous orders.</li> </ul> <p><b>Reward other valid responses.</b></p> <p><b>Do not reward marks that just describe how ebusiness works, for example ebusiness has a global reach which means that Sammie's Shoes can sell shoes to anyone with access to the internet.</b></p>	(2)

Question Number	Answer	Mark
8	Market oriented	(1)

Question Number	Answer	Mark
9(a)	<p>Any one of the following answers. Sammie's Shoes:</p> <ul style="list-style-type: none"> <li>provides free returns label with orders</li> <li>gift wrap customer orders so that they look like a present</li> <li>provides fashion advice during chats via social media</li> <li>delivers orders to the customers.</li> </ul>	(1)

Question Number	Answer	Mark
9(b)	<ul style="list-style-type: none"> <li>The internet</li> <li>Shoe parties (personal selling)</li> </ul>	(2)

Question Number	Answer	Mark
10(a)	<ul style="list-style-type: none"> <li>• Sales data for Sammie's Shoes</li> <li>• Published reports from market research companies, e.g. Mintel or Key Note.</li> </ul> <p><b>Reward other valid responses.</b></p> <p><b>Do not accept answers which are sources of qualitative data, e.g. Facebook.</b></p> <p><b>If the learner explains how the data can become quantified, accept a reasonable response, e.g. Number of Facebook 'likes'.</b></p>	(2)

Question Number	Answer	Mark
10(b)	<p>Possible answers might include:</p> <ul style="list-style-type: none"> <li>• Tim Ritchie could use old sales data from Sammie's Shoes to predict which stock to buy (1) by looking to see which products sold a lot (1)</li> <li>• Tim Ritchie could use government data on the population, for example average weekly income data showing the percentage of income spent on food, personal items, rent, travel, etc (1) and compare how this varies year on year and by region of the UK. This would help him to target his advertising in places where it is more likely to work (1).</li> </ul> <p><b>Reward linked statements about the use of data to support marketing decisions.</b></p>	(4)

Question Number	Answer	Mark
11(a)	<p>Any one of the following answers:</p> <ul style="list-style-type: none"> <li>• pollution from delivery and couriers</li> <li>• excessive use of materials in packaging, i.e. wrapping as a gift before packaging for delivery.</li> </ul>	(1)

Question Number	Answer	Mark
11(b)	<p>Possible answers.</p> <ul style="list-style-type: none"> <li>• Tim could use hard copy brochures or catalogues that can be sent straight to the homes of customers in the local area (1) and allow them to purchase products by mail order as well as online (1).</li> <li>• As he cannot afford his own shop, Tim could sell his products through a concession in a department store (1) which would allow local shoppers to have direct access to his products (1).</li> <li>• As well as holding shoe parties, he could hold showcase events of his shoes in hired local venues (1) and advertise these events in local shops to attract the customers who do not shop online (1).</li> </ul>	(4)

Question Number	Answer	Mark
11(c)	<p>Possible answers.</p> <ul style="list-style-type: none"> <li>• Promotion: the recent economic difficulties will impact on all sectors not just shoe retailers. This would also include the clothes shops/bars/hair salons where Tim Ritchie advertises possibly going into administration (1). As a result there would be fewer opportunities to advertise to the target group (1).</li> <li>• Product: in these times of economic difficulty Sammie's Shoes customers might have less disposable income (1), so Tim Ritchie may need to source a cheaper range of shoes (1).</li> </ul> <p><b>Reward other valid responses.</b></p> <p><b>Do not accept answers related to price or place, e.g. he may have had to drop the prices of his shoes.</b></p> <p><b>A maximum of two marks to be awarded to any answer referring to either Promotion or Product only.</b></p>	(4)

Question Number	Indicative content	Mark
12	<p>Possible answers.</p> <p>For the maintenance of a product portfolio:</p> <ul style="list-style-type: none"> <li>• a portfolio of products diversifies risk. For example if Sammie's Shoes has boots and sandals that sell well then it won't matter (as much) how well flat shoes sell. Although as Sammie's shoes already have lower prices than competitors, it may not be at such risk</li> <li>• a range of different products will appeal to a range of different customers/market segments so that more people are appealed to, therefore increasing potential revenue streams</li> <li>• a portfolio allows for different products to be at different stages of their life cycle, i.e. some will be declining sales, others will be growing and this can cater for different tastes and fashion trends, also spreading risk</li> <li>• as the whole product portfolio has the same USP – shoes wrapped as a present/shoe parties, all the products will be equally advantaged.</li> </ul> <p>Against the maintenance of a product portfolio:</p> <ul style="list-style-type: none"> <li>• the portfolio might be too broad which would mean that resources are spread over too many different items and this means that there won't be enough investment in the core products</li> <li>• having too many different products might alienate or confuse customers who like a simple choice</li> <li>• spending too much time, money, thought on the augmented product/USP might be a mistake and to the detriment of maintaining the portfolio of products.</li> </ul>	(8)
Level	Mark	Descriptor
	0	No rewardable material
<b>Level 1</b>	1 – 3	Basic arguments on both sides identified, <b>or</b> only one side considered. The answer is likely to be in the form of a list. Points made will be superficial/generic and not applied/directly linked to the decision to maintain a broad portfolio of products. No conclusion produced or the conclusion a consequence of only one side of the argument being considered.
<b>Level 2</b>	4 – 6	Arguments for and against are described, but there will be more emphasis on one side than the other. The answer will be unbalanced. A conclusion is present, but this is either implicit or as a result of unbalanced consideration of the arguments. There is little or unfocused justification of the conclusion. Most points made will be relevant to the decision to maintain a broad portfolio of products, but the link will not always be clear.
<b>Level 3</b>	7 – 8	Balanced explanation of both sides for and against. A conclusion is produced which is justified clearly linked to the consideration of arguments for and against, and their relative importance to the decision to maintain a broad portfolio of products. The majority of points made will be relevant and there will be a clear link to the decision to maintain a broad portfolio of products.