

Question number	Indicative content		Mark
6(c)	<ul style="list-style-type: none"> Building a new factory in the UK will mean lower transport costs (AO2). Expanding the Chinese factory is sensible as this factory already has the employees with the skills and expertise in manufacturing the business' bikes (AO2). This means that overall costs can be kept down so that <i>Frog Bikes</i> can charge prices which are competitive against rivals such as Halfords and JE James (AO3a). This expertise means that bikes can be produced more cheaply than in a UK factory, even when transportation costs from China are taken into account (AO3a). The most appropriate option for <i>Frog Bikes</i> is to build the UK factory. In addition to the costs benefit, the reputational benefit it will gain will help to give a competitive advantage over other retailers such as Halfords (AO3b). The best option is to stick with the Chinese factory. The business is doing well and is becoming more successful, so this factory, and its staff, are getting things right. Shifting to the UK could be expensive as well as destabilising (AO3b). 		(9) AO2=3 AO3a=3 AO3b=3
Level	Mark	Descriptor	
	0	No rewardable material.	
Level 1	1-3	<ul style="list-style-type: none"> Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3a). Makes a judgement, providing a simple justification based on limited evaluation of business information and issues relevant to the choice made (AO3b). 	
Level 2	4-6	<ul style="list-style-type: none"> Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3a). Makes a judgement, providing a justification based on sound evaluation of business information and issues relevant to the choice made (AO3b). 	
Level 3	7-9	<ul style="list-style-type: none"> Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3a). Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made (AO3b). 	