

Question Number	Indicative Content
3	<p>Indicative content guidance</p> <p>Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited.</p> <p>Knowledge, Application, Analysis, Evaluation – indicative content</p> <p>Loans</p> <ul style="list-style-type: none"> • <i>Tate & Lyle</i> could expand by borrowing money from a bank or other financial institution in order to expand its food laboratory facilities and launch the new sweetener • Loans are usually more easily available to large business such as <i>Tate & Lyle</i> and at a lower interest rate maybe charged because they may be seen as less risky than a small business, just starting out • The 32% increase in foods with health and wellbeing claims in 2017 may encourage financial providers to offer more favourable terms to <i>Tate & Lyle</i> because the figures indicate the expansion proposal is in line with consumer demand • However, the process to obtain finance via a loan may take a long time. This delay may be problematic to <i>Tate & Lyle</i> if they intend to put their expansion plans into operation quickly • Not all businesses are able to obtain bank loans at favourable rates. Although <i>Tate & Lyle</i> are a multinational business, no data is given to show how credible they may be for a bank to provide loan funding and if it does, the interest rate it will charge • It will depend on the success of the expansion proposal and therefore the revenue generated as to how long it will take <i>Tate & Lyle</i> to pay back the loan <p>Leasing</p> <ul style="list-style-type: none"> • Leasing is where <i>Tate & Lyle</i> (the lessee) would pay to use assets owned by a lessor. These assets could include premises for the food laboratory, UHT equipment and other food technology • This could allow <i>Tate & Lyle</i> quicker access to premises and equipment needed to expand and develop its healthy food options without having to raise additional finance • Access to a higher standard of equipment maybe possible through the use of leasing than the business may

		<p>otherwise have been able to pay for. This is especially useful whilst <i>Tate & Lyle</i> establish themselves in this sector and may need to change equipment to be more suitable for developing needs</p> <ul style="list-style-type: none"> • However, leasing can prove more expensive as payments are being made without actually owning the premises or equipment • As the UHT equipment is likely to be particularly specialised it may not be suitable for leasing. Instead, specific requirements of <i>Tate & Lyle</i> maybe better served by them making a purchase outright • As the food industry cannot be sure how long the health and wellbeing demands of consumers will last, it may be in the financial interests of <i>Tate & Lyle</i> to lease equipment until it is confident the demands are long term • It may be more appropriate to use both methods for different purposes i.e. loans for the building and leasing for the equipment
Level	Mark	Descriptor
	0	No rewardable material.
1	1-4	<p>Isolated elements of knowledge and understanding. Weak or no relevant application of business examples. An argument may be attempted, but will be generic and fail to connect causes and/or consequences.</p>
2	5-8	<p>Elements of knowledge and understanding, which are applied to the business example. Arguments and chains of reasoning are presented but connections between causes and/or consequences are incomplete. Attempts to address the question. A comparison or judgement may be attempted but it will not successfully show an awareness of the key features of business behaviour or business situation.</p>
3	9-14	<p>Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Uses developed chains of reasoning, so that causes and/or consequences are complete, showing an understanding of the question. Arguments are well developed. Quantitative and/or qualitative information is introduced in an attempt to support judgements, a partial awareness of the validity and/or significance of competing arguments and may lead to a conclusion.</p>
4	15-20	<p>Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context.</p>

		<p>Uses well-developed and logical, coherent chains of reasoning, showing a range of cause and/or effect(s).</p> <p>Arguments are fully developed.</p> <p>Quantitative and/or qualitative information is/are used well to support judgements. A full awareness of the validity and significance of competing arguments/factors, leading to balanced comparisons, judgements and an effective conclusion that proposes a solution and/or recommendations.</p>
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