

Question number	Indicative content		
3(d)	AO2 (3 marks)/AO3 (3 marks)		
	AO2	<ul style="list-style-type: none">• This means that the restaurant group's current liabilities are not covered by the current assets minus inventory, such as stocks of rice.• For a restaurant group 0.9 is not a poor acid-test ratio since stocks of food will be turned into meals and sold for cash very quickly.	
	AO3	<ul style="list-style-type: none">• Therefore, Haji Biriyani may have liquidity problems and, as a result, the restaurant group may be at risk of over-expansion.• Therefore, despite the acid-test ratio being below 1, this does not mean that Haji Biriyani is facing cash flow problems: it could just mean they are being efficient with their use of working capital.	
Level	Mark	Descriptor	
	0	No rewardable material.	
Level 1	1-2	<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. (AO3)	
Level 2	3-4	<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. (AO3)	
Level 3	5-6	<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. (AO3)	