

Delegate Booklet

Understanding Assessment and Improving
Delivery in Pearson Edexcel International
Advanced Level Business

YBS11-24IF1/01



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About this event:

Course Title: Understanding Assessment and Improving Delivery in International Advanced Level Business

Course Code: YBS11-24IF1/01

Aims and Objectives of the event:

- Gain a deeper understanding of the Assessment Objectives (AOs)
- Gain a deeper understanding of the assessment structure
- Look at examples of best responses, providing tips across all question types
- Focus on how to mark questions using student examples
- See what further support and resources are available.



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Agenda:

Time	Item
10.00	Introductions and Agenda
10.20	IAL Business Qualification and its Assessment Objectives (AOs) Activity 1: Which Assessment Objectives (AOs)?
11.00	'Define...', 'Calculate...' and 'Construct...' questions
11.30	'Explain one ...' questions Activity 2: Build a question and Activity 3: Create an answer
12.30	'Analyse two ...' questions Activity 4: Which response is the best?
1.00	Lunch
1.45	Levels-based questions and mark schemes
1.50	'Discuss...' questions Activity 5: Find the level
2.20	'Assess...' questions Activity 6: Better balance
2.50	'Evaluate...' questions Activity 7: Convincing conclusions
3.30	Support
3.45	Final Questions



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Activity 1: Which Assessment Objectives?

The command words used in Units 1-4 are listed below. Place them in the table (below) to show which Assessment Objectives (AOs) they target (**Note:** some command words target more than one Assessment Objective).

The 8 Command words used in IAL Business:

‘Analyse’, ‘Assess’, ‘Calculate’, ‘Construct’, ‘Define’, ‘Discuss’, ‘Explain’, ‘Evaluate’.

AO1 Knowledge	AO2 Application	AO3 Analysis	AO4 Evaluation



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‘Define...’ Mark Scheme:

June 2023 Unit 1 (WBS11/01) Question 2(a)

Question	Define the term ‘market share’ Answer	Mark
2(a)	<p style="text-align: center;">Knowledge 2</p> <p>Up to 2 marks for defining the term ‘market share’ e.g.</p> <ul style="list-style-type: none">the percentage/proportion of sales in a market (1) held by a business or a product (1).	<p style="text-align: center;">(2)</p>

‘Define...’ Exemplar 1:

June 2023 Unit 1 (WBS11/01) Question 2(a)

2 (a) Define the term ‘market share’. (Extract B, line 8)	(2)
Market Share is sharing products the same products with other brands in the same market	

AO1 = /2

Total Mark:



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‘Define...’ Exemplar 2:

June 2023 Unit 1 (WBS11/01) Question 2(a)

2 (a) Define the term ‘market share’: (Extract B, line 8)

(2)

‘Market share’ refers to the amount of ^{revenue} ~~shares~~ a company holds in comparison to total market.

(Rev)
Market share = $\frac{\text{of company}}{\text{total market}} \times 100$
(Rev)

AO1 = /2

Total Mark:



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‘Calculate...’ Mark Scheme: June 2023 Unit 2 (WBS12/01) Question 2(b)

Question	Using the data in Extract D, calculate, to two decimal places, the number of hours required by this machine to supply the 70,000 tennis balls needed by a US Open tournament. You are advised to show your working.	Mark
	Answer	
2(b)	<p>Knowledge 1, Application 2, Analysis 1</p> <p>Quantitative skills assessed:</p> <p>QS5: Calculate cost, revenue, profit and break-even</p> <p>Knowledge</p> <p>1 mark for identifying the correct formula to calculate productivity:</p> <ul style="list-style-type: none">• $\text{output} = \text{input}/\text{time}$ (1) <p>Application</p> <p>Up to 2 marks for selecting the correct data:</p> <ul style="list-style-type: none">• 100/8 (1)• $(70,000/12.5)/60$ (1) <p>OR</p> <ul style="list-style-type: none">• $70,000/100 \times 8/60$ (1) <p>Analysis</p> <p>1 mark for calculating the number of hours needed:</p> <ul style="list-style-type: none">• = 93.33 hours (1) <p>NB: If no working is shown, award marks as follows:</p> <ul style="list-style-type: none">• If the answer given is 93.33 hours award 4 marks• If the answer given is 93.33 award 3 marks	(4)



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‘Calculate...’ Extract D: June 2023 Unit 2 (WBS12/01) Question 2(b)

Extract D

Game, set and match

Each year, *Wilson* produces 100 million tennis balls at its factory near Bangkok, Thailand. The factory covers an area of 11,000 m² and operates 24 hours a day.

Although it looks simple, a tennis ball goes through 24 stages during the production process. These stages include:

5

- crushing rubber to form a core for the ball
- cutting the core to size
- cutting felt into shapes to wrap around the rubber core
- joining the rubber core and felt shapes using glue.

Rubber used to make the tennis balls is sourced from Thailand, as well as imported from nearby Asian countries such as Vietnam and Malaysia.

10

Machinery is used for many of the stages but employees are needed to operate the machinery and to carry out some of the more complex and skilful tasks. One of these is wrapping the felt around the rubber core as this is more accurate when done by hand.

Wilson supplies tennis balls to many of the professional tennis tournaments that take place around the world each year. The most tennis balls supplied for a single tournament are for the French Open and the US Open. These tournaments each use 70,000 tennis balls.

15

Each ball must meet a strict specification, according to weight, size and hardness. The materials must be consistent to meet the requirements of the International Tennis Federation.

20



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'Calculate...' Exemplar 1:

June 2023 Unit 2 (WBS12/01) Question 2(b)

A machine is used to bring the different parts of a tennis ball together. The machine produces 100 finished tennis balls every eight minutes.

- (b) Using the data in Extract D, calculate, to two decimal places, the number of hours required by this machine to supply the 70,000 tennis balls needed by a US Open tournament. You are advised to show your working.

(4)

~~$$\frac{100}{8} \rightarrow 12.5 \text{ balls an hour}$$~~

~~It will take~~

~~$$\frac{70,000}{12.5} \rightarrow 5600 \text{ hours to supply } 70,000 \text{ balls.}$$~~

$$\frac{100}{8} \rightarrow 12.5 \text{ balls every minute}$$

$$\frac{70,000}{12.5} \rightarrow 5600 \text{ mins}$$

$$\frac{5600}{60} \Rightarrow 93 \text{ hours to supply } 70,000 \text{ balls.}$$

AO1 = /1

AO2 = /2

AO3 = /1

Total Mark:



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'Calculate...' Exemplar 2:

June 2023 Unit 2 (WBS12/01) Question 2(b)

A machine is used to bring the different parts of a tennis ball together. The machine produces 100 finished tennis balls every eight minutes.

- (b) Using the data in Extract D, calculate, to two decimal places, the number of hours required by this machine to supply the 70,000 tennis balls needed by a US Open tournament. You are advised to show your working.

(4)

100 balls every 8 minutes
8 minutes \rightarrow 60 minutes $= \times 7.5$
 $100 \times 7.5 = 750$ balls each hour
 $70,000 / 750 = 93.33$ hours or
93 hours and 20 minutes

AO1 = /1

AO2 = /2


AO3 = /1

Total Mark:



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'Construct...' Mark Scheme: June 2023 Unit 1 (WBS11/01) Question 1(b)

Question	Construct a supply and demand diagram to show the impact on the market for sportswear from an increase in advertising Answer	Mark
1(b)	<p>Knowledge 1, Application 2, Analysis 1</p> <p>Quantitative skills assessed:</p> <p>QS3: construct and interpret a range of standard graphical forms.</p> <p>Knowledge 1 mark for correctly constructing a supply and demand diagram with correctly labelled axes as 'price' and 'quantity' (1)</p> <p>Application Up to 2 marks for: Showing the original equilibrium (1) Shifting the demand curve to the right (1)</p> <p>Analysis 1 mark for showing the new equilibrium and its effect on price (increasing) and quantity demanded (increasing) (1)</p> 	(4)



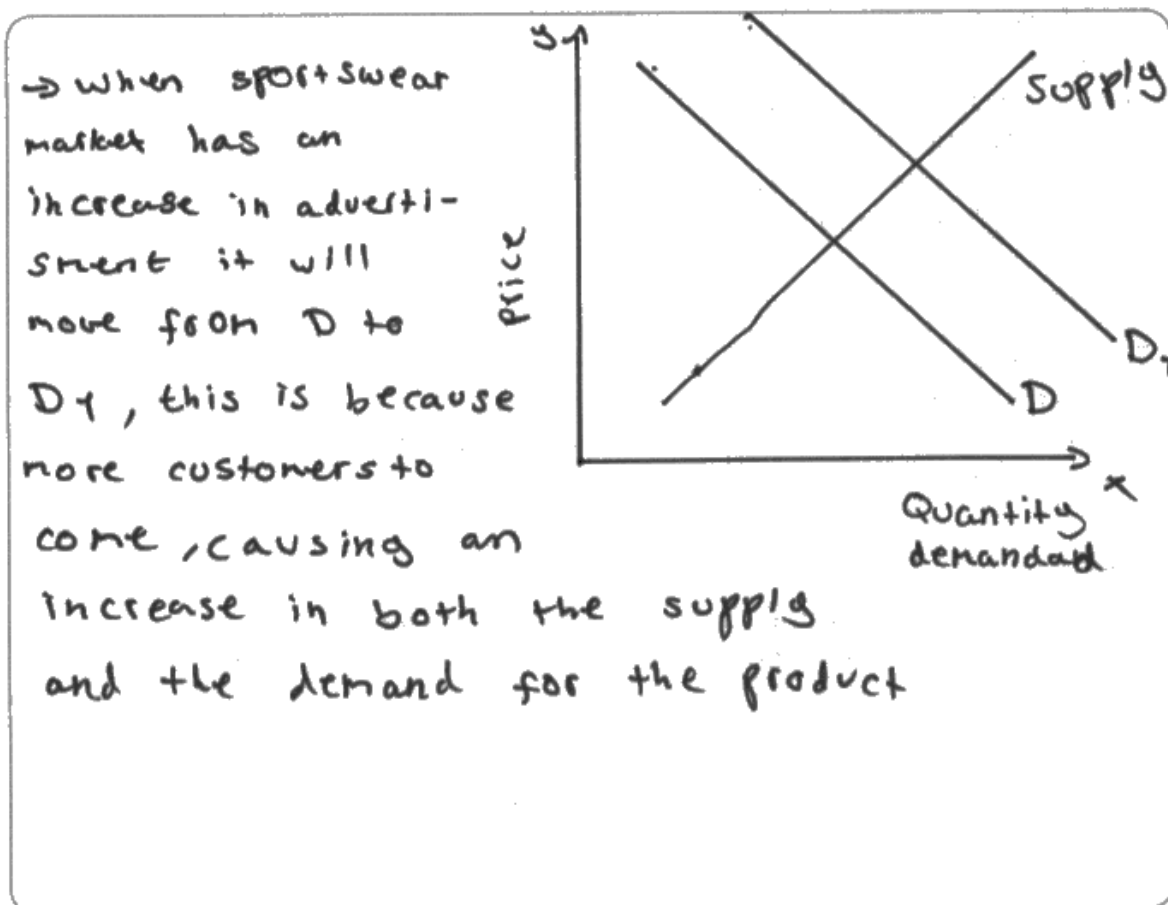
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'Construct...' Exemplar 1: June 2023 Unit 1 (WBS11/01) Question 1(b)

There has been increased advertising in the sportswear market through the sponsoring of athletes.

- (b) Construct a supply and demand diagram to show the impact on the market for sportswear from an increase in advertising.

(4)



AO1 = /1

AO2 = /2

AO3 = /1

Total Mark:



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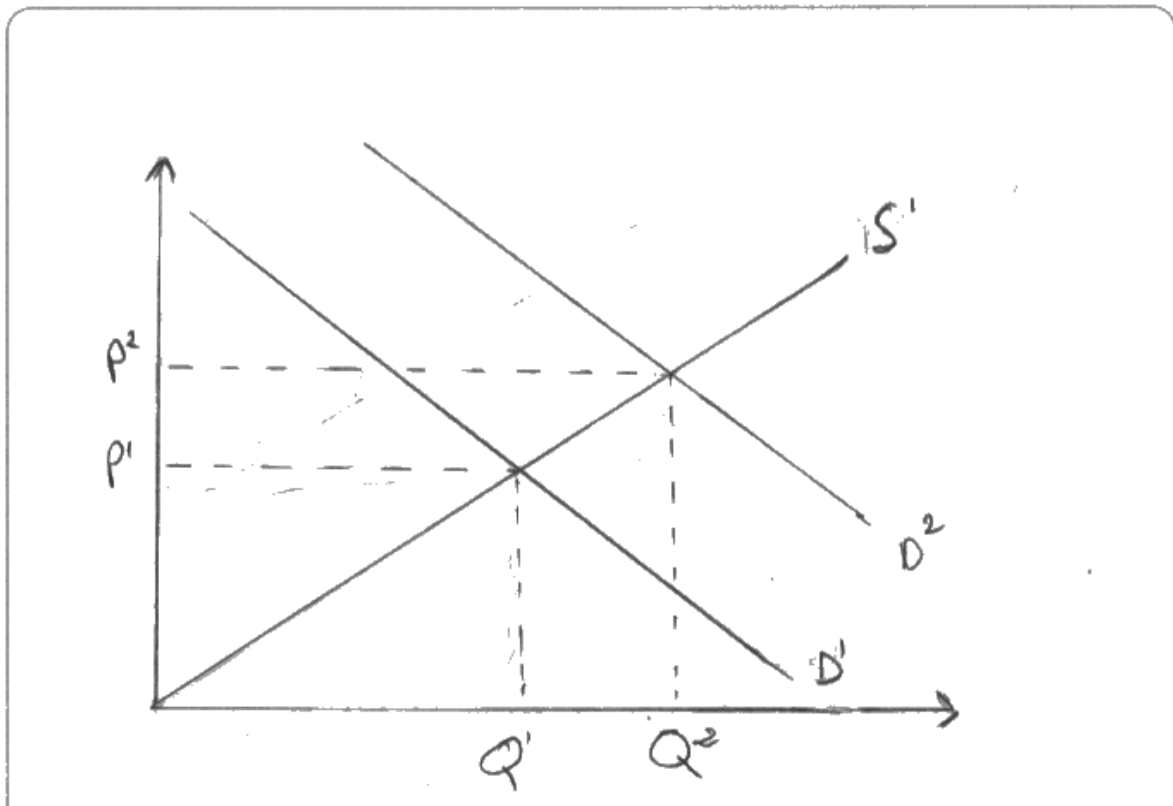
'Construct...' Exemplar 2:

June 2023 Unit 1 (WBS11/01) Question 1(b)

There has been increased advertising in the sportswear market through the sponsoring of athletes.

- (b) Construct a supply and demand diagram to show the impact on the market for sportswear from an increase in advertising.

(4)



AO1 = /1

AO2 = /2

AO3 = /1

Total Mark:



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Activity 2: Build a question

Extract A

Peru clothing industry welcomes tariff barrier to block large increase in clothing imports

A report by the Peruvian competition authority said that imports of clothing into Peru rose by 254% between 2016 and 2020. As a result, imports have increased their share of the Peruvian clothing market to 13.4%. The report warns that there is a danger of damage to the domestic clothing industry and urges the government to increase tariffs on imports. The clothing industry employs over 420,000 people and is 8% of Peru's manufacturing output.

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Activity 2: Build a question

4.3.1 Globalisation

1 Growing economies	<p>a) Characteristics of developed, developing and emerging economies.</p> <p>b) Growing economic power of countries within Asia, Africa and other parts of the world.</p> <p>c) Implications of economic growth for individuals and businesses:</p> <ul style="list-style-type: none">• trade opportunities for businesses• employment patterns. <p>d) Indicators of growth:</p> <ul style="list-style-type: none">• gross domestic product (GDP) and GDP per capita• human development index (HDI).
2 International trade and business growth	<p>a) Exports and imports.</p> <p>b) Implications of increasing specialisation by countries and businesses.</p> <p>c) Foreign direct investment (FDI) and link to business growth.</p>
3 Factors contributing to increased globalisation	<p>a) Trade liberalisation, the reduction of trade barriers and the role of the WTO.</p> <p>b) Political change.</p> <p>c) Reduced cost of transport and communication.</p> <p>d) Increased significance of global (multinational) corporations (MNCs).</p> <p>e) Increased investment flows (FDI).</p> <p>f) Migration within and between economies.</p> <p>g) Growth of the global labour force.</p> <p>h) Structural change.</p> <p>i) Impact on businesses of increased globalisation.</p>
4 Protectionism	<p>a) Reasons for protectionism.</p> <p>b) Tariffs.</p> <p>c) Import quotas.</p> <p>d) Other trade barriers:</p> <ul style="list-style-type: none">• government legislation• domestic subsidies. <p>e) Impact on businesses of protectionism.</p>
5 Trading blocs	<p>a) Expansion of trading blocs:</p> <ul style="list-style-type: none">• EU and the single market• ASEAN• NAFTA. <p>b) The impact on businesses of trading blocs.</p>



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Activity 2: Build a question

Using the Unit 4 Extract A on page 14 and the Specification content on page 15, create **two** 4 mark 'Explain **one**...' questions.

Question 1:

Explain **one**

.....

.....

Question 2:

Explain **one**

.....

.....

Discuss each of the questions you have written with the other delegates on your table.

Select the best question from those discussed on your table.



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‘Explain one...’ Mark Scheme: June 2023 Unit 4 (WBS14/01) Question 1(a)

Question	Explain one advantage of using tariffs for a country such as Peru. (4)	Mark
	Answer	
1(a)	<p style="text-align: center;">Knowledge 1, Application 2, Analysis 1</p> <p>Knowledge 1 mark for identifying an advantage, e.g.:<ul style="list-style-type: none">Preventing unemployment in the Peruvian clothing industry (1)</p> <p>Application Up to 2 marks for contextualised answers, e.g.:<ul style="list-style-type: none">Over 420,000 people are employed in the clothing industry (1)Clothing imports have increased their market share in Peru to 13.4% (1)</p> <p>Analysis 1 mark for developing the advantage, e.g.:<ul style="list-style-type: none">Tariffs increase the price of imports making domestic products more attractive which keeps people employed and maintains market share (1)</p>	(4)



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'Explain one...' Exemplar 1: June 2023 Unit 4 (WBS14/01) Question 1(a)

1 (a) Explain **one** advantage of using tariffs for a country such as Peru.

(4)

Tariffs refers to a payment imposed by the government to protect a country.

One advantage of using tariffs for a country such as Peru is to protect domestic products, to protect dumping and to protect employment. And to protect infant industries.

Extract A, reports that there is a danger of damage to domestic clothing industry.

AO1 = /1

AO2 = /2

AO3 = /1

Total Mark =



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‘Explain one...’ Exemplar 2:
June 2023 Unit 4 (WBS14/01) Question 1(a)

1 (a) Explain **one** advantage of using tariffs for a country such as Peru.

(4)

Tariffs are a tax on imported goods. A benefit of using tariffs for Peru would be that imports will appear to be more expensive. Currently, imports of clothing in Peru make up 23.4% of the clothing market, and have risen by 254% between 2016 and 2020. By becoming more expensive, the demand for imports is likely to reduce and consumers would prefer to buy domestically produced cheaper goods, helping the domestic clothing industry thrive and protecting employment.

AO1 = /1

AO2 = /2

AO3 = /1

Total Mark =



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Activity 4: Which response is the best?

June 2023 Unit 1 (WBS11/01) Extract B:

Extract B

UK food box delivery services

A food box contains a recipe card and all the necessary ingredients required to cook a family meal, which is then delivered to people's homes. There has been a large growth in the number of businesses that supply these food boxes in the UK. The growth in this sector is due to a rise in people working from home, an increased trend of healthy eating and more people starting cookery as a hobby.

5

The most popular UK brands of food boxes are supplied by three businesses: *Mindful Chef*, *Gousto* and *Hello Fresh*. These three businesses hold a large market share in this growing sector.



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Activity 4: Which response is the best?

June 2023 Paper 1 (WBS11/01) Question 2(c) Mark Scheme:

Question	Analyse two factors that are likely to determine the pricing strategy used by UK businesses supplying food boxes. Indicative content guidance	Mark
2(c)	<p style="text-align: center;">Knowledge 2, Application 2, Analysis 2</p> <p>Knowledge Up to 2 marks for defining pricing strategy, e.g.</p> <ul style="list-style-type: none">• A method used by a business when deciding (1) the price at which a product is sold for (1). <p>OR</p> <p>For giving two factors that may determine the pricing strategy, e.g.</p> <ul style="list-style-type: none">• Level of competition (1); Amount of differentiation (1). <p>Application Up to 2 marks for answers contextualised to UK businesses supply food boxes, e.g.</p> <ul style="list-style-type: none">• <i>Mindful Chef</i> is one of the three main suppliers of food boxes in the market (1).• <i>Mindful Chef</i> differentiates itself by providing a wide range of vegetarian, vegan and gluten-free food boxes (1). <p>Analysis Up to 2 marks for reasons/causes/consequences for the business e.g.</p> <ul style="list-style-type: none">• This may lead to a business using a competitive price due to the availability of substitutes (1).• Business providing goods that respond to changes in social trends/eating habits may be able to use high/premium pricing (1).	(6)



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Activity 4: Which response is the best?

June 2023 Paper 2 (WBS12/01) Question 2(c) Exemplar 1:

(c) Analyse **two** factors that are likely to determine the pricing strategy used by UK businesses supplying food boxes.

(6)

Firstly, the number of competitors is likely to determine the pricing strategy used by UK businesses supplying food boxes. There has been a "large growth in the number of businesses that supply these food boxes in the UK", which will lead to more businesses adopting ~~the~~ a competitive pricing strategy as ~~there~~ there is a lot of competition between firms and plenty of choice for customers wanting to buy food boxes.

Secondly, how long a business has been in the market for food boxes is likely to influence its price strategy. A new business just wants to enter the market may want to use ~~for~~ a penetration pricing strategy as Mincehl, Clef, Courto, and Hello Fresh hold a large market share and ~~to~~ compete against these established ~~businesses~~ businesses. ~~For~~ ~~the~~ the business entering the market will have to offer lower prices to attract customers from these other brands.

AO1 = /2

AO2 = /2

AO3 = /2

Total Mark =



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Activity 4: Which response is the best?

June 2023 Paper 2 (WBS12/01) Question 2(c) Exemplar 2:

(c) Analyse **two** factors that are likely to determine the pricing strategy used by UK businesses supplying food boxes.

(6)

On factor that is likely to determine the pricing strategy is competition. In this case the most popular UK brands of food boxes are Mindful Chef, Gousto and Hello Fresh. They are more likely to use a competitive pricing strategy, as all the three of them hold a large market share in the business. So increasing the price will only mean a loss in customers.

Another factor that is likely to affect is USP, i.e. a business, in this case Mindful Chef has a USP such as selling vegetarian, vegan and gluten free boxes, they are more prone to charge higher prices as customers will only have the choice of buying these boxes at Mindful Chef if they want them.

AO1 = /2

AO2 = /2

AO3 = /2

Total Mark =



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Activity 4: Which question is best?

June 2023 Paper 2 (WBS12/01) Question 2(c) Exemplar 3:

(c) Analyse **two** factors that are likely to determine the pricing strategy used by UK businesses supplying food boxes.

(6)

one factors that are likely to determine the Pricing Strategy used by UK businesses is the demand. This is evident "There has been large growth in the number of businesses that supply these food boxes in the UK" this could explain how with the grow of the food boxes is in ~~demand~~ ^{high} demand the prices would have been ~~cheaper~~ ^{higher} to get money out of the customer.

one factors that are likely to determine the pricing strategy used by UK businesses is Competition. This is evident "Three business hold a large market share in this growing sector" this could show how with the market share increase they would decrease the price to attract more market share to help grow the company.

AO1 = /2

AO2 = /2

AO3 = /2

Total Mark =



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Activity 5: Find the level

June 2023 Paper 1 (WBS11/01) Extract C:

Extract C

About *Mindful Chef*

The business was started in 2015 by three school friends, Myles, Giles and Rob. They tested the recipes and food boxes on family and friends. They then used surveys and interviews to gather primary market research from them.

As well as selling meat dishes, *Mindful Chef* offers a wide range of vegetarian, *vegan and gluten-free boxes. All ingredients in the boxes are healthy and of premium quality. This has helped to build its brand and gain a good reputation in the market. 5

* *Products that do not include animal-based ingredients.*

Social objectives of *Mindful Chef*

The business acts responsibly by buying ethically sourced ingredients from local farmers and using recyclable packaging. For every meal bought from *Mindful Chef* it donates a nutritious school meal to a child living in poverty. 10

Quantity of school meals donated by *Mindful Chef* 2018–2021

Year	Millions
2018	0.4
2019	1.1
2020	4.2
2021	4.7



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Activity 5: Find the level

June 2023 Paper 1 (WBS11/01) Question 2(d) Mark Scheme:

Question	<p>Discuss the advantages to the owners of <i>Mindful Chef</i> of using surveys collected from their family and friends.</p> <p>Indicative content</p>
2(d)	<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>Indicative content</p> <ul style="list-style-type: none">• Primary market research is new data collected, which is specific to the needs of the business. It is referred to as field research• Using a survey to gather data may have helped <i>Mindful Chef</i> to gain an insight into consumer preferences. This may have helped them to improve the recipes before launching on a larger scale and so prevent costly mistakes• Rather than surveying the general public, using family and friends to gather research is likely to be a cheaper and quicker option. This would have saved costs for the three friends. It may have allowed them to enter the market quicker and benefit from first mover advantages• The feedback from family and friends could possibly be more reliable than from the general public as they may be honest in their feedback• However, using surveys could result in biased results. Family members may not be honest in their feedback if they fear this will cause conflicts in the family. This may have resulted in launching the wrong recipes• The owners may not have been experienced in writing and conducting surveys or analysing the results. This may have led to wasted time/resources and inaccurate data• Results from surveying only family and friends may not be conclusive as the feedback may not be representative of other groups of customers



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Activity 5: Find the level

June 2023 Paper 1 (WBS11/01) Question 2(d) Mark Scheme:

Level	Mark	Descriptor
	0	No rewardable material.
1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
2	3–5	Accurate knowledge and understanding. Applied accurately to the business and its context. Chains of reasoning are presented, showing cause(s) and/or effect(s) but may be assertions or incomplete. An attempt at an assessment is presented that is unbalanced and unlikely to show the significance of competing arguments.
3	6–8	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Logical chains of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors.



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Activity 5: Find the level

June 2023 Paper 1 (WBS11/01) Question 2(d) Exemplar 1:

(d) Discuss the advantages to the owners of Mindful Chef of using surveys collected from their family and friends.

(8)

Surveys are questionnaires directed to possible customers by businesses to ~~the~~ evaluate their opinions. (It is a form of primary ^{market} research) One advantage of Mindful Chef using surveys is that it is part of primary market research, meaning it would be up to date and relevant to the business. However being a small sample, it might not take into consideration all of the potential customers.

Another advantage is that by being collected from family and friends the ~~start~~ cost would be minimal to conduct it. ~~and~~ It would be easy to interpret than a larger scale survey, allowing them to focus on certain aspects and identify problems easier. However, because it is family and friends, there is a risk ~~of~~ of biased answers, defeating the purpose of the survey and the chance to identify flaws.

Overall Level =

Overall Mark =



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Activity 5: Find the level

June 2023 Paper 1 (WBS11/01) Question 2(d) Exemplar 2:

(d) Discuss the advantages to the owners of Mindful Chef of using surveys collected from their family and friends.

(8)

~~Using surveys from family and friends~~

Survey is a way to gather information and feedback about a product, and it's a way of primary research.

Using family and friends could be really helpful and easy. by using people that they know they were able to get an honest comments and feedbacks.

By making friend and family try the food boxes, they want take risks by putting a potential product in other's people hands.

Overall Level = Overall Mark =



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Activity 5: Find the level

June 2023 Paper 1 (WBS11/01) Question 2(d) Exemplar 3:

(d) Discuss the advantages to the owners of *Mindful Chef* of using surveys collected from their family and friends.

(8)

A survey is a method of primary research often carried out by businesses before starting production in order to assess consumer tastes and opinions.

Mindful Chef has made it to the top three leading businesses with a great market share after having ~~carry~~ carried out surveys with their families and friends.

Surveying family and friends might have been a cheaper way for Mindful Chef in order to assess consumer demands and trends in the market. This ~~could~~ ^{have} saved up on the cost of Mindful Chef and helped them maximise their profits in order to cover the costs of setting up the business and breaking even.

This kind of surveying might have been quicker for Mindful Chef and helped them setting up fast. This could have reduced on the delays which might have been possible if Mindful Chef had tried surveying a general population and assessing their tastes.

As family and friends often look-out for



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Activity 5: Find the level

June 2023 Paper 1 (WBS11/01) Question 2(d) Exemplar 3:

the well-being of a business, this approach of primary research might have helped Mindful Chef to create a USP over rival firms by assessing the ideas drawn in by family and friends.

However, surveys from family and friends might not be accurate and unprofessional.

This might lead Mindful Chef into developing the product/^{cooking the food} which might not match the current market trends. Professional primary research might include hiring ~~an~~ or outsourcing market research in order to get accurate accurate statistics and trends of the consumer tastes. Surveys assessed by friends and families might also be biased towards the company due to the relations and in order to maintain them. This could result into Mindful Chef running out of innovation and ideas in order to develop their product/^{food} further better.

However, in order to keep the costs as low as possible, friends and family surveys are a good option to enter the food box delivery service.

Overall Level = Overall Mark =



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Activity 6: Better balance

June 2023 Paper 2 (WBS12/01) Extract D:

Extract D

Game, set and match

Each year, *Wilson* produces 100 million tennis balls at its factory near Bangkok, Thailand. The factory covers an area of 11,000 m² and operates 24 hours a day.

Although it looks simple, a tennis ball goes through 24 stages during the production process. These stages include:

5

- crushing rubber to form a core for the ball
- cutting the core to size
- cutting felt into shapes to wrap around the rubber core
- joining the rubber core and felt shapes using glue.

Rubber used to make the tennis balls is sourced from Thailand, as well as imported from nearby Asian countries such as Vietnam and Malaysia.

10

Machinery is used for many of the stages but employees are needed to operate the machinery and to carry out some of the more complex and skilful tasks. One of these is wrapping the felt around the rubber core as this is more accurate when done by hand.

Wilson supplies tennis balls to many of the professional tennis tournaments that take place around the world each year. The most tennis balls supplied for a single tournament are for the French Open and the US Open. These tournaments each use 70,000 tennis balls.

15

Each ball must meet a strict specification, according to weight, size and hardness. The materials must be consistent to meet the requirements of the International Tennis Federation.

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Activity 6: Better balance

June 2023 Paper 2 (WBS12/01) Question 2(e) Mark Scheme:

Question	Assess the possible benefits that capital-intensive production may have on productivity at the <i>Wilson</i> factory.
	Indicative content
2(e)	<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> <ul style="list-style-type: none">• Capital-intensive production is where more emphasis is placed on the use of machinery rather than labour• Productivity is the rate of output that can be produced using a given quantity of resources, over a period of time• By using capital-intensive methods in its factory, <i>Wilson</i> is likely to become more efficient at tasks such as crushing the rubber• This means they may increase the output produced each day, leading to higher output for the factory and therefore, lower unit costs of production• A machine may be able to do tasks faster and operate continuously without a break. This will increase productivity and efficiency• Therefore, <i>Wilson</i> may be able to meet demand faster when supplying high volumes of tennis balls, such as the 70,000 required for US Open and French Open tournaments• However, machinery requires capital investment and maintenance and employees will need to be trained in its use, all of which increases costs and may reduce productivity• Machinery may not be able to fully replace human skill, for example, wrapping the felt around the rubber core, which needs a high level of accuracy if <i>Wilson</i> is to maintain the consistency needed to meet the requirements of the International Tennis Federation• The benefits of capital-intensive production may depend on other factors such as labour flexibility, working practices, rates of pay and the availability of suitable machinery



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Activity 6: Better balance

June 2023 Paper 2 (WBS12/01) Question 2(e) Mark Scheme:

Level	Mark	Descriptor
	0	No rewardable material.
1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
2	3–4	Elements of knowledge and understanding, which are applied to the business example. Chains of reasoning are presented but may be assertions or incomplete. A generic or superficial assessment is presented.
3	5–7	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and/or qualitative information, though unlikely to show the significance of competing arguments.
4	8–10	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors, leading to a supported judgement.



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Activity 6: Better balance

June 2023 Paper 2 (WBS12/01) Question 2(e) Exemplar 1:

(e) Assess the possible benefits that capital-intensive production may have on productivity at the Wilson factory.

(10)

Capital-intensive production is the use of ^{primarily} ~~majority~~ machinery for the production of a business.

The benefits of this include the reduction of long-term costs as machines ~~are~~ will be able to work efficiently without breaks. This would mean more tennis balls are produced in a shorter amount of time. Furthermore, machines would likely only need monthly maintenance. This further contributes to the reduction of long-term costs, as ~~that would be~~ Wilson's ~~only~~ ~~only~~ would only spend some money once a month to make sure their machinery is not faulty.

However, some drawbacks are also involved with capital-intensive production. One example is a fault in one machine leading to a large waste in resources. Should one machine improperly wrap the felt around the ball, for the whole day, ~~that~~ that whole batch of tennis balls are useless and reduced revenue for Wilson. Furthermore, if any of those faulty balls reached customers, Wilson's brand image gets worsened as customers would be less likely to buy their tennis balls knowing they could be faulty. Wilson loses customer loyalty that way.

In conclusion, Wilson saves a lot of money in long-term costs by using capital-intensive production but risks ~~large~~ ^{large} ~~massive~~ losses in



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Activity 6: Better balance

June 2023 Paper 2 (WBS12/01) Question 2(e) Exemplar 1:

revenue should there be any faults in said machinery

Overall Level	
Overall Mark	
Judgement for Evaluation (AO4) only*	Poor/Okay/Good?

***Making a separate judgment for Evaluation (AO4) is done for the purpose of this training ONLY. Examination questions are holistically judged across all four Assessment Objectives (AOs). Thus, it is the overall level that determines the final score.**



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Activity 6: Better balance

June 2023 Paper 2 (WBS12/01) Question 2(e) Exemplar 2:

(e) Assess the possible benefits that capital-intensive production may have on productivity at the *Wilson* factory.

(10)

Capital intensive means that the business relies more ~~heavily~~ heavily on machinery and equipment rather than labour. Therefore, most tasks are carried out by machines rather than workers. Productivity is output produced per machine per hour.

Capital-intensive production can increase productivity for Wilson. Machinery and equipment can work 24 hours without breaks therefore Wilson will be able to produce tennis balls 24/7 which will increase their output. Unlike workers, machinery does not need sick leaves or vacation, it can operate throughout the whole year without any interference. This means that Wilsons can work at a high capacity which will increase productivity as more outputs are being produced at a given time. However, if an equipment get faulty or breaks down, it can stop the whole production process therefore massively decreasing productivity. Moreover, the machine may take long periods of time in order to get fixed hence the business may not be able to operate.



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Activity 6: Better balance

June 2023 Paper 2 (WBS12/01) Question 2(e) Exemplar 2:

Secondly, machinery works with more accuracy and has less chances of error. As each ball of Wilson must meet a specific specification according to weight, size and hardness, it is useful to use machinery rather than labour in order to prevent errors and mistakes. This will reduce waste as less faulty products are being formed and increase productivity as all outputs being formed are meeting the specification and can be sold.

In conclusion, capital-intensive production is very beneficial in terms of productivity and producing at a large scale for Wilson. However, the cost of buying, setting up and maintaining this machinery can be very high.

Overall Level	
Overall Mark	
Judgement for Evaluation (AO4) only*	Poor/Okay/Good?

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Activity 7: Convincing conclusions

June 2023 Paper 2 (WBS12/01) Extract E:

Extract E

Asian Biscuit and Confectionery Ltd (ABC)

ABC was established in 2012. It produces the Goodlife brand of biscuits, crackers and sweets at its large factory in Nepal. The factory has fully-automated production facilities and six baking zones, each 76 metres long. It is the largest biscuit factory in Nepal.

Unmatched by other businesses in Nepal, ABC prides itself on baking products to the highest quality and the best taste. Goodlife is able to compete with international brands by selling at competitive prices. 5

ABC aims to attract Nepalese customers away from buying imported biscuits to buying the Goodlife brand. The brand is marketed using the slogan, 'for a good life, have a good bite'. The idea being that it makes the customer think of it as a good and healthy lifestyle brand. 10

To maximise its potential to achieve this aim, ABC believes it needs to invest in new production equipment and advertising. It currently promotes many of its biscuits, such as Goodlife Coconut Cookies and Goodlife Nice Biscuits, via YouTube videos, featuring its slogan. It periodically runs 'lucky draws' for wholesale customers making bulk purchases of Goodlife biscuits. 15



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Activity 7: Convincing conclusions

June 2023 Paper 2 (WBS12/01) Question 3 Mark Scheme:

Question	Evaluate whether sale of assets or retained profit would be more suitable for <i>Asian Biscuit and Confectionery Ltd (ABC)</i> to help finance the purchase of new production equipment.
3	<p>Indicative content</p> <p>Indicative content guidance 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>Sale of assets</p> <ul style="list-style-type: none">• Sale of assets is a type of internal finance, involves selling resources that belong to the business• Assets may include things used repeatedly by a business (non-current assets), such as buildings, baking equipment and ovens, as well as inventory of raw materials (current assets), such as baking ingredients and packaging• ABC has been established for more than 10 years, meaning it may be able to sell unwanted assets in order to raise finance• ABC owns the largest biscuit factory in Nepal, with fully-automated production facilities, meaning it may have spare capacity available to sell, especially as it plans to buy new production equipment• By selling unwanted assets, ABC may be able to raise enough finance to support its plans to invest in new production equipment• However, ABC may need all of its non-current assets in order to meet demand should its aim to attract Nepalese customers away from buying imported biscuits, be achieved• It may not be possible to sell some current assets because ingredients are likely to be perishable, meaning obsolete inventory cannot be sold• This would limit the finance that ABC could raise from the sale of assets and therefore it may not be enough to invest in new production equipment



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Activity 7: Convincing conclusions

June 2023 Paper 2 (WBS12/01) Question 3 Mark Scheme:

Retained profit

- *ABC* could raise finance by using retained profit, which is an alternative type of internal finance
- Retained profit is profit after tax has been deducted that can be used for investment in the business
- *ABC* may have accumulated a considerable amount of retained profit in the 10+ years it has been in business
- Therefore, *ABC* may be able to purchase new production equipment with readily available finance, even more quickly than by selling assets
- As the Goodlife brand is successful enough to be able to compete with international brands and is favoured over other Nepalese brands, *ABC* may have enough retained profit to fund the purchase of new production equipment
- However, there may be an opportunity cost involved as retained profit may be needed to fund advertising campaigns in order to help to meet the aims of the business
- There may not be enough retained profit available
- It may be that a combination of sale of assets and retained profits are needed
- Additional sources of finance may be used to support selling assets and/or using retained profit, such as leasing assets *ABC* has previously sold



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Activity 7: Convincing conclusions

June 2023 Paper 2 (WBS12/01) Question 3 Mark Scheme:

Level	Mark	Descriptor
	0	No rewardable material.
1	1–4	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.
2	5–8	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.
3	9–14	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.
4	15–20	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Uses well-developed and logical, coherent chains of reasoning, showing a range of cause and/or effect(s). Arguments are fully developed. 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.



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Activity 7: Convincing conclusions

June 2023 Paper 2 (WBS12/01) Question 3 Exemplar 1:

- 3 Evaluate whether sale of assets or retained profit would be more suitable for Asian Biscuit and Confectionery Ltd (ABC) to help finance the purchase of new production equipment.

(20)

Sale of Assets refers to a business selling their inventory and equipment which they currently own.

Retained profit is the ^{money} profit ~~of~~ the business ^{earned} after every cost has been paid.

The sales of assets could be suitable ~~as~~ for ABC if the new production equipment are upgrades of their currently owned equipment. For example, buying bigger blenders and automatic whisks means there is not much use for the manual, smaller ones. This would mean it makes more sense for ABC to sell their current assets as otherwise their old equipment would simply use up storage, and be useless to the business.

However, the issues with sales of assets could involve a loss of sales. If ordering new production equipment requires the sales of their current equipment, the time during which their current assets are sold and their new ones are being delivered would be a time where they are unable to sell earn any money. Since ABC works with perishable goods such as biscuits and sweets, preparing extra for their dead period is unlikely to occur as they will



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Activity 7: Convincing conclusions

June 2023 Paper 2 (WBS12/01) Question 3 Exemplar 1:

either spoil or become stale, which goes against their brand image portraying a healthy lifestyle.

Retained profit could be more suitable for financing ^{ABC's} their purchase of new equipment if the equipment further enhances the production in harmony with their current equipment. This could ~~mean~~ involve equipment that makes the flow of production easier to handle such as devices to print the shape of more cookies at a time or new equipment which allows ABC to diversify into making lollipops or macaroons etc. This could lead to more revenue and in turn, greater profit margins, giving ABC more retained profit later on.

However, Alternatively, the use of retained profit could upset ABC's shareholders as that would lead to little or no dividends. Furthermore there is ^{never a} ~~no~~ guarantee that this is definitely a worthwhile investment, which means if the new production equipment becomes costly because of maintenance or consumers don't buy enough biscuits and sweets to at least break-even, shareholders are likely to stop investing or buy out of ~~the~~ ABC.

In conclusion, sale of assets allows for older, useless equipment to be gotten rid of while keeping retained profit but could risk a period of little ~~to~~ no sales. ~~etc~~ Meanwhile ^{using} retained profit is the better option if current assets are still required by the business, ~~etc~~ although this runs the risk of upsetting shareholders as they would not receive dividends and there ~~is~~ is no guarantee the new production equip-



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Activity 7: Convincing conclusions

June 2023 Paper 2 (WBS12/01) Question 3 Exemplar 1:

equipment is profitable. It all depends on what kind of equipment ABC is planning to buy.

Overall Level	
Overall Mark	
Judgement for Evaluation (AO4) only*	Poor/Okay/Good?
Judgement for Conclusion on its own*	Poor/Okay/Good?

***Making a separate judgment for Evaluation (AO4) and the Conclusion separately is done for the purpose of this training ONLY. Examination questions are holistically judged across all four Assessment Objectives (AOs). Thus, it is the overall level that determines the final score.**



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Activity 7: Convincing conclusions

June 2023 Paper 2 (WBS12/01) Question 3 Exemplar 2:

- 3 Evaluate whether sale of assets or retained profit would be more suitable for Asian Biscuit and Confectionery Ltd (ABC) to help finance the purchase of new production equipment.

(20)

Retained profit is when the business re-invest the money back into the business after covering all expenses.

ABC by using retained profit they are immediately increasing the capital because the capital already exists ~~before~~ but showed after expenses leading to ABC being able to buy new machines to increase production of Goodlife biscuits and provide them to Nepali people to decrease their interest in imported biscuits.

However, ABC may not even have enough retained profit to buy new machines because the expenses are too high leading to ABC not buying new machines to produce Goodlife biscuits as a result sales revenue and profit decreases.



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Activity 7: Convincing conclusions

June 2023 Paper 2 (WBS12/01) Question 3 Exemplar 2:

Sales of assets is when a business sells assets they don't want or need such as land, ~~vehicles~~ cars and old machines.

ABC by using sales of assets they are able to sell old machines from the six baking zones. ~~leading to~~ they are able to raise capital immediately leading to ABC having higher capital as a result they are able to ~~buy~~ buy new production machines and by selling unused assets they can set the price that they want. As a result sell it and get the money they want or need.

However, unused assets ~~may~~ ~~the~~ price may deappreciate such as old machines because they are outdated leading to becoming cheaper and less demand on them as a result they might not even get ~~set~~ sold and ABC can't buy new production machines.



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Activity 7: Convincing conclusions

June 2023 Paper 2 (WBS12/01) Question 3 Exemplar 2:

In the short term retained profit will raise the capital straight away and there is no form of interest rate to payback which is more convenient however in the long term ~~the~~ ABC may not always have enough retained profit to buy or spend.

In the short term sales of assets will raise the capital straight away without any interest rate to pay however in the long term ~~they~~ ABC may need assets that they have such as land to expand or cars to deliver.

In conclusion ABC should calculate how much capital they need to raise and choose which method is most suitable.



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Activity 7: Convincing conclusions

June 2019 Paper 2 (WBS12/01) Question 3 Exemplar 2:

Overall Level	
Overall Mark	
Judgement for Evaluation (AO4) only*	Poor/Okay/Good?
Judgement for Conclusion on its own*	Poor/Okay/Good?

***Making a separate judgment for Evaluation (AO4) and the Conclusion separately is done for the purpose of this training ONLY. Examination questions are holistically judged across all four Assessment Objectives (AOs). Thus, it is the overall level that determines the final score.**



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Now write your **OWN 'conclusion'** to this question in the space below.

Evaluate whether sale of assets or retained profit would be more suitable for *Asian Biscuit and Confectionary Ltd (ABC)* to help finance the purchase of new production equipment.

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Personal Learning:

Things to do:

- Make sure that you recognise that the levels of response questions **will be marked according to a line of best fit across all four of the Assessment Objectives or 'AOs' contained within the level descriptor.**
- Make sure you know what each command word requires students to do and which Assessment Objectives (AOs) it targets.
- Use the Examiners' Reports the annotated worked exemplars contained within it to help your students prepare (usually June exam series only).
- Use the 'Getting Started' guide (available on the Pearson website) to understand the breadth and scope of the specification.

Things to avoid:

- Copying from the extracts will not lead to Application (AO2) marks being awarded. The extract has to be used in a way that helps answer the question to score marks available for Application (AO2).
- Knowledge (AO1) is just one of the Assessment Objectives under test and memorising facts and rote learning textbooks or notes will only get you a proportion of the available marks for most of the questions.
- Questions that ask candidates' to 'Discuss/Assess the benefits/advantages of...' require a two-sided approach, since these levels-based questions are also testing Evaluation (AO4). Many students just see the term 'advantages' in the question and offer a one-sided approach. That will limit the judgement made in levels-based marking.

Your ideas: