CAMBRIDGE
International Education

Cambridge International AS & A Level

BUSINESS **9609/42**

Paper 4 Business Strategy **May/June 2025**

MARK SCHEME

Maximum Mark: 40

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the May/June 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

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Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

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GENERIC MARKING PRINCIPLE 5: Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).
GENERIC MARKING PRINCIPLE 6: Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

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Social Science-Specific Marking Principles
(for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

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3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

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Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standardisation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
	For objective points that are correct.
	For objective points that are wrong.
 and TV	When the candidate has attempted something, but the mark/skill has not been awarded.
Highlighter	To highlight a point or section of an answer that justifies the mark/annotation.
BOD	When the candidate has attempted something, and the mark/skill has been awarded.
NUT	When the context has not been used.
SEEN	To show a page/section has been seen/read.
NAQ	When the response is not focussed on answering the question.
REP	The repetition of a previous point in a response **or** candidate is copying the case study/data.

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Annotation	Meaning
OFR	The own figure rule applies – acts as a mark/tick.
K	When limited knowledge (AO1) has been awarded.
DEV	When developed knowledge (AO1) has been awarded.
APP	When AO2 has been awarded. Number of APPs should match the mark awarded.
A1	When AO3 at Level 1 has been awarded.
A2	When AO3 at Level 2 has been awarded.
A3	When AO3 at Level 3 has been awarded.
N1	When AO4 at Level 1 has been awarded.
N2	When AO4 at Level 2 has been awarded.
N3	When AO4 at Level 3 has been awarded.

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Guidance on using levels-based marking

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding
Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application
Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis
Analyse business problems, issues and situations by:
- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation
Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

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PREPARATION FOR MARKING

1 Make sure that you have completed the relevant training and have access to the *RM Assessor Guide*.
2 Make sure that you have read and understand the question paper, which you can download from https://support.rm.com/ca
3 Log in to RM Assessor then mark and submit the required number of practice and standardisation scripts. You will need to mark the standardisation scripts to the required accuracy in order to be approved for marking live scripts. You may be asked to re-mark them, or to mark a second sample, if you do not meet the required accuracy on your first attempt.

MARKING PROCESS

1 Mark strictly to the FINAL mark scheme, applying the criteria consistently and the general marking principles outlined on the previous page.
2 If you are in doubt about applying the mark scheme, consult your Team Leader.
3 Mark at a steady rate through the marking period. Do not rush, and do not leave too much until the end. If you anticipate a problem in meeting the deadline, contact your Team Leader immediately and the Examiners' Helpdesk.
4 Examiners will prepare a brief report on the performance of candidates to send to their Team Leader via email by the end of the marking period. The Examiner should note strengths seen in answers and common errors or weaknesses. Constructive comments on the question paper, mark scheme or procedures are also appreciated.

MARKING SPECIFICS

Crossed out work

1 **All of a candidate's answers, *crossed out* or not, *optional* or not, must be marked.**
2 The only response not to be marked is one that has been crossed out and replaced by another response for that exact same question.
3 Consequently, if a candidate has crossed out their response to an optional question and gone on to answer a different optional question then both attempts must be marked. The higher mark will be awarded by the system according to the rubric.

0 (zero) marks or NR (no response)

1 Award **NR** if there is nothing at all written in answer to that question (often the case for optional questions).
2 Award **NR** if there is a comment which is not an attempt at the question (e.g. 'can't do it' or 'don't know' etc.)
3 Award **NR** if there is a symbol which is not an attempt at the question, such as a dash or question mark.
4 Award **0** (zero) if there is any attempt at the question which does not score marks. This includes copying the question onto an Answer Booklet.

Annotation

1. Every question must have at least one annotation e.g. <NAQ> if it is an NR and <X> or <seen> if 0 marks are awarded.

Every page of a script must have at least one annotation e.g. <BP> for a blank page

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Please refer to this grid for BOTH questions.

Level	AO1 Knowledge and understanding 3 marks	AO2 Application 2 marks	AO3 Analysis 8 marks	AO4 Evaluation 7 marks
	Description	**Description**	**Description**	**Description**
3			**7–8 marks** **Developed analysis of the overall strategy** that identifies connections between causes, impacts and/or consequences.	**6–7 marks** **Effective evaluation** A developed judgement/conclusion is made in the business context that draws together developed evaluative comments which balance some key arguments in the business context.
2	**2–3 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**4–6 marks** **Developed analysis of individual strategic element(s)** that identifies connections between causes, impacts and/or consequences.	**3–5 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1–3 marks** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

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Question	Answer	Marks
1	**Evaluate the usefulness to QA of the approaches used to develop its business strategy between 2021 and 2024.** **AO1 Knowledge and understanding** Knowledge [K] (max 1 mark) can be awarded for any **relevant business knowledge about an approach** to develop business strategy, including: • SWOT analysis – strengths, weaknesses, opportunities and threats. Allows a business to identify the influences within the business and those which it may be able to take advantage of / be wary of in the future. • Ansoff matrix – cross references existing and new markets against existing and new product to help decide whether a business should use market development, market penetration, product development or diversification. • Product life cycle – model to plan the movement of a product through the stages of sales; launch, growth, maturity, saturation, decline. • Decision tree – allows a quantitative understanding of the risks and expected values from a decision. These are calculated using probabilities and expected outcomes from making decisions. **Allow knowledge of any approach**, including: • Blue ocean strategy / red ocean strategy • Scenario planning • PEST analysis • Porter's five forces • Core competence framework • Force field analysis • Boston matrix (BCG) • Investment appraisal (payback, ARR, IRR and NPV).	**20**

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1</td><td>Award DEV for any explanation of an approach that could be used to develop business strategy, up to a max of 2 marks.

<table>
<tr><td>SWOT K</td><td>Identified an approach, so only K.</td></tr>
<tr><td>SWOT K, can be used to identify the internal and external force DEV.</td><td>1 K for identification and 1 DEV for a point of explanation.</td></tr>
<tr><td>SWOT K, can be used to identify the internal and external force DEV to overcome its weaknesses with its opportunities DEV.</td><td>1 K for identification and 2 DEVs for two points of explanation.</td></tr>
</table>

Note: – Candidates can gain full marks for AO1 from one term that is explained (K+DEV+DEV) or from two terms partially explained (K+DEV and K+DEV).</td><td></td></tr>
</table>

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Question	Answer	Marks
1	**AO2 Application** Application APP (max 2 marks) can be awarded for **applying knowledge, analysis or evaluation of an approach to develop business strategy,** to QA between 2021 and 2024. • Technology business located in country A • Sells AI smart speakers • 2016 first device (QA1) had high demand • Management buyout (for $20m) in 2012 • 2021 QA becomes a private limited company • Use of Appendix 1 – SWOT analysis • Eight senior managers become directors with equal share split • 2022 – Ansoff matrix used – product development (new product, existing market) • 2022 – QA2 in development – next generation speaker with improved functionality • 2023 – sales of QA1 enter decline stage of product life cycle • 2023 – QA makes a loss for the first time • Use of Appendix 2 – Decision tree • 2023 – decision made to launch the QA2 early • 2024 – launch of QA2 (early) • 2024 – sales higher than expected • 2024 – excess demand, QA unable to increase supply • 2024 – QA launch a website to show inventory availability at retail outlets • 2024 – complaints from customers about QA2 • 2024 – QA makes a public apology about the QA2.	

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Question	Answer	Marks
1	**AO3 Analysis** Analysis is likely to be based on the impact of the approaches used to develop a business strategy for QA between 2021 and 2024 (A1 and A2 and A3) , including: • SWOT analysis – allows a business to use its strengths to overcome its threats and use its opportunities to overcome its weaknesses. Provides an overview of QA and provides the directors with data to enable effective formulation of a business strategy. However, only provides a picture of where the business is right now. Data about the threats and opportunities is only as good as the research it is based upon. In particular, this is a new technology market and QA is a relatively small player in the market – the actions of competitors are unlikely to be covered by a SWOT analysis. • Ansoff matrix – useful tool for helping decision makers in a business see the risk involved in different business strategies. A choice of product development (new product to existing market) allows the business to see a medium level risk. However, this is a simplistic tool and unlikely to be much use in such a dynamic and technologically changing market. With product development being crucial in the technology market, will the Ansoff matrix provide enough data to enable to directors to decide upon a new strategy? • Product life cycle – useful to plot the likely movement of products through stages of sales, which allows QA to predict what might be likely to happen to sales of QA1 as time progresses. Particularly useful when combined with other analytical tools such as the Boston matrix to analyse the product portfolio of QA. However, it is not certain that every product will follow the same pattern of sales, especially in the technology market where there is not an established pattern of sales. There are also large competitors (Google, Apple) who dominate this market, and their actions are likely to have massive effects on the lifecycle of the product. • Decision tree – Allows a quantitative understanding of the outcomes and risks of a decision. Allows the directors to make an objective decision based on the data without subjective issues getting in the way. However, the data can only be as good as the research upon which it is based. Especially in this market where outcomes are unlikely to be known and probabilities may rely on subjective issues which cannot be known in advance.	

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1</td><td>

AO4 Evaluation

Evaluation (N1 and N2 and N3) including:

Evaluation will largely depend on the points raised in the analysis.

- A judgement over the usefulness of each approach that QA used to develop strategy between 2021 and 2024.
- A judgement over the most useful approach that QA used to develop strategy between 2021 and 2024.
- A judgement over the other approaches QA could have used to develop strategy between 2021 and 2024.
- What the judgement(s) may depend upon; the actions of competitors, the external environment (social, legal, economic, political, technological), the objectives of stakeholders etc.
- Weighing up of the relative usefulness of each approach used in the development of strategy between 2021 and 2024.

Accept all valid responses.

<table>
<tr><th>No credit</th><th>L1 N1 including: (limited supporting evidence)</th><th>L2 N2 including: (developed supporting evidence)</th><th>L3 N3 including: (developed supporting evidence with context)</th></tr>
<tr><td>SWOT analysis is the most useful approach.</td><td>SWOT analysis is the most useful approach because it shows internal and external factors.</td><td>SWOT analysis is the most useful approach because it shows internal and external factors, unlike other approaches, like PEST, which only shows external factors.</td><td>SWOT analysis is the most useful approach because it shows internal data, like QA having a 6% market share and external factors, unlike other approaches, like PEST, which only shows external factors.</td></tr>
<tr><td>The usefulness of the approaches depends on many factors.</td><td>The usefulness of the approaches depends on the accuracy of the data.</td><td>The usefulness of the approaches depends on the accuracy of the data because if QA makes decisions based on inaccurate data, they might make the wrong decision, leading to failure.</td><td>The usefulness of the approaches depends on the accuracy of the data because if QA makes decisions based on inaccurate data, they might make the wrong decision, leading to failure. This might be particularly bad since the decision tree only has a $0.6m difference, which if it is wrong, could have meant QA launched the QA2 at the wrong time.</td></tr>
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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2</td><td>

Advise QA on a coordinated marketing strategy for the future success of QA2.

AO1 Knowledge and understanding

The elements of a coordinated marketing strategy:
- Objectives
- Resources / budget
- Research
- Marketing mix
- Product – product life cycle, Boston matrix
- Price
- Promotion
- Place
- Physical evidence
- Process
- People

Marketing strategy may also include:
- the changing role of Information Technology (IT) and Artificial Intelligence (AI) **in marketing**
- International marketing, including developing an international market through pan-global marketing or maintain local differences.

Award DEV for any explanation of an element of marketing strategy, up to a max of 2 marks.

<table>
<tr><td>Product K</td><td>Identification of an element of marketing strategy, so only K.</td></tr>
<tr><td>Product K, involves the design, quality and uses of a product that is sold DEV.</td><td>1 K for identification and 1 DEV for a point of explanation.</td></tr>
<tr><td>Product K, involves the design, quality and uses of a product that is sold. DEV
Product can also involve after-sales service, so customers can return faulty goods DEV.</td><td>1 K for identification and 2 DEVs for two points of explanation.</td></tr>
</table>

Note: Candidates can gain full marks for AO1 from one term that is explained (K+DEV+DEV) or from two terms partially explained (K+DEV and K+DEV).

</td><td>**20**</td></tr>
</table>

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Question	Answer	Marks
2	**AO2 Application** Application APP (max 2 marks) can be awarded for **applying knowledge, analysis or evaluation of a coordinated marketing strategy,** to QA, including: • Technology business located in country A • Sells AI smart speakers • 2016 first device (QA1) had high demand • Management buyout (for $20m) in 2012 • 2021 – QA becomes a private limited company • Use of Appendix 1 – SWOT analysis • Eight senior managers become directors with equal share split • 2022 – Ansoff matrix used – product development (new product, existing market) • 2022 – QA2 in development – next generation speaker with improved functionality • 2023 – sales of QA1 enter decline stage of product life cycle • 2023 – QA makes a loss for the first time • Use of Appendix 2 – Decision tree • 2023 – decision made to launch the QA2 early • 2024 – launch of QA2 (early) • 2024 – sales higher than expected • 2024 – excess demand, QA unable to increase supply • 2024 – QA launch a website to show inventory availability at retail outlets • 2024 – complaints from customers about QA2 • 2024 – QA makes a public apology about the QA2.	

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Question	Answer	Marks
2	**AO3 Analysis** Analysis is likely to be based on how a coordinated marketing strategy may affect the success of QA (A1 and A2 and A3), including: • Objectives – could include increasing market share, increasing sales, profit maximisation. Sales maximisation, satisficing etc. • Resources – outsourcing of manufacturing, previous positive brand image from QA1 (although damaged by early release of QA2), possibility of selling more shares to realise capital in QA etc. • Research – use of Appendix 3, future market research into elements of the marketing mix (when decided). • Product – QA2 – next generation smart speaker – new features that may be suggested. • Price – feedback suggests too high, so opportunity to decrease price to increase customer sales/reputation. However, may irritate customers who have previously purchased the QA2. • Promotion – competitors (Google, Apple etc) likely to have very high marketing budgets for promotion with the backing of well-known brands. QA is unlikely to be able to afford a level of promotion to battle these companies head on. Promotion may need to be combined with other elements, such as a product feature which is unique to QA2. • Place – currently retail stores, which is a common distribution channel for smart speakers and technology. Shared shelf space with competitors may make product differentiation difficult. QA could use their own website, which may reduce the cost of intermediaries and allow for lower prices and/or higher profit margin. However, no data as to the best distribution strategy – may need to be combined with research.	

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2</td><td>

AO4 Evaluation

Evaluation (N1 and N2 and N3) including:

Evaluation will largely depend on the points raised in the analysis.

- A judgement over the likely success of the chosen marketing strategy.
- A judgement over the likely coordination of the chosen marketing strategy.
- A judgement over the best marketing strategy.
- What the judgement(s) may depend upon; the reactions of competitors, the dynamism of the external environment, the likely development of smart speaker technology beyond 2025, the reactions of customers to the failed launch of the QA2 etc.
- Weighing up of the likely success of the marketing strategy for the future success of the QA2.

Accept all valid responses.

<table>
<tr><th>No credit</th><th>L1 N1 including: (limited supporting evidence)</th><th>L2 N2 including: (developed supporting evidence)</th><th>L3 N3 including: (developed supporting evidence with context)</th></tr>
<tr><td>QA have to change their promotion to succeed.</td><td>QA have to change their promotion to succeed because of the complaints.</td><td>QA have to change their promotion to succeed because of the complaints. Promotion is the best way to change the public perception and encourage sales.</td><td>QA have to change their promotion to succeed because of the complaints with 18% of faulty products. Promotion is the best way to change the public perception and encourage sales.</td></tr>
<tr><td>I advise QA to change its price.</td><td>I advise QA to change its price because it is the first thing customers look at.</td><td>I advise QA to change its price because it is the first thing customers look at, so that they can compare competitors’ products with QA and this is likely to be the main factor affecting QA’s success.</td><td>I advise QA to change its price because it is one of the main complaints from 65% of customers, so that they can compare competitors’ products with QA and this is likely to be the main factor affecting QA’s success.</td></tr>
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