GCSE
BUSINESS
8132/1

Paper 1 Influences of operations and HRM on business activity

Mark scheme

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2 3 6 G 8 1 3 2 / 1 / M S

Mark schemes are prepared by the Lead Assessment Writer and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all associates participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every associate understands and applies it in the same correct way. As preparation for standardisation each associate analyses a number of students' scripts. Alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

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Level of response marking instructions

Level of response mark schemes are broken down into levels, each of which has a descriptor. The descriptor for the level shows the average performance for the level. There are marks in each level.

Before you apply the mark scheme to a student's answer read through the answer and annotate it (as instructed) to show the qualities that are being looked for. You can then apply the mark scheme.

Step 1 Determine a level

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptor for that level. The descriptor for the level indicates the different qualities that might be seen in the student's answer for that level. If it meets the lowest level then go to the next one and decide if it meets this level, and so on, until you have a match between the level descriptor and the answer. With practice and familiarity you will find that for better answers you will be able to quickly skip through the lower levels of the mark scheme.

When assigning a level you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as the rest. If the answer covers different aspects of different levels of the mark scheme you should use a best fit approach for defining the level and then use the variability of the response to help decide the mark within the level, ie if the response is predominantly level 3 with a small amount of level 4 material it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

Step 2 Determine a mark

Once you have assigned a level you need to decide on the mark. The descriptors on how to allocate marks can help with this. The exemplar materials used during standardisation will help. There will be an answer in the standardising materials which will correspond with each level of the mark scheme. This answer will have been awarded a mark by the Lead Examiner. You can compare the student's answer with the example to determine if it is the same standard, better or worse than the example. You can then use this to allocate a mark for the answer based on the Lead Examiner's mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

Indicative content in the mark scheme is provided as a guide for examiners. It is not intended to be exhaustive and you must credit other valid points. Students do not have to cover all of the points mentioned in the Indicative content to reach the highest level of the mark scheme.

An answer which contains nothing of relevance to the question must be awarded no marks.

The own figure rule

General principle: The own figure rule is designed to ensure that students are only penalised once for a particular error at the point at which that error is made, and suffer no further penalty as consequence of the error. Where the own figure rule is to be applied in a mark scheme, the symbol OFR is used.

Section A

Total for this section: 20 marks

Multiple Choice Questions

Question Number	Answer	
1.1	A	It can issue shares
1.2	C	Packaging
1.3	C	Items are produced individually to meet the exact requirements of a customer.
1.4	B	They keep the job role along with someone else.
1.5	C	Improved staff communication.
1.6	B	Businesses need to reduce production to match sales.

Q1.1 to Q1.6 = AO1 × 6 **[1 mark for each correct answer]**

1.7	Identify **two** stakeholders of a business. **[2 marks]**

Marks for this question: AO1 – 2 marks

1 mark for identifying a stakeholder x 2.

Possible answers may include:
- shareholders/owners/investors
- customers
- employees/managers
- local community
- suppliers
- competitors
- Government
- lenders/bank/creditors/receivables

1.8	Explain **one** cost of maintaining quality during the production of a product. **[2 marks]**

Marks for this question: AO1 – 2 marks

1 mark for identifying a cost of maintaining quality.
1 mark for explaining how the cost of maintaining quality occurs or the effect on maintaining quality.

Possible answers may include:
- staff training
- inspection cost
- time
- equipment
- materials

Examples of developed answers
Staff training may be a cost of maintaining quality (1) this is so employees can complete the job to the required standard (1).

Inspections cost (1) means that extra employees are needed to check products before they go to customers (1).

1.9	Explain **one** disadvantage to a business of poor customer service. **[2 marks]**

Marks for this question: AO1 – 2 marks

1 mark for identifying a disadvantage for the business of poor customer service.
1 mark for explaining the consequence for the business

Possible answers may include:
- dissatisfied customers
- poor reputation/negative reviews
- more returns/refunds
- lose customers to competitors
- less customer loyalty

Examples of developed answers
Negative reviews (1) means it is difficult to attract new customers (1)
May lead to dissatisfied customers (1) which means they will not shop at the business again (1)
More returns/refunds (1) increases costs of the business (1)
Poor reputation (1) resulting in less repeat sales (1)
Less customer loyalty (1) as customers go to competitors (1)

Markers Note
A generic response such as sales reducing or loss of customers would gain one mark.

1.10	Describe **one** characteristic of an entrepreneur. **[2 marks]**

Marks for this question: AO1 – 2 marks

1 mark for identifying a characteristic.
1 mark for describing a characteristic or why it is needed.

Possible answers may include:
Characteristics
- hard working
- innovative
- organised
- willing to take risks
- creative

Examples of developed answers
Hard working (1) to get the business known (1)
Organised (1) to manage workload (1)
Innovative (1) to spot opportunities (1)

1.11	Explain what is meant by 'induction training'. **[2 marks]**

Marks for this question: AO1 – 2 marks

1 mark for a basic description and 1 mark for some development or giving an example.

Answers may include:
Basic description
- given before an employee starts the job
- given when an employee first starts a job

Possible developments:
- learn about procedures
- involves meeting colleagues
- learn systems/health and safety.

Examples of developed answers
Given before an employee starts the job (1) helps them learn more about their work place (1).
Given when an employee first starts a job (1) for example shown fire evacuation procedures (1).

Markers note
The answer must focus on induction and not general training.

1.12	State and explain **two** financial methods of rewarding employees. **[4 marks]**

Marks for this question: AO1 – 4 marks

1 mark for identifying a financial method of rewarding employees X 2
1 mark for explaining how the financial method works x 2.

Answers may include:
- bonus
- commission
- salary
- wage
- profit sharing

Examples of a developed answer
Bonus (1) is paid to staff for meeting targets (1)
Commission (1) is paid when sales are made (1)
Salary (1) is a fixed yearly payment for doing their job (1)

Markers note
Fringe benefits such as a car or discounts are not a financial method and should not be awarded.

Section B

Total for this section: 33 marks

2.1	Explain what is meant by 'off the job' training. **[2 marks]**

Marks for this question: AO1 – 2 marks

1 mark for a basic explanation and 1 mark for some development.

Answers may include:
Basic explanation:
- takes place away from the usual workplace
- can include formal training, eg qualifications
- run by external organisations

Development:
- example of where the training can take place
- uses external trainers so brings new ideas and approaches
- more expensive/higher cost than on the job
- trainers more experienced so can be more effective.

Example of a developed answer

Off the job training takes place away from the workplace (1) a course run at an external organisation (1).

Off the job training can include formal qualifications (1) as the external organisations offering the training are often specialised and award qualifications (1).

Markers Note
Don't award references to the content of the training.
Don't allow reference to improving skills as all types of training could do this.

2.2	Xanthe has set a target to make 200% profit on top of costs each time the new course is run. Two trainers will run the four-hour course with 30 people attending. Using **Table 1** calculate the selling price per person. **[5 marks]**

Marks for this question: AO2 – 5 marks

Selling price = £27 (5)

Method 1

Wages 4 × £15 = £60 (1) × 2 = £120 OFR (1)
Admin 5 × 30 = £150 (1)
Total costs = £120 + £150 = £270 OFR (1)
Selling price = £270 × 3 = £810 / 30 = £27 OFR (1)

Method 2

Wages 4 × £15 = £60 (1) × 2 = £120 (1) / 30 = £4 OFR (1)
Total costs = £5 + £4 = £9 OFR (1)
Selling price = £9 × 3 = £27 OFR (1)

Method 3

Wages 4 × £15 = £60 (1) × 2 = £120 (1) / 30 = £4 OFR (1)
Total costs = £5 + £4 = £9 OFR (1)
Selling price = £9 + £18 = £27 OFR (1)

2.3	Xanthe believes increasing the range of courses offered will keep the business competitive. Recommend whether XTA should introduce the new course 'Using Web Conferencing Effectively'. Give reasons for your answer. **[9 marks]**

Marks for this question: AO2 – 3 marks, AO3 – 6 marks

Level	Marks	Description
3	**7–9**	**Detailed analysis and evaluation of topics based on the context** • Sustained line of reasoning, which is coherent, relevant, substantiated with a focused conclusion that is fully justified. • Business areas are fully analysed. • Applies knowledge and understanding to the context sufficiently.
2	**4–6**	**Sound analysis and evaluation of topics based on the context** • A line of reasoning, with a conclusion that has some justification. • Business areas are partially analysed. • Applies some knowledge and understanding to the context.
1	**1–3**	**Basic analysis and evaluation of topics based on the context** • Basic line of reasoning with a conclusion. • Basic analysis of business areas. • Basic knowledge and understanding is applied to the context.
0	**0**	Nothing written worthy of credit.

Indicative content:

Application	Analysis
Introduce course Competitive market and many businesses cutting back on training to save costs. Course more relevant as many people are increasingly working from home.	This will make the business more competitive, as it can offer the course for a lower price. More participants will be able to attend as they can access the course from home; it is not limited by the size of their current training facility. Trainer costs will be spread across more participants leading to economies of scale, and this saving can be passed on to customers. This will make the online training a more cost-effective solution for many businesses that are currently cutting back on training to reduce costs. Therefore this can open up a larger market than the Manchester training facility offers.
Don't introduce course – Trainees could be anywhere in the UK. Reputation for high quality courses.	The business currently has a reputation for high quality courses, expansion in this way may cause issues due to poor Internet connection of the participants and this may affect the quality of the course which the business can't control. As the course is run remotely and employees are delivering the training from home it may make it difficult to coordinate and control the service further impacting on the quality level of training delivered. The reputation

Staff delivering the training from home may make it difficult to co-ordinate. Competitive market and nothing to stop other businesses offering this training.	of the business may be affected if there are complaints, and this could lead to poor reviews and loss of sales on current courses not just the new one.

Evaluation
If the business doesn't offer the new course, it may find that sales fall and this could be the only way to move forward. More courses could be moved online and the training facility sold.

Offering a new course in a market where businesses are saving costs and cutting back on training could be too risky. It should look to sales from other markets instead**.**

2.4	Explain **one** benefit of internal recruitment. **[2 marks]**

Marks for this question: AO1 – 2

1 mark for identifying a benefit of internal recruitment.
1 mark for explaining the benefit of internal recruitment.

Answers may include:
- current employees have experience of the business
- current employees know the other employees
- provides current employees with promotion opportunities
- no need for external advertisements
- no need for induction training

Example of a developed answer
There is no need for external advertisements (1) internal is cheaper as external advertisements more expensive (1)
Provides current employees with promotion opportunities (1) which can help motivate them (1)

2.5	Xanthe uses delegation to give employees greater levels of responsibility. Analyse **one** benefit to XTA of using delegation to motivate employees. **[6 marks]**

Marks for this question: AO2 – 3 marks, AO3 – 3 marks

Level	Marks	Description
3	**5–6**	**Detailed analysis of topics based on the context** • Business areas are fully analysed. • Applies knowledge and understanding to the context sufficiently.
2	**3–4**	**Sound analysis of topics based on the context** • Business areas are partially analysed. • Applies some knowledge and understanding to the context.
1	**1–2**	**Basic analysis of topics based on the context** • Basic analysis of business areas. • Basic knowledge and understanding is applied to the context.
0	**0**	Nothing written worthy of credit.

Answers may include:

Application

- **employees been given responsibility to design new courses** – form of non-financial method of motivation
- **staff retention is high –** loyal employees improve employee retention rates and keep recruitment costs low.

Example of a Level 3 developed answer

The opportunity to carry out a more interesting job is likely to motivate employees. As Xanthe has been delegating tasks such as giving them responsibility to design new courses this is a non-financial method of motivation it should therefore push employees to work harder and carry out their job more efficiently. Leading to higher levels of customer satisfaction, which the customers at XTA comment on. Delegating these tasks means that the business does not have to pay staff higher wages, which will keep the costs of the courses lower and enable the business to remain competitive on the price charged.

2.6	Xanthe involves her employees in some decision making but she makes all major decisions herself. Recommend whether Xanthe should create a taller organisational structure. Give reasons for your choice. **[9 marks]**

Marks for this question: AO2 – 3 marks, AO3 – 6 marks

Level	Marks	Description
3	**7–9**	**Detailed analysis and evaluation of topics based on the context** • Sustained line of reasoning, which is coherent, relevant, substantiated with a focused conclusion that is fully justified. • Business areas are fully analysed. • Applies knowledge and understanding to the context sufficiently.
2	**4–6**	**Sound analysis and evaluation of topics based on the context** • A line of reasoning, with a conclusion that has some justification. • Business areas are partially analysed. • Applies some knowledge and understanding to the context.
1	**1–3**	**Basic analysis and evaluation of topics based on the context** • Basic line of reasoning with a conclusion. • Basic analysis of business areas. • Basic knowledge and understanding is applied to the context.
0	**0**	Nothing written worthy of credit.

Indicative content:

Application	Analysis
Taller structure Positions of responsibility will reward four existing staff with higher pay and promotion opportunities in the business. With 22 employees it is difficult for Xanthe to monitor work. Mistakes have been made. Assistant managers or supervisor will always be on hand to monitor the course. Xanthe not always working when courses are running.	Positions of responsibility should ensure that staff remain loyal to the business and staff retention stays high. This will ensure that employees who are keen for promotion do not leave the business resulting in Xanthe losing experienced staff. She needs to ensure that employees are monitored effectively as this leads to efficiency and high levels of customer service and positive feedback. The recent mistakes by new employees suggests that the span of control is too large and Xanthe on her own cannot manage all employees effectively.
Flatter structure Giving all employees extra responsibility through delegation works as there is low staff turnover.	Creating the roles will result in extra levels of the hierarchy which will mean that only the assistant managers will report directly to Xanthe. This is very different and Xanthe may find it hard to watch as these roles make more decisions in her business.

Assistant managers developing courses, etc will leave little for Xanthe to do. Staff training. Xanthe likes to know all her employees, and only the assistant managers will report to her.	Particularly as she likes to know all her employees. The current level of delegation seems to be working and as there is high staff retention there is little justification for changing the organisational structure. The recent complaints not a valid reason to change.

Evaluation
Xanthe's style of management works best with a flat organisational structure as she likes to make all the major decisions.

As customers often comment on the excellent levels of customer service the staff offer it is important that Xanthe retains her experienced employees and promotion is the best way to do this.

The new job roles could cause conflict within the workplace if employees are competing for the roles. This could then impact on retention if staff who do not get the roles choose to leave.

Section C

Total for this section: 37 marks

3.1	Identify **one** sector of production. **[1 mark]**

Marks for this question: AO1 – 1 mark

1 mark for identifying one of the following sectors of production.

Answers may include:
- tertiary/service/retail
- primary
- secondary/manufacturing/construction

3.2	Using **Table 3**, explain **one** benefit for NIST of a fall in the value of the pound when selling cars in Europe. **[4 marks]**

Marks for this question: AO1 – 2 marks, AO2 – 2 marks

Level	Marks	Description
2	**3–4**	**Sound understanding and application of the topics.** • Applies knowledge and understanding to the context sufficiently. • A sound understanding of one or more business concepts and issues.
1	**1–2**	**Basic understanding and application of the topics.** • Applies basic knowledge and understanding to the context. • A basic understanding of one or more business concepts.
0	**0**	Nothing written worthy of credit.

Answers may include:
Knowledge and Application:
- **Exports become cheaper in Euros** – since March 2019 less Euros are needed to buy the car from the UK as Euros needed to buy the car fell by €600, in March 2020
- **Increase in sales of exports** – if the selling price of the car in Euros falls then this can lead to higher volume of sales, sales rose from 20 000 to 25 000 cars, sales rose by 5 000 cars.

Example of a Level 2 developed answer
If the pound falls in value against the Euro this means that exports become cheaper, this is as less Euros are needed to convert into pounds to purchase the car from the UK. In March 2019 it was €22 000 but less was needed in March 2020 as fell to €21 400. This will boost sales for the business as demand will be higher as customers are saving €600.

3.3	NIST orders parts from suppliers when a customer orders a car. Analyse **one** drawback to NIST of using just-in-time (JIT) stock control for parts needed to produce its cars. **[6 marks]**

Marks for this question: AO2 – 3 marks, AO3 – 3 marks

Level	Marks	Description
3	**5–6**	**Detailed analysis of topics based on the context** • Business areas are fully analysed. • Applies knowledge and understanding to the context sufficiently.
2	**3–4**	**Sound analysis of topics based on the context** • Business areas are partially analysed. • Applies some knowledge and understanding to the context.
1	**1–2**	**Basic analysis of topics based on the context** • Basic analysis of business areas. • Basic knowledge and understanding is applied to the context.
0	**0**	Nothing written worthy of credit.

Answers may include:
Application

- NIST orders parts from suppliers when the customer orders a car, the production of a car relies on parts arriving precisely at the right point during the 28 hours of production. NIST had to halt production of its cars for several hours – **if there is a fault or delays in orders then it can halt production as there is limited storage of parts to fall back on**
- some suppliers will deliver parts in less than two hours and there are frequent small deliveries throughout the day, many suppliers are near to the factory – **environmental impact**.

Example of a Level 3 developed answer
The production of a car at NIST relies on parts arriving precisely at the right point during the 28 hours of production. If there is an issue with a supplier then it will slow or halt production. NIST has experienced this recently as it has limited parts in stock to fall back on. A halt in production will mean employee's time will also be wasted and there will then result in delays to customer receiving their cars, recently by up to 7 hours. Customers may view this as poor customer service and possibly make complaints to NIST which in the long run can affect customer loyalty.

3.4	In the last five years every car has reached the end of the production process without a fault present. Analyse **one** benefit of using total quality management (TQM) to maintain standards in the production of cars at the NIST UK factory. **[6 marks]**

Marks for this question: AO2 – 3 marks, AO3 – 3 marks

Level	Marks	Description
3	**5–6**	**Detailed analysis of topics based on the context** • Business areas are fully analysed. • Applies knowledge and understanding to the context sufficiently.
2	**3–4**	**Sound analysis of topics based on the context** • Business areas are partially analysed. • Applies some knowledge and understanding to the context.
1	**1–2**	**Basic analysis of topics based on the context** • Basic analysis of business areas. • Basic knowledge and understanding is applied to the context.
0	**0**	Nothing written worthy of credit.

Answers may include:
Application
- faults in the production of cars are identified before they move to the next stage of production, total production takes 28 hours – **this ensures that faults are corrected before they become more costly**
- training employees to check work thoroughly, all the employees have responsibility for checking for faults, specialists in an individual stage of production – **employees have the responsibility to monitor their own work which improves motivation and efficiency.**
- factory has recently won an award for UK manufacturer of the year **- brand image**

Example of a Level 3 developed answer
Faults are corrected before they become more costly as mistakes in the production of cars are identified before they move to the next stage of production. This means that employees who have responsibility for that stage of production can correct the faults. This can be quicker as the employees have specialised in this stage of the production. This makes it cheaper than waiting until the car is finished at the end of the production line. As at this time the whole car may have to be dismantled again, which could mean up to another 28 hours of production time to complete and therefore a large waste of time for employees.

3.5	Using the data in **Figure 1**, describe what happened to global car sales from 2019 to 2021. **[2 marks]**

Marks for this question: AO2 – 2 marks

1 mark for identifying sales have fallen.
1 mark for using data accurately from Figure 1.

The number of car sales has fallen (1) by 1.4m (1)
Sales has fallen (1) from 5.9 million to 4.5 million (1)
The number of car sales has fallen (1) by 1,400,000 (1)

3.6	NIST used the graph to help forecast its profit for 2022. Explain how information from **Figure 1** may have helped NIST forecast that profits will fall in 2022. **[2 marks]**

Marks for this question: AO2 – 2 marks

Answers may include:

1 mark for a basic understanding of how sales data is used
1 mark for explaining how the data then helps to forecast profit

Basic understanding:
- shows a falling number of sales can be forecasted
- sales trend may continue downwards

Example of a developed answer
The graph shows that the number of sales is likely to be lower in the next year (1) therefore less revenue will reduce profits (1).

3.7	Using **Item D**, explain how global demand for new cars may be affected by changes in levels of employment around the world in 2020 and 2021. **[4 marks]**

Marks for this question: AO1 – 2 marks, AO2 – 2 marks

Level	Marks	Description
2	**3–4**	**Sound understanding and application of the topics.** • Applies knowledge and understanding to the context sufficiently. • A sound understanding of one or more business concepts and issues.
1	**1–2**	**Basic understanding and application of the topics.** • Applies basic knowledge and understanding to the context. • A basic understanding of one or more business concepts.
0	**0**	Nothing written worthy of credit.

Answers may include:
Knowledge and Application:

- **unemployment will reduce disposable income** – new car sales have been falling and consumers are buying used cars
- **global unemployment reduces consumer spending worldwide** – many countries have seen huge rises in unemployment following the global recession.

Example of a Level 2 developed answer
Unemployment will give individuals less money to spend on goods and services, as cars are expensive products then the purchase of them may be reduced or put on hold. Sales of new cars have been falling therefore the switch to used cars is to save money at a time when disposable incomes may be falling. Customers may delay buying a new car until they have job security.

3.8	In the current economic climate, the selling price for a car cannot be increased. To improve profits NIST must sell more cars next year. To increase the number of cars sold NIST will be using these **two** options: 1. Produce the new electric car, the NIST March, at its factory in Spain. 2. Set up an e-commerce website to sell the existing Folio electric car to businesses in the UK. Analyse the effect of **each** of these **two** options for NIST. Evaluate which of these **two** options will have the biggest impact on the number of cars sold by NIST. **[12 marks]**

Marks for this question: AO1 – 3 marks, AO2 – 3 marks, AO3 – 6 marks

Level	Marks	Description
4	**10–12**	**Developed, integrated analysis and evaluation of topics with sustained judgement based on context** • An integrated line of reasoning, which is coherent, relevant, with a conclusion where the area which has been impacted on the most has been fully justified. • Interdependent nature of business areas is fully analysed. • Applies knowledge and understanding to the context and successfully draws together several functional areas of business.
3	**7–9**	**Detailed analysis and evaluation of topics based on the context** • A line of reasoning, which is coherent, relevant, with a conclusion that is justified. • Different business areas are analysed independently or the interdependent nature of business areas is partially analysed. • Applies knowledge and understanding to the context and starts to draw together several functional areas of business.
2	**4–6**	**Sound analysis and evaluation of topics in isolation of their interdependence based on the context** • A line of reasoning, with a conclusion that has some justification. • One business area is analysed independently. • Applies some knowledge and understanding to the context.
1	**1–3**	**Basic generic discussion of topics** • A basic understanding of business concepts in isolation. • A basic understanding of one or more business concepts. • Partial relevance to the question.
0	**0**	Nothing written worthy of credit.

Indicative content:

Understanding	Application	Analysis/evaluation
Produce the new electric car in Spain. Location may affect if a business get customers. Availability of raw materials and proximity to the market. Could help reduce costs.	Suppliers for the electric engine are in Europe, fluctuating exchange rates won't affect the costs as no longer importing the engine. Europe has seen a huge rise in sales and it will mean that shipping cars can be quicker throughout Europe, compared with shipping from the UK. Extra transportation costs on cars sold in Europe from the UK means that a Spanish factory may be better. The new model is aimed at European market. The UK factory has the highest record for quality standards and efficiency, will costs be higher at the factory in Spain, if they can't increase price then profits will be reduced.	The proximity to the market will impact on the costs for NIST. As the NIST March will be sold and made in Europe exchange rates won't impact on costs. In an economic climate where the selling price for a car cannot be increased; this will help maintain profit margins. As sales in Europe have seen a huge rise in electric cars designed the models, specifically aimed at customers in Europe should boost sales as customers' needs are being met.
E-commerce can generate sales and add another channel to access the market. A method of internal growth.	New possible market to sell to business such as taxi companies. Technology can show features of cars using video with virtual test drive. Selling price will be lower with a minimum of two cars sold.	E-commerce can generate sales and add another channel to access the market. This is a method of internal growth and one which NIST are aiming at a different segment of the market, business customers. It will make it more convenient for them to purchase and so should increase the number of cars sold. As the selling price is lower, as they are buying more than one car, this will also encourage customers to use the e-commerce site and boost profits for NIST as the cars are being purchased direct from the company.

What does it depend on?

Evaluation and integration

- How big is the market for businesses buying electric cars? Compared with Europe will be small.
- Depends whether the European market likes the new model.

- New daily charge for non – electric cars in cities will boost sales in the UK.
- Depends how much lower the selling price is on e-commerce website or will this just reduce sales at garages.
- Depends how much costs will change with production of the car in Spain therefore impact on price and sales.