Cambridge Assessment International Education

Cambridge O Level

BUSINESS STUDIES **7115/11**

Paper 1 Short Answer/Data Response **October/November 2023**

MARK SCHEME

Maximum Mark: 80

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 October/November 2023 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 descriptors 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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0450/7115/0986 Business Studies – Paper 1 Annotations

Annotation	Description	Use
Tick	Tick	Indicates a point which is relevant and rewardable.
X	Cross	Indicates a point which is inaccurate/irrelevant and not rewardable.
BOD	Benefit of doubt	Used when the benefit of the doubt is given in order to reward a response.
TV	Too vague	Used when parts of the answer are considered to be too vague.
REP	Repetition	Indicates where content has been repeated.
NAQ	Not answered question	Used when the answer or parts of the answer are not answering the question asked.
K	Knowledge	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Application	Indicates appropriate reference to the information in the stem.
AN	Analysis	Indicates where the answer has demonstrated analysis.
EVAL	Evaluation	Indicates where the answer has demonstrated evaluation (part (e) questions only).
OFR	Own figure rule	If a mistake is made in a calculation, and the incorrect figure that results from the mistake is used for subsequent calculations.
SEEN	Noted but no credit given	Indicates that content has been recognised but not rewarded.

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Question	Answer	Marks	Notes
1(a)	**Define 'unincorporated business'.** Award 2 marks for a full definition. Award 1 mark for a partial definition. A business that does not have a separate legal identity [2] Partial definition e.g. owner is/are responsible for business debts/unlimited liability [1]	**2**	Max 1 for features of an unincorporated business e.g. business ends if an owner leaves.
1(b)	**Identify <u>two</u> objectives a new business might have.** Award 1 mark per objective (max 2). Points might include: • Survival • Break-even • Make a profit • Become known in the market/create good reputation • Generate sales/gain customers • Encourage customer loyalty • Offer good customer service • Create added value • Social responsibility/ethical • Growth/expansion/increase market share Other appropriate responses should also be credited.	**2**	Only award the first two responses given.

Question	Answer	Marks	Notes
1(c)	**Identify <u>four</u> characteristics of a successful entrepreneur.** Award 1 mark for each relevant characteristic (max 4). Points might include: • Risk-taker • Problem solver • Decisive • Creative • Innovative • Hard-working • Perseverance/determined/focused/(self-)motivated • Resourceful/adaptable • Optimistic • Self-confident/esteem • Independent • Effective communicator • Organised • **Multi-**skilled • Results driven/ambitious • Leadership • Team player • Good at networking/prepared to learn from others Other appropriate examples should be credited.	**4**	Only award the first four responses given.

Question	Answer	Marks	Notes
1(d)	**Explain <u>two</u> reasons (other than lack of finance) why Desmond's new business might be at greater risk of failure than an established business.** Award 1 mark for identification of each relevant reason (max 2). Award 1 mark for each relevant reference to this business (max 2). Award 1 mark for each relevant explanation (max 2). Points might include: • Inadequate/no market research [k] about gardening [app] so may not offer what customers want [an] • Providing wrong/poor quality [k] service [app] • Lack of experience/poor decision-making/skills [k] as only worked in an office [app] so more likely to make mistakes [an] • Difficult to compete with competitors/lack of customers/insufficient sales [k] for this unincorporated business [app] leading to less revenue [an] • Poor planning/no business plan [k] despite setting objectives [app] so does not have time/opportunity to resolve problems [an] • No reputation/brand image/poor marketing [k] therefore potential customers do not trust him [an]. Other appropriate responses should also be credited.	**6**	To use words from the stem as application, the reference must be appropriate (i.e. make sense) in relation to the point being made. The following words are likely to be appropriate for this question: • Gardening or examples such as cutting grass/planting flowers • Service • Entrepreneur • $750 • Office job • Unincorporated business • Business objectives Other appropriate examples can be credited. Some answers could be awarded as either [k] or [an] but do not award the same point twice.

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Question	Answer	Marks	Notes
1(e)	**Do you think owner's savings are the most suitable source of finance for a start-up business? Justify your answer.** Award up to 2 marks for identification of relevant points. Award up to 2 marks for relevant development of points. Award up to 2 marks for a justified decision as to whether owner's savings are the most suitable source of finance for a start-up business to use. Points might include: Owner's savings: • No need to repay/no debt [k] helping to reduce/keep cash outflows low/less risk [an] • No interest payable [k] therefore not increasing cost [an] • May not have enough/any savings [k] delaying/stop their plans [an] • Immediately available [k] Crowdfunding [k] • No initial fees payable (to the crowdfunding platform) [an] • Allows public's reaction to the new business venture to be tested [an] • Crowdfunding platform might reject the entrepreneur's proposal [an] • Publicising could allow competitors to copy the idea [an] leading to fewer sales [an] Bank loan [k] • Could provide all the finance (at once) [an] but must be repaid [an] • Interest payable [an] increases expenses [an] • Quick to arrange [an] Borrow from friends and family [k] • May give longer time/better terms to repay [an]	**6**	This is a general question so there are no marks for application. For evaluation to be awarded justification will usually follow on from relevant analysis of points. Advantages of one source can be presented as disadvantages of another but **do not** award the same point twice as mirror answers are not accepted. Do not award 'issue shares' or 'profit' as these are not appropriate for a start-up business.

Question	Answer	Marks	Notes
1(e)	Government grant [k] • No need to repay/no interest [an] • May be conditions attached [an] Microfinance [k] Overdraft [k] Other appropriate responses should also be credited. Justification might include: Owner's savings may not provide enough funds [k]. Another option is a bank loan [k] although interest must be paid [an] increasing expenses. [an]. The best option is a bank loan because plans are not delayed through lack of finance [eval]. By the time the owner has saved enough, they might have missed out on the business opportunity [eval].		

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Question	Answer	Marks	Notes
2(a)	**Identify <u>two</u> limitations of break-even analysis.** Award 1 mark per limitation (max 2). Points might include: • Assumes that all costs can be represented by straight lines • It is not easy to separate costs into fixed and variable • Assumes that all output is sold/does not allow for inventory (stock) **holding** costs • Assumes only one type of product sold • Assumes selling price remains unchanged for all products sold • Concentrates on break-even point/ignores other aspects of operations such as how to reduce wastage/increase sales • It is a prediction/forecast/does not include unexpected costs. Other appropriate responses should also be credited.	**2**	Only award the first two responses given.
2(b)	**Calculate LCT's profit if it sells 800 units. Show your working.** Award 2 marks for a correct answer. Award 1 mark for a correct method but incorrect answer. Correct answer e.g. $2000 [2] Correct method but incorrect answer e.g. Profit = total revenue – total cost [1] OR 8000 – 6000 [1] Award only 1 mark if 2000 is written as part of the answer but is not given as the final answer.	**2**	$ sign is not required.

Question	Answer	Marks	Notes
2(c)	**Outline <u>two</u> possible benefits to LCT of having a good brand image.** Award 1 mark for each relevant benefit (max 2). Award 1 mark for each relevant reference to this business (max 2). Points might include: • Encourage/maintain (customer) loyalty [k] for this small business [app] • Can help increase sales/customers/market share [k] of cooking pots [app] • Aids recognition/awareness/advertising [k] on social media [app] • May be able to charge high price (than for unbranded products) [k] which can help lower its break-even output [app] • Helps differentiate product from competitors [k] so may be able to sell more than 800 units [app] • Helps launch new products in the market (as customers already know and trust the brand) [k] • May attract investors [k] • Helps with employee recruitment [k] Other appropriate responses should also be credited.	**4**	To use words from the stem as application, the reference must be appropriate (i.e. make sense) in relation to the point being made. The following words are likely to be appropriate for this question: • (Cooking) pots • Manufactures/production • 16 (employees) • Small business • Social media (for advertising) • (Lower) break-even output • 400 units (break-even output) • $10 (price per unit) • 800 units • Total revenue $10 000 • Total costs $7000 Other appropriate examples can be credited.

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Question	Answer	Marks	Notes
2(d)	**Explain <u>two</u> ways LCT might lower its break-even level of output.** Award 1 mark for identification of each relevant way (max 2). Award 1 mark for each relevant reference to this business (max 2). Award 1 mark for each relevant explanation (max 2). Points might include: • Increase price [k] higher than $10 [app] which would increase revenue [an] • Lower rent or other example [k] below $2000 [app] so lowering fixed costs/expenses [an] OR lower fixed costs [k] lead to lower total costs (TC) [an] • Buy cheaper raw materials or other example [k] for its cooking pots [app] reducing variable cost [an] OR lower variable costs [k] lead to lower total costs (TC) [an] Other appropriate responses should also be credited.	**6**	To use words from the stem as application, the reference must be appropriate (i.e. make sense) in relation to the point being made. The following words are likely to be appropriate for this question: • (Cooking) pots • Manufactures/production • 16 (employees) • Small business • Good brand image • $2000 (fixed costs) • $10 (price) • $5 (variable costs per pot) • 400 (break-even output) • Social media • $10 000 • $7000 Other appropriate examples can be credited. Some points can be awarded as [k] or [an] but do not award the same point twice e.g. lower rent [k] so lower costs [an] Only allow one example of fixed costs and one example of variable costs. For this question, candidates can use the same point of analysis e.g. increase contribution per unit.

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Question	Answer	Marks	Notes
2(e)	**Do you think social media is the best method of advertising for a small business to use? Justify your answer.** Award up to 2 marks for identification of relevant points. Award up to 2 marks for relevant development of points. Award up to 2 marks for a justified decision as to whether social media is the best method of advertising for a small business to use. Points might include: Social media: • Cover wide area/seen by many people [k] leading to an increase in sales[an] more revenue [an] • Low-cost method of advertising [k] so fewer cash outflows [an] • Easy/quick **to update** [k] so can spend time on other tasks [an] • Can target specific groups [k] could encourage brand loyalty [an] • Way to build relationship/communicate with customers/gain direct customer feedback [k] • Risk of hacking/fraud/virus [k] • Bad reviews can be seen by everyone [k] could lead to a bad reputation [an] • No internet access/not everyone uses social media/easy to lose message among many messages on social media [k] • Takes time to continually post/monitor messages [k] Other methods might include: • Newspapers [k] can contain lot of information [an] but fewer people read newspapers these days [an] • Leaflets [k] can be kept for future reference [an] but may not be read/thrown away (as seen as junk) [an]	**6**	This is a general question so there are no marks for application. For evaluation to be awarded justification will usually follow on from relevant analysis of points. Candidates do not need to discuss other methods to gain full marks. **Do not award** examples of sales promotion as these are excluded by the question. Advantages of one method can be presented as disadvantages of the other method but do not award the same point twice as mirror answers are not accepted. Allow only one reference to costs e.g. this method is cheap and this one is expensive.

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Question	Answer	Marks	Notes
2(e)	• Posters/billboards [k] can be seen by anyone when passing [an] but cannot include detailed information [an] • Website [k] more information can be added [an] • Pop-up adverts [k] can be expensive [an] • Television [k] can be high cost [an] • Radio [k] Other appropriate responses should also be credited. Justification might include: Social media is low-cost [k] reducing cash outflow [an]. Another method is leaflets [k] which may only reach a limited number of people [an]. Social media is the best way, for a small business, because it is unlikely to have a large marketing budget [eval]. Therefore the cost is likely to be important as it allows the business to have funds available for other purposes [eval].		

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Question	Answer	Marks	Notes
3(a)	**Identify <u>two</u> external users of accounts.** Award 1 mark per external user of accounts identified (max 2). Points might include: • Banks/lenders • Suppliers • Government • Competitors • Other businesses e.g. insurance companies • Pressure groups • Investors/shareholders • Customers Other appropriate responses should also be credited.	**2**	Only award the first two responses given. Do not award examples of internal users of accounts e.g. employees. Do not award 'stakeholder' as this does not answer the question. Accept creditors alone as an alternative to lenders/bank/suppliers if no specific example is given of a creditor.
3(b)	**Identify <u>two</u> profitability ratios.** Award 1 mark per profitability ratio (max 2). Two from: • Gross profit margin/ratio/percentage • Profit margin/ratio/percentage • Return on capital employed/ROCE Other appropriate responses should also be credited.	**2**	Only award the first two responses given. Allow correct formula e.g. Gross profit:sales revenue

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Question	Answer	Marks	Notes
3(c)	**Outline <u>two</u> possible reasons why ACP imports its raw materials.** Award 1 mark for each relevant reason (max 2). Award 1 mark for each relevant reference to this business (max 2). Points might include: • Lower prices/cost of materials [k] which could help the business manage its cash flow [app] • Access to a wider range of materials [k] to make its computers [app] • Limited resources available from own country [k] especially as trying to act in an ethical way [app] • Better quality (than available in own country) [k] which may be why the business already import 65% [app] • Purchasing from ethical supplier [k][app] Other appropriate responses should also be credited.	**4**	To use words from the stem as application, the reference must be appropriate (i.e. make sense) in relation to the point being made. The following words are likely to be appropriate for this question: • 65% • Cash flow • Production/manufacture • (Manufacture) computers • (Act in an) ethical way • 3000 (workers) • Factory • Profit is important Other appropriate examples can be credited.

Question	Answer	Marks	Notes
3(d)	**Explain <u>one</u> benefit and <u>one</u> limitation to ACP of being ethical.** Award 1 mark for identification of each relevant benefit/limitation (max 2). Award 1 mark for each relevant reference to this business (max 2). Award 1 mark for each relevant explanation (max 2). Points might include: Benefits: • Good image/good reputation/customer loyalty [k] so customers more willing to pay high prices [an] for its computers [app] • High/higher demand/sales [k] which can help increase revenue [an] • Can help recruit/motivate/retain workers [k] reducing recruitment costs [an] as the business has 3000 employees [app] • Better supplier relations (as pay a fair price) [k] which can help ensure the necessary supply to maintain production [an] • Investors more likely to invest [k] • Less opposition from pressure groups [k] Limitations: • Limited/fewer sources of materials [k] which may lead to less output [an] as already imports 65% of its raw materials [app] • May have to pay more to suppliers [k] leading to higher variable costs/cost of goods sold [an] • Workers may have to be paid more [k] at the factory [app] increasing labour costs [an] • Higher costs [k] could lead to higher prices [an] Other appropriate responses should also be credited.	**6**	To use words from the stem as application, the reference must be appropriate (i.e. make sense) in relation to the point being made. The following words are likely to be appropriate for this question: • 65%/import • Cash flow • Raw materials • Computers • 3000 employees • Factory • Production/manufacture • Profit is important/profitability ratios Other appropriate examples can be credited. Some points can be awarded as [k] or [an] but do not award the same point twice.

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Question	Answer	Marks	Notes
3(e)	**Do you think making a profit is more important for a business than managing its cash flow? Justify your answer.** Award up to 2 marks for identification of relevant points. Award up to 2 marks for relevant development of points. Award up to 2 marks for a justified decision as to whether making a profit is more important for a business than managing its cash flow. Points might include: Profit: • It is a source of finance [k] may increase opportunity for growth [an] • Reward for risk-taking/allows dividend for owners [k] without it, owners will have less incentive to invest [an] • Reward for enterprise [k] • Indicator/measure of success [k] • Important for **long-term** survival [k] Cash flow: • Need cash to pay day-to-day costs/ensures liquidity/help avoid cash flow problems/pay debt [k] otherwise might have insufficient funds/working capital to continue production [an] • Sales may be on credit [k] therefore money received later [an] • Reduced need for overdraft [k] which would add to interest costs [an] Other appropriate responses should also be credited. Justification might include: Profit is a reward for risk-taking [k], without it owners will have less incentive to invest [an]. Cash flow is needed to pay day-to-day costs [k] to ensure sufficient inventory to continue production. [an] Managing cash flow is likely to be more important because a business can continue in the short term without making a profit, [eval] but without sufficient cash flow a business may be unable to operate and earn revenue [eval].	**6**	This is a general question so there are no marks for application. Allow attracts investors/investment as a [k] or [an] once Do not allow 'important for growth' without the idea that it is a source of finance/or for reinvestment.

Question	Answer	Marks	Notes
4(a)	**Define 'delegation'.** Award 2 marks for a full definition. Award 1 mark for a partial definition. Giving a subordinate the authority to perform particular tasks [2] OR When a manager gives authority to another employee to complete a task, although the manager retains the ultimate responsibility for the completion of the task [2] OR Passing responsibility to perform tasks to employees (lower down the organisation) [2] Partial definition e.g. manager gives task to employee [1] OR subordinate given task to do [1] OR giving authority to a subordinate/employee [1]	**2**	For two marks needs the idea of who is giving/receiving authority/responsibility and for what. Do not award answers which identify reasons for using delegation e.g. motivates, create time for managers to do other jobs [0].
4(b)	**Identify <u>two</u> legal controls over employment.** Award 1 mark per legal control (max 2). Points might include: • (Unfair) dismissal • Discrimination/equal opportunities • Health and safety • Legal minimum wage • Legal minimum age/child labour • Contract of employment/conditions of employment • Redundancy Other appropriate responses should also be credited.	**2**	Only award the first two responses given.

Question	Answer	Marks	Notes
4(c)	**Outline <u>two</u> functions of MRN's shop managers.** Award 1 mark for identification of each relevant function (max 2). Award 1 mark for each relevant reference to this business (max 2). Two from: • Planning [k] so have the necessary resources for this food retailer [app] • Organising [k] to ensure everyone is working effectively in each of the 490 stores [app] • Commanding [k] to help guide the 70 000 employees [app] • Co-ordinating [k] so better placed to respond to increased competition [app] • Controlling [k]	**4**	To use words from the stem as application, the reference must be appropriate (i.e. make sense) in relation to the point being made. The following words are likely to be appropriate for this question: • Food • 490/410 shops • 80 • 70 000 employees • (Increased) competition • 20% (management) jobs • Delegation • Legal controls over employment Other appropriate examples can be credited. Do not award answers such as motivate/communicate as knowledge.

Question	Answer	Marks	Notes
4(d)	**Explain <u>two</u> factors MRN should consider when deciding which shops to close.** Award 1 mark for identification of each relevant factor (max 2). Award 1 mark for each relevant reference to this business (max 2). Award 1 mark for each relevant explanation (max 2). Points might include: • Level of demand/where its customers are/number of sales [k] of food [app] as some might have lower revenue [an] • Level of competition/number/type of shops in area [k] which could reduce sales/demand [an] • Rent/rates [k] for each of the 80 locations [app] as this could make some sites too expensive to run [an] • Distance from suppliers [k] increased transport costs [an] • Space [k] as in some locations there may not be (enough) room to display everything [an] • Shops which are too close together [k] • Economic state of area/area in decline [k] • Local wage rates/labour availability [k] leading to higher costs [an] • Number of workers employed [k] to reduce redundancy payments [an] • Profitability of each shop [k] Other appropriate responses should also be credited.	**6**	To use words from the stem as application, the reference must be appropriate (i.e. make sense) in relation to the point being made. The following words are likely to be appropriate for this question: • Food • 490/410 shops • 70 000 employees • 80 • Increased competition • 20% management jobs • Delegation • Legal controls over employment Other appropriate examples can be credited. Some points can be awarded as [k] or [an] but do not award the same point twice. Award the word costs [k] only once if no specific costs identified. Increased competition can be [k] or [an] but only award once.

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Question	Answer	Marks	Notes
4(e)	**Explain <u>two</u> ways a retail business could respond to increased competition. Which would be the best way to use? Justify your answer.** Award up to 2 marks for identification of relevant points. Award up to 2 marks for relevant development of points. Award up to 2 marks for a justified decision as to which is the best way a retail business could respond to increased competition. Points might include: • Introduce new products [k] therefore gaining a unique selling point [an] but may have limited shelf space [an] • Lower prices/change pricing method [k] can sell more products/increased market share [an] increasing revenue [an] • Improve quality of service/products [k] but this might increase (training) costs [an] but this may lower its profit margin [an] • Maintain/build good customer relationships [k] which could encourage customer loyalty [an] • Increase promotion/advertising (only award once) [k] • Renovating shop [k] • Relocate [k] • Merger/takeover [k] Other appropriate responses should also be credited. Justification might include: The business could lower its prices [k] therefore sell more products [an]. Introducing new products [k] may appeal to a wider range of customers [an]. Introducing new products is a better way because price might not be important to the customer [eval] therefore lowering the price will simply reduce profit margin [eval].	**6**	This is a general question so there are no marks for application. For evaluation to be awarded justification will usually follow on from relevant analysis of points. Some points could apply to more than one way but do not award the same point twice as mirror answers are not accepted.

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