

GCSE

# WJEC GCSE

## Business

Approved by Qualifications Wales

### Sample Assessment Materials

Unit 3: Business Strategies for Success

Teaching from 2025

For award from 2027



This Qualifications Wales regulated qualification is not available to centres in England.

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Ready for the world.



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Surname	Centre number	Candidate number
First name(s)		0



**GCSE**  
**3160U30-1**  
**BUSINESS – Unit 3**  
**Business Strategies for Success**  
 1 hour 15 minutes  
**SAMPLE ASSESSMENT**  
**MATERIALS**

**Additional materials**

A calculator.

**Instructions to candidates**

Use black ink or black ball-point pen. Do **not** use gel pen or correction fluid.

You may use a pencil for graphs and diagrams only.

Write your name, centre number and candidate number in the spaces provided at the top of this page.

Answer **all** questions.

For examiner's use only		
Question	Maximum mark	Mark awarded
1.	1	
2.	1	
3.	6	
4.	5	
5.	3	
6.	9	
7.	15	
8.	8	
9.	12	
<b>Total</b>	<b>60</b>	

Write your answers in the spaces in this booklet. If you need more space, use the additional page(s) at the back of this booklet. Number the question(s) correctly.

**Information for candidates**

The number of marks is given in brackets at the end of each question or part-question.

The total number of marks available is **60**.

You should think carefully about how you use your time.

Your responses must be clear, accurate and well presented.

Answer **all** questions.

1. Identify which **one** of the following is a secondary market research method.

[1] Examiner only

Tick (✓) **one** box only.

A. Interviews

☐

B. Sales information

☐

C. Consumer panel

☐

D. Surveys

☐☐  
☐

2. Identify which **one** of the following is an economic factor that impacts businesses.

[1]

Tick (✓) **one** box only.

A. Contracts of employment

☐

B. The dynamic environment

☐

C. Trademarks

☐

D. Inflation

☐☐  
☐

3. Kyle is planning to start a new window cleaning business in his local area. He has identified the following items that he needs to buy to start his business:

- buckets
- cleaning supplies
- ladder
- marketing material
- van.

Kyle has no savings so he will need to use external sources of finance.

- (a) Identify **two** external sources of finance Kyle could use to buy the items he needs to start his business.

[2]

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- (b) Describe **one** advantage and **one** disadvantage for **one** of the sources of finance identified in 3(a).

[4]

Examiner  
only

Source of finance .....

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4. Jet2Holidays is a UK national scale business selling holidays. The image below shows the types of holidays Jet2Holidays offers to customers:



- (a) Using the image above, suggest **two** ways that Jet2Holidays segments the holiday market. [2]

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- (b) Explain why Jet2Holidays uses market segmentation. [3]

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5. Consider how businesses may be impacted by government.

[3]

Examiner  
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6. Paul owns an online-only shop selling a range of luxury cookies, cakes, brownies and chocolates. Paul spends his evenings and weekends making the products, managing the website and dispatching orders to customers. He works full-time in a bank. Paul makes all the products in his kitchen at home and stores all the ingredients and packaging in his spare room. Paul is keen to grow the business and has decided on internal growth methods.

(a) Identify **two** reasons why businesses grow.

[2]

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- (b) Using examples, identify and explain **two** internal growth methods Paul may use to grow his business.

[6]

Examiner  
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- (c) State **one** external growth method for a business.

[1]

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7. Jenkins Bakery was established in 1921 as a local family business in Llanelli. Today there are 28 shops across South and West Wales. Jenkins Bakery sells a range of bread, bread rolls, pasties, sausage rolls, pies, cakes, sandwiches, wraps and baguettes. Products are freshly made on site every day in each of its 28 in-store kitchens. As a successful business, Jenkins Bakery is always recruiting people. Jobs include bakers, delivery drivers, cake decorators, shop managers and shop assistants. Jenkins Bakery offers a competitive salary, staff discount and on-the-job training.



- (a) Identify and explain the method of production Jenkins Bakery is likely to use to make its products. [2]

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(b) Consider why quality is important to Jenkins Bakery.

[6]

Examiner  
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(c) Identify **two** stages of the recruitment process.

[2]

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(d) Identify **one** financial method of motivation used by businesses to motivate its employees.

[1]

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- (e) Analyse the benefits to Jenkins Bakery of using on-the-job training for new employees. [4]

Examiner  
only

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8. Brats Bikes is a children’s bike manufacturer. The business makes bikes for children aged 4 to 12. The table below shows the income statement for Brats Bikes for 2024 and 2025.

	2025 (£)	2024 (£)
Sales revenue	1 400 000	?
Cost of sales	400 000	300 000
Gross profit	1 000 000	900 000
Total expenses	600 000	400 000
Net profit	400 000	500 000
Net profit margin	?	41.7%

- (a) Describe why profit is important for business success. [2]

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- (b) Calculate the sales revenue for 2024. [1]

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- (c) Use the net profit profitability ratio to calculate the net profit margin for 2025. [2]  
Present your answer to one decimal point. Show your workings.

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- (d) Review the financial performance of Brats Bikes between 2024 and 2025. [3]

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Examiner  
only


9. EdenHarvest is a zero-waste food retailer. It opened in 2020 and has two shops: one in Cardiff, South Wales and one in Llandudno, North Wales.

Unlike most other food retailers, EdenHarvest buys its products in bulk and sells them to consumers without packaging. Customers bring their own containers and can select from a large range of products including fresh fruit and vegetables, frozen foods, bread, pasta, rice, chocolates, cereals, tea and coffee.



EdenHarvest also sells a range of packaged organic products including soft drinks, baby food, nuts and seeds, tinned fish and vegetables, oils and vinegars, and a range of health and skincare products.

Every month the two shops hold workshops to demonstrate how to live in a more waste-free way. Staff are also encouraged to spend time talking to customers.

The business has gained loyal customers who like the flexibility to be able to choose the quantity or weight of each product they buy. However, the owners of EdenHarvest are concerned that sales revenue has decreased in recent months. They believe that the reasons for this are:

- many of the products it offers are priced higher than less environmentally friendly products sold in supermarkets
- many local people in Cardiff and in Llandudno are not aware of EdenHarvest.

- (a) With reference to EdenHarvest, explain what is meant by unique selling point (USP). [2]

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- (b) Advise the owners of EdenHarvest on how they can adapt their marketing mix to increase sales revenue. [10]

Examiner  
only

SAMPLE

**END OF PAPER**






## MARK SCHEME

### Guidance for examiners

#### Generic marking principles

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

#### Positive marking

It should be remembered that candidates are writing under examination conditions and credit should be given for what the candidate writes, rather than adopting the approach of penalising candidates for any omissions. It should be possible for a very good response to achieve full marks and a very poor one to achieve zero marks. Marks should not be deducted for a less than perfect answer if it satisfies the criteria of the mark scheme.

For questions that are objective or points-based, the mark scheme should be applied precisely. Marks should be awarded as indicated and no further subdivision made.

Mark schemes often list points which may be included in candidates' answers. The list is not exhaustive. The inclusion of '*Credit any other valid response.*' (or similar instruction) within mark schemes allows for the possible variation in candidates' responses. Credit should be given according to the accuracy and relevance of candidates' answers.

Appropriate terminology is reflected in exemplar responses in mark schemes. However, unless there is a specific requirement within a question, candidates may be awarded marks where the answer is accurate but expressed in their own words.

#### Banded mark schemes

For band marked questions mark schemes are in two parts; the indicative content and the assessment grid.

The indicative content suggests the range of points and issues which may be included in candidates' answers. It can be used to assess the quality of the candidate's response. As noted above, indicative content is not intended to be exhaustive and candidates do not have to include all the indicative content to reach the highest level of the mark scheme.

However, to reach the highest level of the mark scheme a candidate must meet the requirements of the highest mark band. Where a response is not creditworthy, that is, it contains nothing of any significance to the mark scheme, or where no response has been provided, no marks should be awarded.

The marking of banded mark questions should always be positive. This means that, for each candidate's response, marks are accumulated for the demonstration of relevant skills, knowledge and understanding: they are not deducted from a maximum on the basis of errors or omissions.

Examiners should first read and annotate the candidate's answer to pick out the evidence that is being assessed in that question. The mark scheme can then be applied. This is done as a two-stage process.

### **Stage 1 – Deciding on the band**

Beginning at the lowest band, examiners should look at the candidate's answer and check whether it matches the descriptors for that band. If the descriptors at the lowest band are satisfied, examiners should move up to the next band and repeat this process for each band until the descriptors most closely matches the work.

### **Stage 2 – Deciding on the mark**

Having determined the appropriate band, deciding on the mark within a band will be made on the basis of a 'best fit' procedure, weaknesses in some areas being compensated for by strengths in others.

Examiners should use the full range of marks available to them. Marking should be positive, rewarding achievement rather than penalising failure or omissions. The awarding of marks must be directly related to the marking criteria, and all responses must be marked according to the banded levels provided for each question.

Standardising material that has already been awarded a mark will be provided during standardising and this should be used as a reference material when assessing work. Examiners are reminded of the need to revisit the standardising material as they apply the mark scheme in order to confirm that the band and the mark allocated is appropriate to the work submitted.


This mark scheme instructs examiners to look for and reward valid alternatives where indicative content is suggested for an answer. This is not a checklist for expected content in an answer, or set out as a 'model answer', as responses must be marked in the banded levels of response provided for each question. Where a candidate provides a response that contains aspects or approaches not included in the indicative content, examiners should use their professional judgement to determine the validity of the response in light of the task and reward as directed by the bands. Candidates are free to choose any approach that is relevant to the set task. Candidates can (and will most likely) incorporate ideas other than those mentioned in the mark scheme.

Question	Answer	AO1	AO2	AO3	Total Mark
1.	Identify which <b>one</b> of the following is a secondary market research method.				
	Award <b>one</b> mark for:	1			1
	<ul style="list-style-type: none"> <li>Sales information.</li> </ul>				

Question	Answer	AO1	AO2	AO3	Total Mark
2.	Identify which <b>one</b> of the following is an economic factor that impacts businesses.				
	Award <b>one</b> mark for:	1			1
	<ul style="list-style-type: none"> <li>Inflation.</li> </ul>				

Question	Answer	AO1	AO2	AO3	Total Mark
3.	<p>Kyle is planning to start a new window cleaning business in his local area. He has identified the following items that he needs to buy to start his business:</p> <ul style="list-style-type: none"> <li>buckets</li> <li>cleaning supplies</li> <li>ladder</li> <li>marketing material</li> <li>van.</li> </ul> <p>Kyle has no savings so he will need to use external sources of finance.</p>				
	<p>(a) Identify <b>two</b> external sources of finance Kyle could use to buy the items he needs to start his business.</p>				
	<p>Award <b>one</b> mark for each external source of finance, up to a maximum of <b>two</b> marks:</p> <ul style="list-style-type: none"> <li>bank loans</li> <li>government grants</li> <li>leasing/hire purchase</li> <li>new investors</li> <li>overdraft</li> <li>share issue</li> <li>trade credit.</li> </ul> <p>Credit any other valid response.</p>	2			2

	(b) Describe <b>one</b> advantage and <b>one</b> disadvantage for <b>one</b> of the sources of finance identified in 3(a).				
	<p>Award <b>one</b> mark for a basic description of an advantage for one source of finance identified in 3(a), for example:</p> <ul style="list-style-type: none"> <li>• A bank loan will allow Kyle to spread out his repayments.</li> </ul> <p>Award <b>two</b> marks for a more developed description of an advantage for one source of finance identified in 3(a), for example:</p> <ul style="list-style-type: none"> <li>• A bank loan will give Kyle a large sum of money which he can repay in instalments over 3-5 years which is better for his cashflow than a lump-sum repayment.</li> </ul> <p>Credit any other valid response.</p> <p>Award <b>one</b> mark for a basic description of a disadvantage for one source of finance identified in 3(a), for example:</p> <ul style="list-style-type: none"> <li>• Kyle will have to pay interest on the money borrowed from the bank.</li> </ul> <p>Award <b>two</b> marks for a more developed description of a disadvantage for one source of finance identified in 3(a), for example:</p> <ul style="list-style-type: none"> <li>• Kyle will have to pay interest on the money borrowed from the bank. This means he will repay more than the initial sum borrowed.</li> </ul> <p>Credit any other valid response.</p>	4			4

Question	Answer				
4.	<p>Jet2Holidays is a UK national scale business selling holidays. The image below shows the types of holidays Jet2Holidays offers to customers:</p> <div><div></div><div><div><p><b>Popular holiday types</b></p><p>All Inclusive holidays</p><p>Adults only holidays</p><p>Luxury holidays</p><p>Honeymoons</p><p>Long stays</p><p>View all holiday types</p></div><div><p><b>Holidays for everyone</b></p><p>Family holidays</p><p>Couples holidays</p><p>Solo holidays</p><p>Single parent holidays</p><p>Group holidays</p><p>LGBTQ+ holidays</p></div><div><p><b>Time of year</b></p><p>Last-minute holidays</p><p>School holidays</p><p>Spring holidays</p><p>Summer holidays</p><p>Autumn holidays</p><p>Winter sun holidays</p><p>Christmas holidays</p><p>View all holidays by time of year</p></div><div><p><b>Active holidays</b></p><p>Discover More collection</p><p>Golf holidays</p><p>Cycling holidays</p><p>Waterpark/theme park holidays</p><p>Camping holidays</p></div></div></div>				
(a)	<p>Using the image above, suggest <b>two</b> ways that Jet2Holidays segments the holiday market.</p>				
	<p>Award <b>one</b> mark for each segment, up to a maximum of <b>two</b> marks:</p> <ul style="list-style-type: none"><li>• demographic</li><li>• income</li><li>• lifestyle.</li></ul>		2		2


	(b)	Explain why Jet2Holidays uses market segmentation.				
		<p>Award <b>one</b> mark for a basic explanation, for example:</p> <ul style="list-style-type: none"> <li>Market segmentation allows Jet2Holidays to sell more holidays to different types of people.</li> </ul> <p>Award <b>two</b> marks for a more developed explanation, for example:</p> <ul style="list-style-type: none"> <li>Market segmentation allows Jet2Holidays to sell more holidays by dividing up the market to meet the needs of specific customer groups.</li> </ul> <p>Award <b>three</b> marks for a fully developed explanation, for example:</p> <ul style="list-style-type: none"> <li>Market segmentation allows Jet2Holidays to sell more holidays by dividing up the market to meet the needs of specific customer groups. Customers who are interested in family holidays, for example, will purchase from them as the service meets their expectations.</li> </ul> <p>Credit any other valid response.</p>		3		3

Question	Answer	A01	A02	A03	Total Mark
5.	Consider how businesses may be impacted by government.				
	<p>Award <b>one</b> mark for a basic consideration, for example:</p> <ul style="list-style-type: none"> <li>Businesses will see an increase in their costs from complying with legislation.</li> </ul> <p>Award <b>two</b> marks for a more developed consideration, for example:</p> <ul style="list-style-type: none"> <li>Businesses will see an increase in their costs from complying with legislation, for example by improving the workplace to meet health and safety legislation for employees.</li> </ul> <p>Award <b>three</b> marks for a fully developed consideration, for example:</p> <ul style="list-style-type: none"> <li>Businesses will see an increase in their costs from complying with legislation, for example by improving the workplace to meet health and safety legislation for employees. However, businesses will be less likely to get sued as a result of workplace accidents and staff will take fewer days off because of injury/illnesses.</li> </ul> <p>Credit any other valid response.</p>			3	3

Question	Answer	AO1	AO2	AO3	Total Mark
6.	Paul owns an online-only shop selling a range of luxury cookies, cakes, brownies and chocolates. Paul spends his evenings and weekends making the products, managing the website and dispatching orders to customers. He works full-time in a bank. Paul makes all the products in his kitchen at home and stores all the ingredients and packaging in his spare room. Paul is keen to grow the business and has decided on internal growth methods.				
(a)	Identify <b>two</b> reasons why businesses grow.				
	Award <b>one</b> mark for each identified reason, up to a maximum of <b>two</b> marks:				
	<ul style="list-style-type: none"> <li>• access new markets</li> <li>• diversification</li> <li>• improve brand loyalty</li> <li>• increase market share</li> <li>• increase brand awareness</li> <li>• increase profit</li> <li>• reduce competition</li> <li>• reduce unit costs</li> <li>• spread risks</li> <li>• trade globally.</li> </ul>	2			2
	Credit any other valid response.				
(b)	Using examples, identify and explain <b>two</b> internal growth methods Paul may use to grow his business.				
	Award <b>one</b> mark for each identified growth method, up to a maximum of <b>two</b> marks:				
	<ul style="list-style-type: none"> <li>• increasing advertising and promotion</li> <li>• investment</li> <li>• launching new products</li> <li>• looking for new markets</li> <li>• selling more of current products in existing markets.</li> </ul>	2	4		6
	Credit any other valid response.				
	Award <b>one</b> mark for each basic explanation of an identified growth method, up to a maximum of <b>two</b> marks, for example:				
	<ul style="list-style-type: none"> <li>• increasing advertising and promotion – Paul could use paid for social media advertising to reach more customers who may be interested in his products.</li> <li>• investment – Paul could invest in a factory with an industrial kitchen to store and produce his products in higher quantities.</li> <li>• launching new products – Paul may like to add new products such as chocolate covered marshmallows to his portfolio.</li> </ul>				

	<ul style="list-style-type: none"> <li>looking for new markets – Paul may want to look for new markets to sell to grow his business, for example by selling gluten free cakes.</li> <li>selling more of current products in existing markets – Paul could offer a '3for2' deal across his product range to encourage customers to buy more products.</li> </ul> <p>Award <b>two</b> marks for each more developed explanation of an identified growth method, up to a maximum of <b>four</b> marks, for example:</p> <ul style="list-style-type: none"> <li>increasing advertising and promotion – Paul could use paid for social media advertising or distribute leaflets in his local area to reach a wider range of customers to inform and persuade them to buy his products.</li> <li>investment – Paul could invest in a factory with an industrial kitchen to store and produce his products in higher quantities and lower unit costs to help him increase his profitability.</li> <li>launching new products – Paul may like to add new products such as chocolate covered marshmallows to his portfolio to encourage people with different tastes to buy his products.</li> <li>looking for new markets – Paul may want to look for new markets to sell to grow his business, for example by selling gluten free cakes, which will attract a different market segment and widen and increase his customer base.</li> <li>selling more of current products in existing markets – Paul could offer a '3for2' deal across his product range to encourage customers to buy more items from his product range and try new products that they would not have bought without the deal.</li> </ul> <p>Credit any other valid response.</p>				
	<p>(c) State <b>one</b> external growth method for a business.</p> <p>Award <b>one</b> mark for:</p> <ul style="list-style-type: none"> <li>merger</li> <li>takeover.</li> </ul> <p>Credit any other valid response.</p>	1			1



Question	Answer	AO1	AO2	AO3	Total Mark
7.	<p>Jenkins Bakery was established in 1921 as a local family business in Llanelli. Today there are 28 shops across South and West Wales. Jenkins Bakery sells a range of bread, bread rolls, pasties, sausage rolls, pies, cakes, sandwiches, wraps and baguettes. Products are freshly made on site every day in each of its 28 in-store kitchens.</p> <p>As a successful business, Jenkins Bakery is always recruiting people. Jobs include bakers, delivery drivers, cake decorators, shop managers and shop assistants. Jenkins Bakery offers a competitive salary, staff discount and on-the-job training.</p>				
(a)	Identify and explain the method of production Jenkins Bakery is likely to use to make its products.				
	<p>Award <b>one</b> mark for identifying:</p> <ul style="list-style-type: none"> <li>batch production.</li> </ul> <p>Award <b>one</b> mark for explaining batch production:</p> <ul style="list-style-type: none"> <li>Batch production is a suitable method as it allows Jenkins Bakery to make different quantities of different products to meet customer demand.</li> </ul>	1	1		2
(b)	Consider why quality is important to Jenkins Bakery.				

### Indicative Content

Answers may refer to the following:

- Meeting customer expectations – Jenkins Bakery has relied on customers enjoying its products and then making repeat purchases. Customers expect the same high standards of quality on each future visit. For example, if its sandwiches do not have as much filling in as previous visits they may switch to a competitor.
- Improving customer satisfaction – Since customers are likely to regularly purchase from their local Jenkins Bakery store, they are likely to have a more personal level of service from the staff, such as remembering what loaf of bread they usually purchase. This will increase customer satisfaction.
- Improving brand reputation – Jenkins Bakery may be well-known in the local area for selling high quality products. Customers may leave good reviews on TripAdvisor or Google, for the business, which will encourage new customers to try its products, increasing sales.
- Encouraging repeat purchases – Customers will trust Jenkins Bakery to always produce a high quality product. This means that they will become regular customers and are more likely to purchase other items from its product range, such as buying a cake alongside their regular loaf of bread.
- Reducing cost – If products are produced right first time, then items will not need to be scrapped. For example, if its cakes are decorated in a poor-quality way then they cannot be sold and will go to waste.

- Avoiding legal action – If products are found to be defective/faulty in any way then the company may be sued. For example, if it produced nut free products but cross-contamination in the kitchen meant a customer had an allergic reaction, then it could be costly to the business and reduce profit margins.


Credit any other valid response.

Band	AO2	AO3
4	There are no Band 4 marks for this assessment objective.	<b>4 marks</b> An excellent consideration, which demonstrates: <ul style="list-style-type: none"> <li>• highly effective evaluation of a wide range of reasons why quality is important to Jenkins Bakery</li> <li>• a well-developed and balanced evaluation.</li> </ul>
3	There are no Band 3 marks for this assessment objective.	<b>3 marks</b> A good consideration, which demonstrates: <ul style="list-style-type: none"> <li>• effective evaluation of reasons why quality is important to Jenkins Bakery</li> <li>• developed and balanced evaluation.</li> </ul>
2	<b>2 marks</b> A good response which demonstrates knowledge and understanding that is fully applied to the context of Jenkins Bakery.	<b>2 marks</b> A basic consideration, which demonstrates: <ul style="list-style-type: none"> <li>• some evaluation of a reason why quality is important to a business</li> <li>• an evaluation that lacks balance.</li> </ul>
1	<b>1 mark</b> A basic response which demonstrates knowledge and understanding that is partially applied to the context of Jenkins Bakery.	<b>1 mark</b> A limited consideration, which demonstrates: <ul style="list-style-type: none"> <li>• minimal evaluation skills</li> <li>• generalised comments that are superficial.</li> </ul>
0	<b>0 marks</b> Response not creditworthy or not attempted.	

	(c)	Identify <b>two</b> stages of the recruitment process.				
		Award <b>one</b> mark for each identified stage, up to a maximum of <b>two</b> marks:	2			2
		<ul style="list-style-type: none"> <li>• advertising job vacancies</li> <li>• appointment</li> <li>• identifying job vacancies</li> <li>• interviews</li> <li>• job applications</li> <li>• job descriptions and person specifications</li> <li>• references</li> <li>• short-listing and selection.</li> </ul>				
	(d)	Identify <b>one</b> financial method of motivation used by businesses to motivate its employees.				
		Award <b>one</b> mark for: <ul style="list-style-type: none"> <li>• bonuses</li> <li>• commission</li> <li>• fringe benefits</li> <li>• wages.</li> </ul> Credit any other valid response.	1			1
	(e)	Analyse the benefits to Jenkins Bakery of using on-the-job training for new employees.				
		Award one mark for applying job training for new employees in Jenkins Bakery.  Award <b>one</b> mark for a basic analysis, for example: <ul style="list-style-type: none"> <li>• On-the-job training is a relatively cheap form of training suitable for a small business such as Jenkins Bakery.</li> </ul> Award <b>two</b> marks for a more developed analysis, for example: <ul style="list-style-type: none"> <li>• On-the-job training is a relatively cheap form of training suitable for a small business. Workers can be trained in exactly the way Jenkins Bakery wishes its products to be made.</li> </ul> Award <b>three</b> marks for a fully developed analysis, for example: <ul style="list-style-type: none"> <li>• On-the-job training is a relatively cheap form of training suitable for a small business. Workers can be trained in exactly the way Jenkins Bakery wishes its products to be made, learning from more experienced members of staff, ensuring that the needs of the business and the employees are met.</li> </ul> Credit any other valid response.		1	3	4

Question	Answer	AO1	AO2	AO3	Total Mark																					
8.	Brats Bikes is a children’s bike manufacturer. The business makes bikes for children aged 4 to 12. The table below shows the income statement for Brats Bikes for 2024 and 2025. <table><tr><td></td><td>2025 (£)</td><td>2024 (£)</td></tr><tr><td>Sales revenue</td><td>1 400 000</td><td>?</td></tr><tr><td>Cost of sales</td><td>400 000</td><td>300 000</td></tr><tr><td>Gross profit</td><td>1 000 000</td><td>900 000</td></tr><tr><td>Total expenses</td><td>600 000</td><td>400 000</td></tr><tr><td>Net profit</td><td>400 000</td><td>500 000</td></tr><tr><td>Net profit margin</td><td>?</td><td>41.7%</td></tr></table>						2025 (£)	2024 (£)	Sales revenue	1 400 000	?	Cost of sales	400 000	300 000	Gross profit	1 000 000	900 000	Total expenses	600 000	400 000	Net profit	400 000	500 000	Net profit margin	?	41.7%
	2025 (£)	2024 (£)																								
Sales revenue	1 400 000	?																								
Cost of sales	400 000	300 000																								
Gross profit	1 000 000	900 000																								
Total expenses	600 000	400 000																								
Net profit	400 000	500 000																								
Net profit margin	?	41.7%																								
(a)	Describe why profit is important for business success.  Award <b>one</b> mark for a basic description of why profit is important for business success, for example: <ul style="list-style-type: none"><li>Profit allows money to be reinvested back into the business.</li></ul> Award <b>two</b> marks for a more developed description of why profit is important for business success, for example: <ul style="list-style-type: none"><li>Profit allows money to be reinvested back into the business. For example, it could fund research into new product development. This allows a business to stay ahead of its competition.</li></ul> Credit any other valid response.																									
		2			2																					
(b)	Calculate the sales revenue for 2024.  Award <b>one</b> mark for: £1 200 000																									
			1		1																					
(c)	Use the net profit profitability ratio to calculate the net profit margin for 2025. Present your answer to one decimal point. Show your workings.  Award <b>one</b> mark for the correct net profitability ratio: <ul style="list-style-type: none"><li>Net profit margin = net profit/sales revenue x 100</li></ul> Award <b>one</b> mark for calculating the net profit margin for 2025: <ul style="list-style-type: none"><li>400 000/1 400 000 x 100 = 28.6% (1.d.p)</li></ul> N.B.: Award the full <b>two</b> marks if the candidate only states the correct answer of 28.6%.																									
		1	1		2																					

(d)	Review the financial performance of Brats Bikes between 2024 and 2025.			
		2025 (£)	2024 (£)	
	Sales revenue	1 400 000	1 200 000	
	Cost of sales	400 000	300 000	
	Gross profit	1 000 000	900 000	
	Total expenses	600 000	400 000	
	Net profit	400 000	500 000	
	Net profit margin	28.6%	41.7%	
	Award <b>one</b> mark for a basic review, for example:			
	<ul style="list-style-type: none"><li>Net profit has fallen even though sales revenue has increased.</li></ul>			
Award <b>two</b> marks for a more developed review, for example:				
<ul style="list-style-type: none"><li>Net profit has fallen by £100 000 even though sales revenue has increased by £200 000. This is because total expenses have gone up significantly.</li></ul>				
Award <b>three</b> marks for a fully developed review, for example:				
<ul style="list-style-type: none"><li>Sales revenue has increased by £200 000. Despite this large increase, the cost of sales has only increased by a third. This shows the business has been very effective at controlling direct/variable costs. However, total expenses have gone up and this has resulted in a net profit overall fall by £100 000.</li></ul>				
Credit any other valid response.				

Question	Answer	A01	A02	A03	Total Mark
9.	<p>EdenHarvest is a zero-waste food retailer. It opened in 2020 and has two shops, one in Cardiff, South Wales and one in Llandudno, North Wales.</p> <p>Unlike most other food retailers, EdenHarvest buys its products in bulk and sells them to consumers without packaging. Customers bring their own containers and can select from a large range of products including fresh fruit and vegetables, frozen foods, bread, pasta, rice, chocolates, cereals, tea and coffee.</p> <p>EdenHarvest also sells a range of packaged organic products including soft drinks, baby food, nuts and seeds, tinned fish and vegetables, oils and vinegars, and a range of health and skincare products.</p> <p>Every month the two shops hold workshops to demonstrate how to live in a more waste-free way. Staff are also encouraged to spend time talking to customers.</p> <p>The business has gained loyal customers who like the flexibility to be able to choose the quantity or weight of each product they buy. However, the owners of EdenHarvest are concerned that sales revenue has decreased in recent months. They believe that the reasons for this are:</p> <ul style="list-style-type: none"> <li>many of the products it offers are priced higher than less environmentally friendly products sold in supermarkets.</li> <li>local people in Cardiff and Llandudno are not aware of EdenHarvest.</li> </ul>				
(a)	<p>With reference to EdenHarvest, explain what is meant by unique selling point (USP).</p> <p>Award <b>one</b> mark for a basic explanation of USP with reference to EdenHarvest, for example:</p> <ul style="list-style-type: none"> <li>A USP sets the product or service apart from the competition, for example you can refill your own containers in Eden Harvest.</li> </ul> <p>Award <b>two</b> marks for a more developed explanation of USP with reference to EdenHarvest, for example:</p> <ul style="list-style-type: none"> <li>USP is when a business offers products or services that are different from other businesses. What sets EdenHarvest apart from other retailers is that customers can buy products without unnecessary packaging, for example by reusing their own pasta jars and cereal containers.</li> </ul> <p>Credit any other valid response.</p>		2		2

(b)	Advise the owners of EdenHarvest on how they can adapt their marketing mix to increase sales revenue.
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### Indicative Content

Answers may refer to the following:

- **Price** – Skimming, psychological and cost-plus could all be justified to be suitable to EdenHarvest. Competitive pricing/penetration pricing are unlikely to be suitable as it cannot offer the same/lower prices as large supermarkets due to the nature of its business.
- Psychological pricing could be the most suitable pricing strategy for EdenHarvest as it will make the product appear cheaper in the minds of consumers and so may encourage them to purchase. This is important as the more eco-friendly products EdenHarvest sell are more expensive than the non-eco-friendly products offered by its competitors. However, the reduction of a few pence off the selling price alone may not be enough to tackle the falling revenue the business has seen in recent months.
- **Product** – Expand zero packaging product range (e.g. herbs and spices, fresh fish/meat), move into new product areas (e.g. household cleaning products). Remove packaged products, even though these are organic they may confuse the customer as they are not zero-waste. Rebrand EdenHarvest to emphasise its USP as a zero waste business. Packaging cannot be awarded as the business is a zero waste store and it does not fit with its USP.
- Expanding its product range would ensure that customers could shop with EdenHarvest and purchase most of their products in one location, therefore increasing sales revenue and customer loyalty from customers who share its passion for reducing waste. However, adding extra products may require extra equipment, such as fridges and chilled display cabinets, as well as extra staff. This may not be suited to EdenHarvest at the current time as there are still lots of people who are unaware of its business and so products may go to waste if there are insufficient customers.
- **Promotion** – Advertising media (e.g. leafleting local area, local newspaper adverts) to increase customer awareness within their local area, sponsored social media advertising to target people who may be interested in a zero waste store (for example, those who shop for second-hand clothing, buy fair trade products or who drive electric vehicles), sales promotion (e.g. loyalty card schemes, discounts on new products) in order to encourage existing customers to purchase more items.
- In order to raise awareness, promotion in the local area could be a good idea. EdenHarvest could leaflet the local area at a relatively low cost to inform customers of its business and to explain why it is important to shop in a zero-waste store. This will persuade customers to try its store and will lead to an increase in revenue. If these customers have a positive experience, they will become repeat purchasers. However, using leaflets would go against the ethos of the shop. People may discard a leaflet as it is seen as junk mail, and cause litter.
- **Place** – Expand to more affluent areas to be closer to its target market, offer a home delivery service. Look at investing in e-commerce/m-commerce, although this may not be suitable due to having no packaging. Potential to sell to businesses that share the same aims (e.g. eco-friendly café/restaurant).
- EdenHarvest needs to consider if it is in the right location for its business. It may benefit from moving to more upmarket areas, where people may earn higher salaries and have more disposable income to spend on 'luxury' items. Many businesses would benefit from an online

store; however this is not suitable to EdenHarvest as it would need to add packaging to its products in order to transport them which would go against its USP.

Credit any other valid response.

Band	AO3
4	<p><b>9-10 marks</b></p> <p>Excellent advice, which demonstrates:</p> <ul style="list-style-type: none"> <li>highly effective evaluation of how the marketing mix could be adapted to increase sales revenue</li> <li>balanced and well-developed evaluation of the impacts of each of the 4P's</li> <li>well-reasoned and supported judgements.</li> <li>clear and supported advice.</li> </ul>
3	<p><b>6-8 marks</b></p> <p>Good advice, which demonstrates:</p> <ul style="list-style-type: none"> <li>effective evaluation of how the marketing mix could be adapted to increase sales revenue</li> <li>balanced and developed evaluation of the impacts of three or more of the 4P's</li> <li>reasoned and supported judgements.</li> <li>clear advice.</li> </ul>
2	<p><b>3-5 marks</b></p> <p>Basic advice, which demonstrates:</p> <ul style="list-style-type: none"> <li>some evaluation of how the marketing mix could be adapted to increase sales revenue</li> <li>balanced evaluation of the impacts of two or more of the 4P's</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>a one-sided evaluation of the impacts of three or more of the 4P's</li> <li>brief advice.</li> </ul>
1	<p><b>1-2 mark</b></p> <p>Limited advice, which demonstrates:</p> <ul style="list-style-type: none"> <li>minimal evaluation of how the marketing mix could be adapted to increase sales revenue</li> <li>a one-sided evaluation of two or more of the 4P's</li> <li>minimal or no advice given.</li> </ul>
0	<p><b>0 marks</b></p> <p>Response not creditworthy or not attempted.</p>



## Mapping of questions to specification content and assessment objectives: Unit 3

Question			Mark allocation																		Total Marks	AO1 Marks	AO2 Marks	AO3 Marks
			Topic and Section																					
			3.1			3.2			3.3				3.4			3.5			3.6					
			3.1.1	3.1.2	3.1.3	3.2.1	3.2.2	3.2.3	3.3.1	3.3.2	3.3.3	3.3.4	3.4.1	3.4.2	3.4.3	3.5.1	3.5.2	3.5.3	3.6.1	3.6.2				
1											1									1	1			
2						1														1	1			
3	(a)							2												2	2			
	(b)							4												4	4			
4	(a)											2								2		2		
	(b)											3								3		3		
5						3														3			3	
6	(a)		2																	2	2			
	(b)			6																6	2	4		
	(c)			1																1	1			
7	(a)																	2		2	1	1		

	(b)																			6	6		2	4
	(c)															2					2	2		
	(d)																	1			1	1		
	(e)																4				4		1	3
8	(a)										2										2	2		
	(b)								1												1		1	
	(c)										2										2	1	1	
	(d)										3										3		3	
9	(a)													2							2		2	
	(b)													10							10			10
Section marks		9			4			14				18			7			8						
Total marks																					60	20	20	20

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