

2025 Business Management Advanced Higher Question Paper Finalised Marking Instructions

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General marking principles for Advanced Higher Business Management

Always apply these general principles. Use them in conjunction with the detailed marking instructions, which identify the key features required in candidates' responses.

- (a) Always use positive marking. This means candidates accumulate marks for the demonstration of relevant skills, knowledge and understanding; marks are not deducted for errors or omissions.
- (b) If a candidate response does not seem to be covered by either the principles or detailed marking instructions, and you are uncertain how to assess it, you must seek guidance from your team leader.

Marks will be awarded as follows for

(i) Questions that ask candidates to 'Describe...'

Candidates must make relevant factual points, which may be characteristics and/or features, as appropriate to the question asked. These points may relate to a concept, process or situation.

Candidates may provide straightforward points or a smaller number of developed points, or a combination of these.

Up to the total mark allocation for this question

- 1 mark should be given for each relevant factual point
- 1 mark should be given for any further development of a relevant point, including exemplification when appropriate.
- (ii) Questions that ask candidates to 'Explain...'

Candidates must make accurate relevant points that relate cause and effect and/or make the relationships clear. These points may relate to a concept, process or situation.

Candidates may provide a number of straightforward points of explanation or a smaller number of developed points, or a combination of these.

Up to the total mark allocation for this question

- 1 mark should be given for each relevant point of explanation
- 1 mark should be given for a further development of a relevant point, including exemplification when appropriate.
- (iii) Questions that ask candidates to 'Compare...'

Candidates must demonstrate knowledge and understanding of the similarities and/or differences between things, methods or choices, for example. The relevant comparison points could include theoretical concepts.

Up to the total mark allocation for this question

- 1 mark should be given for each accurate point of comparison.
- (iv) Questions that ask candidates to 'Discuss...'

Candidates must make a number of points that communicate issues, ideas, or information about a given topic or context that will make a case for and/or against. It is not always necessary to give both sides of the debate in responses.

Up to the total mark allocation for this question

- 1 mark should be given for each accurate point of knowledge that is clearly relevant
- 1 mark should be given for any further development of a relevant point, including exemplification or a conclusion when appropriate.
- (v) Questions that ask candidates to 'Analyse...'

Candidates must demonstrate the ability to identify/describe/explain relevant parts, and the relationship between the parts and/or the whole. Candidates should be able to draw out and relate any implications and/or analyse data.

Up to the total mark allocation for this question

- 1 mark should be given for each accurate point of analysis
- 1 mark should be given for any further development of a relevant point, including exemplification when appropriate.
- (vi) Questions that ask candidates to 'Evaluate...'

Candidates must demonstrate the ability to make a reasoned judgement in terms of the effectiveness or usefulness of something based on criteria. Candidates should be able to determine the value of something within context.

Up to the total mark allocation for this question

- 1 mark should be given for each accurate point of evaluation
- 1 mark should be given for any further development of a relevant point, including exemplification when appropriate.
- (vii) Questions that ask candidates to 'Explore...'

Candidates must demonstrate the ability to carry out a detailed examination or enquiry, or follow a process in order to find out something.

Up to the total mark allocation for this question

- 1 mark should be given for each accurate point
- 1 mark should be given for any further development of a relevant point, including exemplification when appropriate.

Marking instructions for each question

SECTION 1

Question	Expected response(s)	Max mark	Additional guidance
1.	 mitigate the risks associated with over-reliance on a single country - establishing manufacturing hubs in other countries reduces Apple's dependency on China preventing possible issues with inventory supply in future reduces the risk of Apple being forced to pay higher prices by Chinese organisations Chinese Government failed to deliver on promises/stricter internal policies - some countries (such as India) have fewer restrictions to comply with allowing Apple more freedom to operate in more profitable ways US-China trade war - tariffs may be imposed by China increasing Apple's costs can reduce Apple's profit margins growing risk of conflict between China and Taiwan - China could become unsafe for Apple's manufacturers threatening Apple's supply chain worsening diplomatic situation between the US and China - China could implement greater restrictions for US organisations (such as necessary permits, regulation scrutiny, data privacy requirements etc) forcing Apple to change its services/products/operations Indian Government's "Make in India" manufacturing initiative/Foxconn already receiving significant subsidies - access to subsidies/grants can help Foxconn to increase production capacity in India helping Apple to reach higher production volumes India's booming population - abundance of labour available to quicken recruitment times 	8	Candidates must explore at least 2 reasons to gain full marks. Candidates' responses should be based on the information from the case study. Award 1 mark for each valid explored point. Award 1 mark for each valid development. A maximum of 4 marks to candidates who make general points on reasons for organisations' FDI into India without relating them to the case study. Points must be for Apple/organisations. Accept any other suitable response.

Q	uestic	on	Expected response(s)	Max mark	Additional guidance
			 relocation of production facilities to India - reduces Apple's distribution costs with India becoming a top consumer of the iPhone these savings could be significant in the longer term reduces Apple's carbon footprint manufacturing wages are around half of those in China - can improve Apple's gross profit allows Apple to keep its selling prices competitive 		

Question	Expected response(s)	Max mark	Additional guidance
2.	 tax credits encourage repatriation of profits that improves the US's balance of payments cost Apple approximately \$38 billion/one of the largest repatriation-related tax payments ever/\$22 billion paid so far can be invested into improving US state services provides the US with more funding to supply grants to startup organisations improving economic growth improve dividends increasing shareholders' wealth to spend in the US (for those residing in the US) increases US sales taxation yield generous repurchase rates providing shareholders with cash to spend in local businesses contributing to the multiplier effect/local businesses growth capital expenditure/new campus may improve US infrastructure saving the US Government having to develop/maintain areas/roads etc expand its existing data centres may create more jobs/reducing unemployment fewer unemployment benefits awarded by the US Government improving income taxation yield improves US gross domestic product (GDP) Apple has heavily increased its investment in R&D which may lead to new patents - royalty payment will return to US and be subject to US taxation drive innovation leads to better designs/ products/services for US citizens may improve their quality of life (eg Apple Watch health features) improves competition in the US leading to lower selling prices for US citizens diversified product range offers US citizens more choices 	6	Candidates must discuss at least 2 effects to gain full marks. Candidates' responses should be based on the information from the case study. Award 1 mark for each valid discussion point. Award 1 mark for each valid development. A maximum of 3 marks to candidates who make general points on the effects on a home country of profit repatriation without relating them to the case study. Accept any other suitable response.

Question	Expected I	response(s)	Max mark	Additional guidance
3.	strong competition in the market low profit margins/GM \$3.4 billion loss revenues are low/GM sales revenue of just \$102 million demand (for autonomous cars) is lacking public concerns utilise resources elsewhere/demand for AI smartphone technologies required extensive funding	RESISTORS driverless private passenger market worth \$400 billion by 2035 GM have cut its investment high upfront costs/\$155 billion in cash at the plan's inception/funded for over 10 years involves 2,000 employees diversification is a priority as sales growth slows	8	Candidates' responses should be based on the information from the case study. Up to 4 marks for a force field diagram: Award 1 mark for 2 drivers Award 1 mark for 2 resistors Award 1 mark for an asset for change Award 1 mark for differing arrows and headings Award 1 mark for each valid analysis point. Up to a maximum of 4 marks for analysis of any individual drivers and/or resistors. A maximum of 1 mark for an overall evaluation.
	 Assets for change £96.7 billion profit in 2023 27.95% of the global smartphone mar most popular mobile phone brand wo market capitalisation value of \$3.4 tr strong manufacturing links with China extensive product and service portfol 	rldwide rillion a since 2001		diagram.

Question	Expected response(s)	Max mark	Additional guidance
	 <u>strong competition in the EV market</u> - difficult to penetrate the market due to established rivals with more experience of EVs <u>low profit margins/GM \$3.4 billion loss</u> - shareholders are less likely to back a less profitable diversification strategy as it could adversely affect dividends <u>revenues are low/GM sales revenue of just \$102 million</u> - could take a long time to break even if demand is lacking <u>demand (for autonomous cars) is lacking</u> - many people prefer manual cars where they are in control of their driving meaning Apple would have to heavily invest in marketing strategies to convince people to purchase its autonomous vehicles <u>public concerns</u> - difficult to charge premium prices if people are not willing to purchase autonomous cars for fear of safety <u>utilise resources elsewhere</u> - reallocating resources elsewhere may lead to greater profitability <u>required extensive funding</u> - contributing to increasing borrowing/increasing net debt 		
	 Resistors driverless private passenger market worth \$400 billion by 2035 - potential for long-term profitability as technology and demand develop GM has cut its investment - if Apple increase its investment into the project it could develop superior models and surpass rivals high upfront costs/\$155 billion in cash at the plan's inception - if the project is discontinued this capital may be irrecoverable involves 2,000 employees - risk/fear of job losses for employees Apple could lose the expertise of these employees diversification is a priority as sales growth slows - reduced future product/service portfolio can increase risk as there would be fewer potential income streams/may limit the potential for an increase in future sales revenue/market share 		

Question	Expected response(s)	Max mark	Additional guidance
	Overall evaluation		
	Apple should discontinue the development of its autonomous vehicles as: • the market it too competitive (driver) and it will allow it to use its resources (ie its R&D budget and labour) on its core competencies, such as its Al smartphones, where the profits could be used to recover the funding spend on the project so far (resistor)		
	 Apple should not discontinue the development of its autonomous vehicles as: despite this project requiring extensive funding (driver), the market for driverless private passenger vehicles is estimated to be worth \$400 billion by 2035 (resistor), so there is profit-making potential in the longer term 		

Question	Expected response(s)	Max mark	Additional guidance
4.	 breaking down the stronghold of the gatekeepers allows for more startups to emerge in the industry increasing competition prevents the gatekeepers from forming cartels/price fixing limiting their revenue potential within the EU announced investigations could result in negative media/press attention requiring PR investment will require gatekeepers to make information available increasing administration requirements fines of up to 20% can impact the organisations' cash flow limiting their potential for growth may contest the fines by taking legal action incurring costs may lead to staff redundancies leading to low motivation of the workforce structural changes/divestment can force the sale of assets/patents decreasing profit in future making it difficult to use other pay services means gatekeepers will need to develop their apps	6	Candidates' responses should be based on the information from the case study. Award 1 mark for each valid discussion point. Award 1 mark for each valid development. Impacts must be on the organisations in the industry eg Apple or the industry itself. Accept any other suitable response.

Question	Expected response(s)	Max mark	Additional guidance
	 regulating payment to avoid targeted adverts could restrict this as a source of generating income regulating the <u>favouring of the gatekeepers' own products</u> may reduce sales revenue <u>submitting compliance reports</u> take time for gatekeepers to prepare increasing labour hours/expenses 		

Question	Expected response(s)	Max mark	Additional guidance
5.	 women in leadership roles globally increased - suggesting Apple is effectively tackling the 'glass ceiling' as there is almost a 50:50 gender balance may encourage more women to apply for previously intimidating strategic level positions in the technology industry internal female applicants may be motivated to reach top-level positions women in R&D leadership roles globally increased - may lead to better decision making compared to an all-male director team women in all strategic leadership roles globally increased - as these are overall global statistics, there are likely regions where women do not have the same opportunities and are still being disadvantaged men still dominate the overall workforce (65%) - suggesting Apple may need to set further targets to improve its gender representation ratio females are represented the least in technical roles globally - suggesting there may still be a legacy workplace culture/bias in STEM departments/ roles at Apple increased risk of sexual harassment for women in the workplace from a lack of gender balance in technical departments increased staff turnover from female employees in technical departments Apple has marginally improved female representation in technical roles from 2014 highlighting the challenges Apple face from the 'leaky pipeline' in STEM fields retail roles are where women are represented most - may increase the number of female applicants who can relate to customer-facing female staff Apple may offer flexible working in this sector which is retaining female staff 	8	Candidates' responses should be based on the information from the case study. Award 1 mark for each valid evaluation. Award 1 mark for each valid development. Accept any other suitable response.

Question	Expected response(s)	Max mark	Additional guidance
	 race and ethnicity representation overall from 2014 improved across its US workforce - Apple will benefit from improved ideas/innovation/creativity from employees of different backgrounds improving its competitiveness employees who feel better represented in the workforce are more likely to be loyal to Apple Apple may benefit from employees' knowledge of cultural nuances/language skills when working/growing outside of the US technology transfer from employees recruited from abroad increase in diversity training - reduces the risk of discrimination/harassment/victimisation in the workplace only large technology company to achieve true gender representation on its board - sets a benchmark for the industry for rivals to follow which will encourage better representation across the sector may lose female employees to rivals who are positively recruiting to improve their gender representation statistics promoted Tim Cook, an openly gay man, to CEO - demonstrating Apple's commitment to pursuing diversity in the technology sector through leading by example 		

Question	Expected response(s)	Max mark	Additional guidance
6.	 <u>R&D increased</u> - better innovation/quality for customers o more choices for customers (eg Apple Watch and iPhone etc) <u>profit for the year increased</u> - more taxation for governments o citizens benefit from better funded public services <u>profit for the year increased</u> - managers may receive bonuses for reaching targets <u>profit for the year increased</u>/<u>EPS increased</u> - potentially more dividends/improved wealth for shareholders <u>profit for the year increased</u> - employees could negotiate a pay rise <u>gross profit margin increased</u> - customers may have to pay higher prices <u>current assets increased</u> - more cash reserves give banks more funds for lending <u>net debt decreased</u> - less income for lenders/banks from finance costs 	4	Candidates' responses should be based on the information from the case study. Award 1 mark for each valid description. Award 1 mark for each valid development. Stakeholders must be labelled. Accept any other suitable response.

SECTION 2

Question	Expected response(s)	Max mark	Additional guidance
7. (a)	Human resources eco-friendly organisations may attract more candidates during recruitment running training in new recycling methods/eco-friendly production processes Finance purchasing of solar panels etc increases capital expenditure renewable energy can reduce energy expenses recycling/reusing can reduce purchasing costs of raw materials improving the gross profit some finance options are only available to environmentally friendly organisations eg many 'green' mortgages can only be secured with an energy performance certificate (EPC) at A or B rating eg Scottish Government set 0% VAT on solar panel purchases since 2022 may face fewer taxes eg carbon taxes Operations change production processes from biofuels as opposed to fossil fuels quality may be impacted by a change to eco-friendly materials sourcing a sustainable supplier may be time consuming sourcing locally to reduce transport emissions replacing delivery vehicles to electronic vehicles Administration may go paperless (to reduce carbon footprint)	6	Candidates must describe the effect on at least 2 functional areas to gain full marks. Award 1 mark for each valid description. Award up to 3 marks for methods and/or impacts of an organisation's environmental policy not linked to functional areas. Functional areas must be labelled. Accept any other suitable response.

Question	Expected response(s)	Max mark	Additional guidance
	 Marketing remove/reduce the packaging on goods eg reusable bags can encourage repeat custom advertisement may be adapted to feature environmental initiatives increasing sales revenue by attracting ethically conscious customers prices may be increased to recover costs for developing the environmental policy carry out market research to develop/evaluate the environmental policy 		
7. (b)	 it is illegal in most countries leading to legal action/prosecution eg almost all of the UN member countries have laws against it can lead to fines government grants could be revoked can attract bad publicity which can deter customers/lowering sales eg Microsoft was accused in the media of using children as young as 7 to extract cobalt in the Democratic Republic of Congo in its supply chain exploits governments in countries that lack the infrastructure to enforce child protection rights/laws/standards eg Africa ranks the highest in terms of child labour use globally children are exploited through low wages can put children at risk in hazardous working conditions may deprive children of education deskills the country's workforce in the longer term traps families in poverty risk exposure by humanitarian organisation eg UNICEF leading to protests organisations exposed using child labour may lose contracts/customers lowering their profit-generating potential many developed countries prohibit the importing of goods produced using child labour which limits export opportunities 	4	Candidates must discuss at least 2 consequences to gain full marks. Award 1 mark for each valid discussed point. Award 1 mark for each valid development. Accept justifications. Accept any other suitable response.

Question	Expected response(s)	Max mark	Additional guidance	
8.	 (Taylor's) scientific management was based on the principles of standardisation, efficiency and discipline viewed the organisation as a machine and tried to make it efficient suggested workers were motivated only by money	10	Candidates must explore at least 2 ideas to gain full marks. Award 1 mark for each valid exploration. Award 1 mark for each valid development. Accept any other suitable response.	

Question	Expected response(s)	Max mark	Additional guidance
	 piece rate payment is still used in industries which require a quick rate of output financial incentives are still used as a primary motivator in many industries, such as bonuses, piecemeal incentive, and commission however, most employees today are not only motivated by money, as they were mostly in Taylor's day, when financial times were harder a classical hierarchy (Weber) is still seen in traditional/large organisations today as it provides accountability in the workplace upward communication was discouraged and this is no longer the case today due to the increasing emphasis on positive employee relations limited empowerment and involvement prevent employees contributing good ideas classical approaches were based around factory work so are not appropriate in some industries such as the creative sectors scientific selection uses job descriptions and person specifications to make sure the correct people are recruited Fayol's 14 principles Fayol's role of a manager Taylor's 5 principles of scientific management 		

Question		Expected response(s)	Max mark	Additional guidance
9. (a)		 leaders are born with innate traits traits cannot be learned traits may be physical appearance, voice, confidence etc (max 1 mark) leaders should be selected based on traits they possess measuring traits is not objective and leads to unfair judgements/bias can lower morale the best person may not be appointed if they are perceived to have the necessary traits for the job may lead to legal issues with equality in the workplace leaders with the desired traits may require less leadership training leadership changes in different scenarios therefore different traits are required/an effective leader in one scenario may not be in another many traits are immeasurable and cannot be evidenced in a selection process 	4	Award 1 mark for each valid exploration. Award 1 mark for each valid development. Award 1 mark for a description and/or justification of a trait up to a maximum of 2 marks. Traits must be labelled. Maximum 1 mark for list of at least 2 traits. Accept any other suitable response.

Question	EXDECTED (ESDONSE(S)	Max mark	Additional guidance
9. (b)	Implementer	6	Candidates must describe the impact of at least 2 Belbin roles to gain full marks. Award 1 mark for each valid description. Award up to 3 marks for descriptions of Belbin's team roles. Do not accept points with a missing or incorrect label - candidates must use Belbin's labels. Accept any other suitable response.

Question	Expected response(s)	Max mark	Additional guidance
	 Plant innovator/generates ideas improving competitiveness problem solver suggesting cost effective solutions 		
	 Shaper effective leader inspiring/motivating members to work industriously minimises slacking/laziness within the team highly competitive/ambitious/assertive who can be difficult to manage may make decisions at the expense of others' feelings may be aggressive in attempt to get things done can increase speed of decision making 		
	 Monitor/Evaluator good assessor who contributes measured/dispassionate analysis which stops the team committing itself to misguided tasks effective at quality control and minimising errors in the team may slow a team down with constant checking can be overly critical and upset others' feelings in the team 		
	 Specialist technical expert with knowledge/experience reducing the risk of failure may only have expertise in one area which makes them inflexible 		

Question	Expected response(s)	Max mark	Additional guidance
10.	 Gantt chart identifies the various activities so that decisions as to what resources are required can be made visually shows a project on a chart, which marks progress with a today line, making it easier to track/meet deadlines helps to show how long each activity is scheduled to last so that efficient timetabling of resources/inventory/deliveries can be carried out identifies where activities overlap with other activities so that a manager can plan how to divide the organisation's resources bottlenecks and delays can be better avoided identifies the 'critical path' which will allow the manager to work out the most efficient timescale of the project Critical path analysis allows a manager to work out the quickest way to complete a project by identifying the best order to perform all the necessary tasks plans in advance all the individual activities that make up a project which means the manager will reduce the chance of unforeseen problems that may affect decision making shows the order in which activities should be undertaken which allows the manager to decide on the necessary materials and employees required saves on wasted resources and time shows which activities can only take place once other activities have been completed so decisions can be made as to which activities can be prioritised allows the manager to decide which activities can be undertaken simultaneously thereby reducing the overall time taken to complete the project decisions can be made about when certain resources will be needed as they may not be needed for the length of the entire project 	10	Candidates must discuss all 3 analytical techniques to gain full marks. Award 1 mark for each valid discussed point. Award 1 mark for each valid development. Uses and impacts of the analytical techniques may be interchangeable. Watch for repetition. Accept any other suitable response.

Question		on Expected response(s)	Max mark	Additional guidance
		 Force field analysis used to decide whether to undertake a change to avoid a rash/hasty decision drivers are factors that force change to happen and knowing their relative strength will help increase a strategy's chance of success resistors are factors that hinder change and knowing their relative weighting can avoid risky decisions being made assets for change are identified which can resource/support a decision 		

[END OF MARKING INSTRUCTIONS]