



# Practice Papers

for OCR L1/2 Cambridge Nationals:  
Enterprise and Marketing

Unit R067: Enterprise and Marketing Concepts

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# Teacher's Introduction

This set of practice papers is designed to adhere to the format of the OCR Cambridge Nationals L1/2 in Enterprise and Marketing exam. The papers cover Unit R067: Enterprise and Marketing Concepts fully and mirror the exam structure, command words and types of questions that students will face in their examination.

Using a range of real-world examples and unique case study materials, this resource will help prepare students for their final exam in Enterprise and Marketing.

Each paper comes with its own mark scheme, with example responses for easier assessment; they cover the qualitative and quantitative skills students must show to achieve success in their exams.

## Overview of assessment

Each paper has two sections:

- Section A contains 10 multiple-choice questions with four options.
- Section B includes an extract followed by 2-, 3-, 4- and 6-mark questions and ending with a longer-answer 8-mark question.

Students must answer all of the questions on the paper. Each examination has a duration of 1 hour 15 minutes, and there is a maximum of 70 marks available per paper.

### Remember!

Always check the exam board website for new information, including changes to the specification and sample assessment material.

*January 2024*

## OCR Cambridge Nationals Level 1 / L in Enterprise and Marketing

Unit R067

Enterprise and Marketing Concepts

### Practice Paper A

Name	
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#### Time allowed

1 hour 15 minutes

#### Instructions

Answer all of the questions and use the space provided.

#### Information

The total number of marks available for this paper is **70**. The number of marks available for each question is shown in brackets.

#### Resources

You can use a calculator to complete this paper.

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SECTION A

Put a tick (✓) in the box next to the correct answer for each question.

1. Which of the following is not a stage in the product life cycle?
- (a) Product
  - (b) Maturity
  - (c) Decline
  - (d) Growth

2. You own your own milkshake shop in the centre of town. The variable costs are £4,250 a month. The average revenue per sale is £5. Using the formula below, calculate the break-even point?

$$\text{Break-even} = \frac{\text{Fixed costs}}{(\text{Selling price} - \text{Variable costs})}$$

- (a) 1,215 units
- (b) 740 units
- (c) 1,211 units
- (d) 1,913 units

3. Which of the following would be considered a variable cost for your milkshake shop?

- (a) Manager's salary
- (b) Advertising
- (c) Paper straws
- (d) Rent for the shop

4. Because of the unique flavours and high-quality standards, you think your milkshake shop will be successful. However, you have decided to partner up with someone to start the business of your own.

Which of the following is a disadvantage of being in a partnership?

- (a) Shared expertise with the partner
- (b) Sharing profits with the partner
- (c) Shared liability with the partner
- (d) Partner can help run the business, reducing stress

5. Which of the following is not a reason to segment your market?

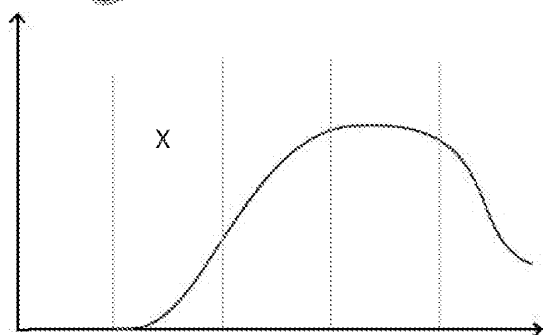
- (a) To reduce money spent on advertising
- (b) To assist target marketing
- (c) To protect profit from unlimited liability
- (d) To help you understand customers' needs and wants

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6. Which of the following is not a characteristic of being an entrepreneur?
- Profitable
  - Determined
  - Creative
  - Risk-taking
7. A focus group is an example of:
- Promotion
  - Primary research
  - Secondary research
  - Target marketing
8. Alan owns his own sandwich van and visits local businesses at lunchtimes. He has 6,250 customers with an average spend of £4.50 each. If each sale costs Alan £0.125, how much profit does he make?
- £9,573
  - £28,125
  - £18,750
  - £9,375
9. Limited liability means:
- The business has one owner who is responsible for all costs
  - Partners are liable for all debts
  - Profits are shared equally among the owners of the business
  - Only the money invested in the business is at risk, not personal assets
10. The product life cycle for a new style of mobile phone case is shown below:



The 'X' is the current stage for the product. What stage is the product currently in?

- Introduction
- Growth
- Maturity
- Decline

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SECTION B

Answer the questions in Section B using the information in the text.

Just Juice is a start-up that specialises in producing and selling organic fruit juice. As the owner of the business, you are passionate about sourcing your ingredients from local farms, and sustainability is a key part of your business model. You started your store in the local village two years ago and have gained a loyal customer base with sales steadily increasing. You have decided to expand your business to a nearby town to reach a wider market, develop new geographical areas and increase your brand awareness among health-conscious consumers.

11. Before expanding your business, you have decided to conduct some market research.

(a) Identify **two** purposes of market research.

- 1 .....
- 2 .....

(b) Identify one **primary** source and one **secondary** source of market research.

Primary source .....

Secondary source .....

(c) Analyse one **benefit** and one **drawback** of using primary research.

Benefit .....

.....

.....

Drawback .....

.....

.....

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12. Market research can be used to support target marketing and market segmentation.

Your market research has provided you with a lot of information on pricing.

(a) Explain why you need to consider the income levels of your customers.

.....  
.....  
.....

(b) Identify and explain **two** ways to segment the market for Just Juice.

Segment 1 .....

Explanation .....

.....  
.....

Segment 2 .....

Explanation .....

.....  
.....

13. While your current store has quite successful, you want to make sure the new branch will be successful.

(a) Identify **two** suitable sources of finance for expansion.

1 .....

2 .....

(b) Identify **three** fixed costs you would have for the new branch.

1 .....

2 .....

3 .....

(c) Explain what is meant by variable costs.

.....  
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14. Your market research has suggested that you will have 1,735 customers in June. It is expected to get hotter.

Fixed costs: £4,200 per month  
 Variable costs: £2.90  
 Selling price: £4

(a) Using the information above, calculate for June. You are advised to show your work.

(i) The variable costs for June.



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(ii) The total revenue for June.


(iii) The total costs for June.



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(b) Assuming the market research is accurate, would your business break even?

$$\text{Break-even} = \frac{\text{Fixed costs}}{(\text{Selling price} - \text{Variable costs})}$$



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15. You have identified potential competition in your local area.

In your research, you have identified three other businesses with similar products. Complete the following table to complete the financial picture in your research.

Competitor	Revenue	Total Costs
Bubble Tea Emporium	£39,450	(i)
Fruity Fuel Co.	£12,650	(ii)
Viva-Viva Juice	(iii)	£14,390

16. As a sole trader, you have handled all of the work for the business so far. How are there other options of ownership?

(a) Explain what is meant by 'unlimited liability'.

.....

.....

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.....

(b) Analyse two **benefits** of operating your business as a sole trader.

Benefit 1 .....

.....

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.....

Benefit 2 .....

.....

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(c) You have considered taking on a partner to support your business idea

Explain one **benefit** and one **drawback** of taking on a partner.

Benefit .....

.....  
.....  
.....

Drawback .....

.....  
.....  
.....

17. The expansion is going to be quite expensive. Paying for the rent, stock and  
However, your brother has offered to loan you the money in order to get the

Analyse one **advantage** and one **disadvantage** of borrowing the money from

Advantage .....

.....  
.....  
.....

Disadvantage .....

.....  
.....  
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18. The expansion will be a huge step forward in growing your business. To capitalise on this, you have decided to increase your marketing activities to support the expansion. You have identified three possible activities. You can either use a leaflet advertisement or advertise on social media.

Evaluate the two options available to you. Your evaluation should include:

- A benefit and a drawback of the social media plan.
- A benefit and a drawback of using leaflet advertisement.
- A justified decision on what option you would choose.

Handwriting practice area consisting of multiple sets of horizontal dotted lines for writing.



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**OCR Cambridge Nationals Level 1 / L**  
**in Enterprise and Marketing**

**Unit R067**

**Enterprise and Marketing Concepts**

**Practice Paper A**

**Time allowed**

1 hour 15 minutes

**Instructions**

Answer all of the questions.

**Information**

The total number of marks available for this paper is **70**. The number of marks available for each question is shown in brackets.

**Resources**

You can use a calculator to complete this paper.

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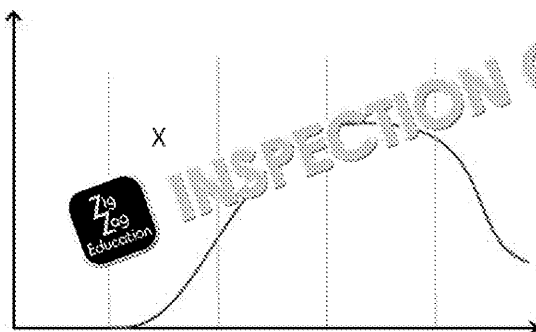


SECTION A

- Which of the following is not a stage in the product life cycle?  
 (a) Product (b) Maturity (c) Decline
- You own your own milkshake shop in the centre of town. The variable costs are £4,250 a month. The average revenue per unit is £5. Using the formula below, what is the break-even point?  

$$\text{Break-even} = \frac{\text{Fixed costs}}{(\text{Selling price} - \text{Variable costs})}$$
  
 (a) 1,211 units (b) 740 units (c) 1,211 units
- Which of the following would be considered a variable cost for your milkshake shop?  
 (a) Manager's salary (c) Paper straws  
 (b) Advertising (d) Blenders for the shop
- Because of the unique flavours and high-quality standards, you think your milkshake shop is a success. However, you have decided to partner up with someone to start the business on your own. Which of the following is a disadvantage of being in a partnership?  
 (a) Shared expertise with the partner (c) Shared liability  
 (b) Sharing profits with the partner (d) Partner can help
- Which of the following is not a reason to segment the market?  
 (a) To reduce money spent on advertising (c) To benefit from economies of scale  
 (b) To assist target marketing (d) To better understand customer needs
- Which of the following is not a characteristic of being an entrepreneur?  
 (a) Profitable (b) Diligent (c) Creative (d) Risk-taking
- A focus group is a research method for:  
 (a) Primary research (b) Primary research (c) Secondary research
- Alan owns his own sandwich van and visits local businesses at lunchtimes. He has served 6,250 customers with an average spend of £4.50 each. If each sale costs Alan £2.50, what is his total profit?  
 (a) £9,573 (b) £28,125 (c) £18,750
- Limited liability means:  
 (a) The business has one owner who is responsible for all costs  
 (b) Partners are liable for all debts  
 (c) Profits are shared equally among the owners of the business  
 (d) Only the money invested in the business is at risk, not personal assets

10. The product life cycle for a new style of mobile phone case is shown below:



The 'X' is the current stage for the product. What stage is the product currently in?  
 (a) Introduction (b) Growth (c) Maturity

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SECTION B

Answer the questions in Section B using the information in the text.

Just Juice is a start-up that specialises in producing and selling organic fruit and vegetable juices. As the owner of the business, you are passionate about sourcing your ingredients from local organic farms, and sustainability is a key part of your business model. You started your first store in the local village two years ago and have since built a loyal customer base with sales steadily increasing. You have decided to expand your business to a nearby town to reach a wider market developing new products for local areas and increase your brand awareness among health-conscious consumers.

11. Before expanding your business, you have decided to conduct some market research.
  - (a) Identify **two** purposes of market research.
  - (b) Identify one **primary** source and one **secondary** source of market research.
  - (c) Analyse one **benefit** and one **drawback** of using primary research.
12. Market research can be used to support target marketing and market segmentation. Your market research has provided you with a lot of information on pricing.
  - (a) Explain why you need to consider the income levels of your customers.
  - (b) Identify and explain **two** ways to segment the market for Just Juice.
13. While your current store is quite successful, you want to make sure the new branch is profitable.
  - (a) Identify **two** suitable sources of finance for expansion.
  - (b) Identify **three** fixed costs you would have for the new branch.
  - (c) Explain what is meant by variable costs.
14. Your market research has suggested that you will have 1,735 customers in June. The weather is expected to get hotter.

Fixed costs: £4,200 per month  
 Variable costs: £2.90  
 Selling price: £4

- (a) Using the information above, calculate (you are advised to show your work)
  - (i) The variable costs for June.
  - (ii) The total revenue for June.
  - (iii) The total costs for June.
- (b) From the data you have just calculated, identify whether your business is profitable in June.

$$\text{Break-even} = \frac{\text{Fixed costs}}{(\text{Selling price} - \text{Variable cost})}$$

15. You have identified potential competition in your local area. In your research, you have identified three other businesses with similar products. Complete the following table to compare the financial picture in your research.

Competitor	Revenue	Total Costs
Pro-Turn	£39,450	(i)
Fruity Fuel Co.	£34,500	£12,650
Viva-Vegan Juice Bar	(iii)	£14,390

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16. As a sole trader, you have handled all of the work for the business so far. How do you evaluate the business? Consider other options of ownership.
- Explain what is meant by 'unlimited liability'.
  - Analyse two **benefits** of operating your business as a sole trader.
  - You have considered taking on a partner to support your business idea. Explain one **benefit** and one **drawback** of taking on a partner.
17. The expansion is going to be quite expensive. Paying for the rent, stock and advertising. However, your brother has offered to loan you the money in order to get the expansion started. Analyse one **advantage** and one **disadvantage** of borrowing the money from your brother.
18. The expansion will be a huge step forward in growing your business. To capitalise on this, you have decided to increase your marketing activities to support the expansion. You have identified two possible activities. You can either use a leaflet advertisement or advertise on social media. Evaluate the two options available to you. Your evaluation should include:
- A benefit and a drawback of the social media plan.
  - A benefit and a drawback of using leaflet advertising.
  - A justified decision on what option you would choose.

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## **Preview of Questions Ends Here**

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This is a limited inspection copy. Sample of questions ends here to avoid students previewing questions before they are set. See contents page for details of the rest of the resource.

# Mark Schemes

## Paper A

### Section A

Question	Answer	Marks
1	A	1
2	A	1
3	C	1
4	B	1
5	C	1
6	A	1
7	B	1
8	D	1
9	D	1
10	B	1

### Section B

Question	Answer/Guidance				
11 (a)	<p><b>Answers include:</b></p> <ul style="list-style-type: none"> <li>• Reduce risk</li> <li>• Aid decision-making</li> <li>• Understand the market</li> <li>• Gain customers' opinions/views</li> <li>• Understand how the new branch would be received by the market</li> <li>• Inform product development</li> </ul> <p><i>1 mark per correct identification of a purpose, up to a maximum of 2 marks</i></p>				
11 (b)	<p><b>Answers include:</b></p> <table border="1"> <thead> <tr> <th>Primary</th> <th>Secondary</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> <li>• Online surveys</li> <li>• Surveys</li> <li>• Checkout polls</li> <li>• Interviews</li> <li>• Focus groups</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>• Trade magazines</li> <li>• Internal data / annual reports</li> <li>• Newspapers</li> <li>• Government publications</li> </ul> </td> </tr> </tbody> </table> <p><i>DO NOT accept 'the Internet' as a response. It can be used to conduct the research, but it is not a stand-alone method of research. This is too vague.</i></p>	Primary	Secondary	<ul style="list-style-type: none"> <li>• Online surveys</li> <li>• Surveys</li> <li>• Checkout polls</li> <li>• Interviews</li> <li>• Focus groups</li> </ul>	<ul style="list-style-type: none"> <li>• Trade magazines</li> <li>• Internal data / annual reports</li> <li>• Newspapers</li> <li>• Government publications</li> </ul>
Primary	Secondary				
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11 (c)	<p><b>Benefits include:</b></p> <ul style="list-style-type: none"> <li>• Research will be specific to Just Juice's store as the owner will be designing it</li> <li>• Results are private and are not available to the competition</li> <li>• Data can be collected when needed, making it more likely to be up to date</li> <li>• Data can be obtained quickly</li> </ul> <p><b>Drawbacks include:</b></p> <ul style="list-style-type: none"> <li>• Can be an expensive method of research</li> <li>• Takes time to collect</li> </ul> <p><i>1 mark for identification of a benefit, 1 mark for explanation and application, 1 mark for identification of a drawback, 1 mark for explanation and application</i></p> <p><b>Application:</b></p> <p><i>Primary research will be confidential and not available to my competitors. I will use the results of the research to gain a competitive advantage (1). This means I can offer juices that my customers might like (app) to reduce the risk of failure (1)</i></p>				

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Question	Answer/Guidance
12 (a)	<p><b>Answers include:</b></p> <ul style="list-style-type: none"> <li>To ensure the correct price of the product</li> <li>To reduce risk of undercharging/overcharging customers</li> <li>To be able to meet customer expectations on price</li> </ul> <p><b>Example response:</b> Income levels of consumers can help identify how much disposable income they have (1). By identifying income levels, I can charge an appropriate and correct price for my fruit juices (app) (1).</p>
12 (b)	<p><b>Answers include:</b></p> <ul style="list-style-type: none"> <li>Age</li> <li>Income level</li> <li>Geographic</li> <li>Gender</li> <li>Occupation</li> <li>Lifestyle</li> </ul> <p><b>Example response:</b> Income (1) – this can help me decide how much I will need to charge (1)</p>
13 (a)	<p><b>Answers include:</b></p> <ul style="list-style-type: none"> <li>Bank loan</li> <li>Business angel</li> <li>Retained profit</li> <li>Crowdfunding</li> </ul>
13 (b)	<p><b>Answers include:</b></p> <ul style="list-style-type: none"> <li>Rent</li> <li>Insurance</li> <li>Salaries</li> <li>Utilities</li> </ul>
13 (c)	<p><b>Example response:</b> Variable costs are the costs to a business that change with the level of output. For example, the ingredients for each juice drink (1)</p>
14 (a) (i)	<p><b>Variable costs for June = Units sold × Price per unit</b></p> <p><math>2.90 \times 1,735 = 5,031.50</math></p> <p><b>Answer: £5,031.50</b></p>
14 (a) (ii)	<p><b>Total revenue for June = Selling price per unit × Units sold</b></p> <p><math>4 \times 1,735 = 6,940</math></p> <p><b>Answer: £6,940</b></p>
14 (a) (iii)	<p><b>Variable costs for June = Total variable costs + Fixed costs</b></p> <p><math>(1,735 \times 2.9) + 4,200 = 9,231</math></p> <p><b>Answer: £9,231</b></p> <p><i>Note: if the student uses their response to question (i) as the figure for total variable costs, then award 2 marks</i></p>
14 (b)	<p><b>Break-even = <math>\frac{\text{Fixed costs}}{\text{Selling price} - \text{Variable costs}}</math></b></p> <p><math>\frac{4,200}{4 - 2.9}</math></p> <p><math>\frac{4,200}{1.1} = 3,818.18</math> (BEP 3,818 customers)</p> <p>Therefore, they will <b>not</b> break even in June</p>
15	<p>(i) <math>£39,450 - £12,500 = £26,950</math></p> <p>(ii) <math>£34,500 - £12,650 = £21,850</math></p> <p>(iii) <math>£34,500 - £17,600 = £16,900</math></p>
16 (a)	<p><b>Example response:</b> Unlimited liability means the business owner is responsible for all debt incurred by the business. So if the business fails, then personal assets can be sold to cover the costs.</p>

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Question	Answer/Guidance
16 (b)	<p><b>Benefits include:</b></p> <ul style="list-style-type: none"> <li>• Keep the profit / do not have to share profit</li> <li>• Low set-up costs</li> <li>• Easiest form of business to set up</li> <li>• Can make all decisions on their own</li> <li>• You don't need to publish financial information / data</li> </ul> <p><b>Example response:</b>  <i>A sole trader gets to keep all of the profit (1) from the business as they do not have to share it with anyone. When they pay money the business makes I get to keep (1)</i></p>
16 (c)	<p><b>Benefits include:</b></p> <ul style="list-style-type: none"> <li>• Support when running the business</li> <li>• Different skills/ideas brought to the business</li> <li>• Capital investment from a partner</li> </ul> <p><b>Drawbacks include:</b></p> <ul style="list-style-type: none"> <li>• Unlimited liability</li> <li>• Disagreements with partners can lead to conflict</li> <li>• Jointly liable for debt</li> </ul> <p><b>Example response:</b>  <i>As a partnership, I would be jointly liable for the debts of my partner (1), and if my partner gets the business into debt they get the business into would also be my responsibility (1)</i></p>
17	<p><b>Advantages include:</b></p> <ul style="list-style-type: none"> <li>• No interest to pay</li> <li>• No bank or lender fees</li> <li>• No application process</li> <li>• No formal contract</li> <li>• Quick access to the money</li> </ul> <p><b>Disadvantages include:</b></p> <ul style="list-style-type: none"> <li>• An informal arrangement can lead to disagreements</li> <li>• Partners may interfere with decision-making</li> <li>• Limited amount of capital available</li> <li>• May need to repay loan at short notice</li> </ul> <p><b>Example response:</b>  <i>I can raise the funds quickly (1), which means that I can launch the new business before my competitors to the market, creating an early customer base (1)</i></p>
18	<p><b>Advantages of social media include:</b></p> <ul style="list-style-type: none"> <li>• Free/cheap way of advertising</li> <li>• Adverts can reach a wider customer base</li> <li>• Can build relationships with customers</li> </ul> <p><b>Disadvantages of social media include:</b></p> <ul style="list-style-type: none"> <li>• Not everyone uses social media</li> <li>• Can appear biased as the page is written by the business</li> <li>• Any negative comments are seen by all visitors</li> </ul> <p><b>Advantages of leaflet advertising include:</b></p> <ul style="list-style-type: none"> <li>• Can target specific customers</li> <li>• Visually appealing / easy to read</li> <li>• Cheap to produce</li> </ul> <p><b>Drawbacks of leaflet advertising include:</b></p> <ul style="list-style-type: none"> <li>• Customers often ignore or throw away leaflets</li> <li>• Environmental cost of leaflets</li> <li>• Leaflets are not kept for long, so limited time frame</li> </ul>

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Question	Answer/Guidance						
18	<p><b>Example response:</b></p> <p>Social media advertising will be low-cost (L1). I will be able to afford this and reach a large number of potential customers interested in organic juices (L2). However, the expansion to many social media viewers will not become customers (L3).</p> <p>Leaflets are easy to produce and distribute to lots of local people (L1), so it is a simple method to use (L2). It will be an efficient method as I can ensure that a large number of people within a three-mile radius will receive the leaflet (L3).</p> <p>I would recommend the leaflet advertising because it will provide the local community with information about the juice bar and target local potential customers only. As the shopping centre, the social media campaign would likely attract people from a wide area who cannot access it, so it is wasteful to advertise outside of the local area.</p> <p><b>Levelled mark scheme</b></p> <table border="1"> <tr> <td data-bbox="279 638 454 1070"> <p><b>Level 1</b> (1–3 marks)</p> </td> <td data-bbox="454 638 1080 1070"> <p>Level 1 responses are basic and show an attempt at a discussion, but with a limited analysis, if any, of benefits and drawbacks of the options in the question.</p> <p>Level 1 responses do not make much use of the extract or business terminology and may show only a limited understanding of the concepts covered.</p> <p>A <b>basic</b> discussion which:</p> <ul style="list-style-type: none"> <li>Shows limited analysis of an advantage or a disadvantage</li> <li>Makes <b>limited use of appropriate context</b></li> <li>Makes limited or no use of appropriate terminology</li> <li>Shows limited understanding</li> </ul> </td> </tr> <tr> <td data-bbox="279 1070 454 1400"> <p><b>Level 2</b> (4–6 marks)</p> </td> <td data-bbox="454 1070 1080 1400"> <p>Level 2 responses show a more developed discussion, making use of the extract and business terminology. This may be done in places. Terminology is used throughout the response. A sound understanding of the concepts covered is demonstrated.</p> <p>An <b>adequate</b> discussion which:</p> <ul style="list-style-type: none"> <li>Shows sound analysis of an advantage and a disadvantage</li> <li>Makes limited use of <b>appropriate context</b></li> <li>Uses some appropriate terminology</li> <li>Shows sound understanding</li> </ul> </td> </tr> <tr> <td data-bbox="279 1400 454 1769"> <p><b>Level 3</b> (7–8 marks)</p> </td> <td data-bbox="454 1400 1080 1769"> <p>Level 3 answers demonstrate a clear analysis of the options, showing the impact of the benefits and drawbacks of each option. There is frequent and appropriate use of business terminology and a clear understanding of the concepts is demonstrated. A justified decision is needed for full marks.</p> <p>A <b>thorough</b> discussion which:</p> <ul style="list-style-type: none"> <li>Shows clear analysis of advantages and disadvantages</li> <li>Makes a justified decision, using <b>appropriate context</b></li> <li>Consistently uses appropriate terminology</li> <li>Shows detailed understanding</li> </ul> </td> </tr> </table>	<p><b>Level 1</b> (1–3 marks)</p>	<p>Level 1 responses are basic and show an attempt at a discussion, but with a limited analysis, if any, of benefits and drawbacks of the options in the question.</p> <p>Level 1 responses do not make much use of the extract or business terminology and may show only a limited understanding of the concepts covered.</p> <p>A <b>basic</b> discussion which:</p> <ul style="list-style-type: none"> <li>Shows limited analysis of an advantage or a disadvantage</li> <li>Makes <b>limited use of appropriate context</b></li> <li>Makes limited or no use of appropriate terminology</li> <li>Shows limited understanding</li> </ul>	<p><b>Level 2</b> (4–6 marks)</p>	<p>Level 2 responses show a more developed discussion, making use of the extract and business terminology. This may be done in places. Terminology is used throughout the response. A sound understanding of the concepts covered is demonstrated.</p> <p>An <b>adequate</b> discussion which:</p> <ul style="list-style-type: none"> <li>Shows sound analysis of an advantage and a disadvantage</li> <li>Makes limited use of <b>appropriate context</b></li> <li>Uses some appropriate terminology</li> <li>Shows sound understanding</li> </ul>	<p><b>Level 3</b> (7–8 marks)</p>	<p>Level 3 answers demonstrate a clear analysis of the options, showing the impact of the benefits and drawbacks of each option. There is frequent and appropriate use of business terminology and a clear understanding of the concepts is demonstrated. A justified decision is needed for full marks.</p> <p>A <b>thorough</b> discussion which:</p> <ul style="list-style-type: none"> <li>Shows clear analysis of advantages and disadvantages</li> <li>Makes a justified decision, using <b>appropriate context</b></li> <li>Consistently uses appropriate terminology</li> <li>Shows detailed understanding</li> </ul>
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## **Preview of Answers Ends Here**

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This is a limited inspection copy. Sample of answers ends here to stop students looking up answers to their assessments. See contents page for details of the rest of the resource.