
BUSINESS

9609/21

Paper 2 Data Response

May/June 2018

MARK SCHEME

Maximum Mark: 60

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

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This document consists of **17** printed pages.

Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

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

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5:

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

GENERIC MARKING PRINCIPLE 6:

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

Question	Answer	Marks																										
1(a)(i)	<p data-bbox="233 248 735 282">Define the term ‘cash flow’ (line 10).</p> <table border="1" data-bbox="233 315 1404 517"> <thead> <tr> <th data-bbox="233 315 1158 365">Knowledge</th> <th data-bbox="1158 315 1404 365">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="233 365 1158 414">A correct definition</td> <td data-bbox="1158 365 1404 414">2</td> </tr> <tr> <td data-bbox="233 414 1158 463">A partial, vague or unfocused definition</td> <td data-bbox="1158 414 1404 463">1</td> </tr> <tr> <td data-bbox="233 463 1158 517">No creditable content</td> <td data-bbox="1158 463 1404 517">0</td> </tr> </tbody> </table> <p data-bbox="233 551 344 584">Content</p> <p data-bbox="233 584 1018 618">The transfer/movement of money in and out of the business</p> <table border="1" data-bbox="233 651 1404 1088"> <thead> <tr> <th data-bbox="233 651 751 701">Exemplar</th> <th data-bbox="751 651 1161 701">Rationale</th> <th data-bbox="1161 651 1404 701">Mark</th> </tr> </thead> <tbody> <tr> <td data-bbox="233 701 751 786">The transfer/movement of money in and out of the business</td> <td data-bbox="751 701 1161 786">All areas covered</td> <td data-bbox="1161 701 1404 786">2</td> </tr> <tr> <td data-bbox="233 786 751 871">The transfer/receiving of money in of the business</td> <td data-bbox="751 786 1161 871">Only one direction covered – defining cash inflow</td> <td data-bbox="1161 786 1404 871">1</td> </tr> <tr> <td data-bbox="233 871 751 956">The transfer/spending of money within/out of a business</td> <td data-bbox="751 871 1161 956">Only one direction covered – defining cash outflow</td> <td data-bbox="1161 871 1404 956">1</td> </tr> <tr> <td data-bbox="233 956 751 1041">The movement of money/cash within a business</td> <td data-bbox="751 956 1161 1041">No reference to direction (in and out)</td> <td data-bbox="1161 956 1404 1041">1</td> </tr> <tr> <td data-bbox="233 1041 751 1088">The money made from selling goods</td> <td data-bbox="751 1041 1161 1088">No creditable content</td> <td data-bbox="1161 1041 1404 1088">0</td> </tr> </tbody> </table>	Knowledge	Marks	A correct definition	2	A partial, vague or unfocused definition	1	No creditable content	0	Exemplar	Rationale	Mark	The transfer/movement of money in and out of the business	All areas covered	2	The transfer/receiving of money in of the business	Only one direction covered – defining cash inflow	1	The transfer/spending of money within/out of a business	Only one direction covered – defining cash outflow	1	The movement of money/cash within a business	No reference to direction (in and out)	1	The money made from selling goods	No creditable content	0	2
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1(a)(ii)	<p>Briefly explain the term ‘product portfolio’ (line 2).</p> <p>Award one mark for each point of explanation:</p> <table border="1" data-bbox="236 383 1399 616"> <thead> <tr> <th></th> <th>Knowledge</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>C</td> <td>Example or some other way of showing good understanding</td> <td>1</td> </tr> <tr> <td>B</td> <td>Sold by a business</td> <td>1</td> </tr> <tr> <td>A</td> <td>Range/catalogue of products/services</td> <td>1</td> </tr> </tbody> </table> <p>Content A product portfolio is the range of goods and services offered by a business. The portfolio of products that business sells can be analysed using the product life cycle.</p> <table border="1" data-bbox="231 819 1404 1321"> <thead> <tr> <th>Exemplar</th> <th>Rationale</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>The range of goods and services sold by a business which can be used to analyse the best-selling products</td> <td>All three elements met</td> <td>3</td> </tr> <tr> <td>The variety of products the company has to offer for the people</td> <td>No C mark</td> <td>2</td> </tr> <tr> <td>The amount of different products a business sells</td> <td>Amount is an oblique reference to range</td> <td>2</td> </tr> <tr> <td>What the company uses to keep track of all of its products</td> <td>Bod, inferring ‘sold’ by a business</td> <td>1</td> </tr> <tr> <td>The data of a product including price, opinion, etc.</td> <td>No creditable content</td> <td>0</td> </tr> </tbody> </table>		Knowledge	Marks	C	Example or some other way of showing good understanding	1	B	Sold by a business	1	A	Range/catalogue of products/services	1	Exemplar	Rationale	Marks	The range of goods and services sold by a business which can be used to analyse the best-selling products	All three elements met	3	The variety of products the company has to offer for the people	No C mark	2	The amount of different products a business sells	Amount is an oblique reference to range	2	What the company uses to keep track of all of its products	Bod, inferring ‘sold’ by a business	1	The data of a product including price, opinion, etc.	No creditable content	0	3
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<p>Content</p> <ul style="list-style-type: none"> • PED is elastic so VC should gain more revenue from the sales discount • VC should use more sales discount promotions because it shows an elastic response 															
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1(c)	Using Table 2 and any other data, recommend which supermarket CS should close. Justify your recommendation.				11	
Knowledge and Application (4 marks)		Marks	Analysis and Evaluation (7 marks)			Marks
			A justified recommendation based on a developed argument on the closure of both supermarkets			7
			A developed recommendation based on a developed argument on the closure of both supermarkets			6
Shows understanding of the factors affecting closure of supermarket A and supermarket B		4	A basic recommendation/ judgement based on a developed argument on the closure of both supermarkets			5
Shows understanding of the factors affecting closure of supermarket A or supermarket B		3	Developed argument based on the closure of supermarket A and supermarket B			4
Shows knowledge of two or more reasons for business closure		2	Developed argument based on the closure of supermarket A or supermarket B			3
Shows knowledge of one reason for business closure		1	Limited analysis of supermarket A and supermarket B			2
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1(c)	<p>Content:</p> <p style="text-align: center;">Supermarket A</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Pro</th> <th style="width: 50%; text-align: center;">Con</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • Higher Revenue • Higher Population – bigger customer base • Higher unemployment – lower employment odds? • Trend is that profit is increasing – will this continue? • Has it been given enough time to establish? </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • Higher rent • Higher unemployment – lower level of average income? • Making a loss • Less established so easier to close? </td> </tr> </tbody> </table> <p style="text-align: center;">Supermarket B</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Pro</th> <th style="width: 50%; text-align: center;">Con</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • Lower rent • Lower unemployment – higher level of average income? • Making a profit • More established – brand recognition in the area </td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> • Lower revenue • Lower population – smaller customer base • Lower unemployment – higher level of average income? • Trend is that profit is decreasing – will this continue? • Been open longer – is it possible to ‘turn it around’. </td> </tr> </tbody> </table>		Pro	Con	<ul style="list-style-type: none"> • Higher Revenue • Higher Population – bigger customer base • Higher unemployment – lower employment odds? • Trend is that profit is increasing – will this continue? • Has it been given enough time to establish? 	<ul style="list-style-type: none"> • Higher rent • Higher unemployment – lower level of average income? • Making a loss • Less established so easier to close? 	Pro	Con	<ul style="list-style-type: none"> • Lower rent • Lower unemployment – higher level of average income? • Making a profit • More established – brand recognition in the area 	<ul style="list-style-type: none"> • Lower revenue • Lower population – smaller customer base • Lower unemployment – higher level of average income? • Trend is that profit is decreasing – will this continue? • Been open longer – is it possible to ‘turn it around’. 	11						
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1(d)	Analyse how the closure of the supermarket that you have recommended in your answer to 1(c) could affect two stakeholders of SC.				8
	Level	Knowledge and Application (4 marks)	Marks	Analysis (4 marks)	Marks
	2b	Shows understanding of the effect of the closure on two stakeholders of CS	4	Developed analysis of the closure of the supermarket on two stakeholders of CS	4
	2a	Shows understanding of the effect of the closure on one stakeholder of CS	3	Developed analysis of the effect of the closure of the supermarket on one stakeholder of CS	3
	1b	Shows knowledge of and gives one or more stakeholder examples OR two examples of stakeholders	2	Limited analysis of the effect of closure on two stakeholders	2
	1a	Shows knowledge of stakeholders (definition) OR one example of a stakeholder	1	Limited analysis of the effect of closure on one stakeholder	1
	0	No creditable content			0
	Content				
	Customers – May have to go to another supermarket, or travel further to use CS				
	Employees – those made redundant in the closed supermarket may be unemployed and have lower incomes, or may be transferred to another supermarket. Those who are not made redundant (in other supermarket) may be more motivated (if they feel lucky to be still working) less motivated (if they worry they are next).				
	Owners – may have less profit as there are high redundancy costs. May eventually have higher profits as the business is more efficient.				
	Managers – may lose their job or be transferred to another supermarket Banks/lenders – may worry about the future of CS and not lend for any future ventures				
	Local community – increased unemployment in area of closed supermarket, lower average income, less choice of supermarket				
	Government – increased unemployment, lower income tax revenue.				
	ARA				

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1(d)	<table border="1"> <thead> <tr> <th data-bbox="231 282 454 365">Examples of stakeholders</th> <th data-bbox="454 282 836 365">Examples of application/ context</th> <th data-bbox="836 282 1406 365">Examples of possible analysis</th> </tr> </thead> <tbody> <tr> <td data-bbox="231 365 454 483">Customers</td> <td data-bbox="454 365 836 483">Local customers will have to travel further to get to a supermarket</td> <td data-bbox="836 365 1406 483">May choose an alternative supermarket → which leads to increased travel time</td> </tr> <tr> <td data-bbox="231 483 454 674">Employees</td> <td data-bbox="454 483 836 674">Because of high unemployment in the area</td> <td data-bbox="836 483 1406 674">May struggle to find another job → Lead to a lower quality of life → affect the ability to look after their family/pay rent → lead to less emphasis on children's education</td> </tr> <tr> <td data-bbox="231 674 454 864">Local government/ council</td> <td data-bbox="454 674 836 864">Supermarkets employ a lot of staff</td> <td data-bbox="836 674 1406 864">Less tax paid → lowers the overall amount available for community projects → increases taxes or reduction in services → affects the community negatively</td> </tr> <tr> <td data-bbox="231 864 454 1021">Suppliers</td> <td data-bbox="454 864 836 1021">Of bottled water</td> <td data-bbox="836 864 1406 1021">Reduction in demand → increase in wastage → reduction in employees needed → increased unemployment in the local area</td> </tr> </tbody> </table> <p data-bbox="231 1059 1362 1126">Stating 'employees of supermarket A' is not enough for app – has to be linked to e.g. high levels of unemployment, etc.</p>			Examples of stakeholders	Examples of application/ context	Examples of possible analysis	Customers	Local customers will have to travel further to get to a supermarket	May choose an alternative supermarket → which leads to increased travel time	Employees	Because of high unemployment in the area	May struggle to find another job → Lead to a lower quality of life → affect the ability to look after their family/pay rent → lead to less emphasis on children's education	Local government/ council	Supermarkets employ a lot of staff	Less tax paid → lowers the overall amount available for community projects → increases taxes or reduction in services → affects the community negatively	Suppliers	Of bottled water	Reduction in demand → increase in wastage → reduction in employees needed → increased unemployment in the local area	8
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2(a)(i)	<p data-bbox="229 241 847 280">Define the term ‘retained earnings’ (line 15).</p> <table border="1" data-bbox="229 315 1406 517"> <thead> <tr> <th data-bbox="229 315 1158 365">Knowledge</th> <th data-bbox="1158 315 1406 365">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="229 365 1158 414">A correct definition</td> <td data-bbox="1158 365 1406 414">2</td> </tr> <tr> <td data-bbox="229 414 1158 463">A partial, vague or unfocused definition</td> <td data-bbox="1158 414 1406 463">1</td> </tr> <tr> <td data-bbox="229 463 1158 517">No creditable content</td> <td data-bbox="1158 463 1406 517">0</td> </tr> </tbody> </table> <p data-bbox="229 551 347 584">Content</p> <p data-bbox="229 584 638 618">A correct definition will include:</p> <ul data-bbox="285 618 979 689" style="list-style-type: none"> <li data-bbox="285 618 979 651">• An idea that money has been kept by a business <li data-bbox="285 651 979 689">• An idea that it is profit <table border="1" data-bbox="229 723 1406 1160"> <thead> <tr> <th data-bbox="229 723 754 772">Exemplar</th> <th data-bbox="754 723 1158 772">Rationale</th> <th data-bbox="1158 723 1406 772">Marks</th> </tr> </thead> <tbody> <tr> <td data-bbox="229 772 754 857">The money remaining in the business after it subtracts its expenses</td> <td data-bbox="754 772 1158 857">Both elements</td> <td data-bbox="1158 772 1406 857">2</td> </tr> <tr> <td data-bbox="229 857 754 943">The money kept by a business</td> <td data-bbox="754 857 1158 943">No idea of profit/earnings element</td> <td data-bbox="1158 857 1406 943">1</td> </tr> <tr> <td data-bbox="229 943 754 1028">Earnings set aside for a later day</td> <td data-bbox="754 943 1158 1028">Idea of keeping within the business (earnings taut)</td> <td data-bbox="1158 943 1406 1028">1</td> </tr> <tr> <td data-bbox="229 1028 754 1077">The profit made by the business</td> <td data-bbox="754 1028 1158 1077">An idea of profit</td> <td data-bbox="1158 1028 1406 1077">1</td> </tr> <tr> <td data-bbox="229 1077 754 1160">The money that the business owner saved</td> <td data-bbox="754 1077 1158 1160">Too vague</td> <td data-bbox="1158 1077 1406 1160">0</td> </tr> </tbody> </table>	Knowledge	Marks	A correct definition	2	A partial, vague or unfocused definition	1	No creditable content	0	Exemplar	Rationale	Marks	The money remaining in the business after it subtracts its expenses	Both elements	2	The money kept by a business	No idea of profit/earnings element	1	Earnings set aside for a later day	Idea of keeping within the business (earnings taut)	1	The profit made by the business	An idea of profit	1	The money that the business owner saved	Too vague	0	2
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2(a)(ii)	<p data-bbox="229 248 1015 282">Briefly explain the term ‘public limited company’ (line 1)</p> <p data-bbox="229 315 834 349">Award one mark for each point of explanation:</p> <table border="1" data-bbox="229 383 1406 618"> <thead> <tr> <th></th> <th>Knowledge</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>C</td> <td>Example or some other way of showing good understanding e.g. Published accounts, LL, etc.</td> <td>1</td> </tr> <tr> <td>B</td> <td>To the general public/through stock exchange/</td> <td>1</td> </tr> <tr> <td>A</td> <td>Has shareholders/can sell shares</td> <td>1</td> </tr> </tbody> </table> <p data-bbox="229 651 344 685">Content</p> <p data-bbox="229 685 1374 752">A public limited company has shareholders who can purchase shares through the stock exchange. It also has limited liability, continuity and a separate legal identify.</p> <table border="1" data-bbox="229 786 1406 1352"> <thead> <tr> <th>Exemplar</th> <th>Rationale</th> <th>Marks</th> </tr> </thead> <tbody> <tr> <td>Owned by shareholders with limited liability and bought through the stock exchange</td> <td>All points met</td> <td>3</td> </tr> <tr> <td>A PLC is a large company that sells shares to the public.</td> <td>A and B</td> <td>2</td> </tr> <tr> <td>Has shareholders and has limited liability</td> <td>A and C</td> <td>2</td> </tr> <tr> <td>Is owned by the government, has shareholders and had limited liability</td> <td>A and C, ignore the incorrect govt. reference</td> <td>2</td> </tr> <tr> <td>Has shareholders</td> <td>A only</td> <td>1</td> </tr> <tr> <td>Owned by the government</td> <td>Wrong</td> <td>0</td> </tr> <tr> <td>Is a large company</td> <td>Too vague</td> <td>0</td> </tr> </tbody> </table>		Knowledge	Marks	C	Example or some other way of showing good understanding e.g. Published accounts, LL, etc.	1	B	To the general public/through stock exchange/	1	A	Has shareholders/can sell shares	1	Exemplar	Rationale	Marks	Owned by shareholders with limited liability and bought through the stock exchange	All points met	3	A PLC is a large company that sells shares to the public.	A and B	2	Has shareholders and has limited liability	A and C	2	Is owned by the government, has shareholders and had limited liability	A and C, ignore the incorrect govt. reference	2	Has shareholders	A only	1	Owned by the government	Wrong	0	Is a large company	Too vague	0	3
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0	No creditable content	0																		

Question	Answer				Marks
2(c)	Analyse two methods of selection VC could use when choosing a new manager for the factory.				8
	Level	Knowledge and Application (4 marks)	Marks	Analysis (4 marks)	Marks
	2b	Shows understanding of how VC could use two or more methods of selection	4	Developed analysis of two method of selection in context	4
	2a	Shows understanding of how VC could use one method of selection	3	Developed analysis of one method of selection in context	3
	1b	Shows knowledge of two or more methods of selection	2	Limited analysis of two or more methods of selection	2
	1a	Shows knowledge of one method of selection	1	Limited analysis of one method of selection	1
	0	No creditable content			0
	Content				
	<ul style="list-style-type: none"> • CV/application forms – look for experience in the industry, advantages and disadvantages of using CVs. All on paper. Does not bring the candidate to life and show motivation or finance skills • Interviews – ask questions that shows knowledge and how the applicant would deal with situations e.g., employee relations • Tests – e.g., role play could be used as part of the selection process. This would have good advantages for VC – can see who has the best inventory management and finance skills • Trial period (probation) before formalizing any job offer. Advantages and disadvantages of this. 				
	ARA				
	Examples of methods	Examples of application/context	Examples of possible analysis		
	CV/application forms	Identify relevant experience of inventory management	Minimises the number of applicants to be interviewed to those who identify skills		
	Interviews	Ask questions relating to employee management	Allows for the selection of managers who can explain problems or situations		
	Tests	Work based tests of inventory management and finance skills	Can select manager with the best demonstrable skills which reduces mistakes		
	Trial period	Trial as factory manager	Ensures that the manager isn't exaggerating the truth and can do his job		

Question	Answer				Marks	
2(d)	Evaluate the usefulness of the product life cycle to VC when making marketing decisions.				11	
Knowledge and Application (4 marks)		Marks	Analysis and Evaluation (7 marks)			Marks
			A justified evaluation based on a developed argument of one or more uses of the Product Life Cycle in context			7
			A developed evaluation based on a developed argument of one or more uses of the Product Life Cycle in context			6
			A basic evaluation based on a developed argument of one or more uses of the Product Life Cycle in context			5
Shows knowledge of the product life cycle AND marketing decisions in context		4	Developed argument of two or more uses of the product life cycle in context			4
Shows knowledge of the product life cycle OR marketing decisions in context		3	Developed argument of one use of the product life cycle in context			3
Shows knowledge of the product life cycle AND marketing decisions		2	Limited analysis of two or more uses of the product life cycle			2
Shows knowledge of the product life cycle OR marketing decisions		1	Limited analysis of one use of the product life cycle			1
No creditable content				0		
Note: Full marks can be gained from only ONE use of the product life cycle; two DEV's must still be awarded (pros and cons)						

Question	Answer	Marks														
2(d)	<p>Content</p> <ul style="list-style-type: none"> • Can identify the varieties which may require extension strategies (i.e. develop product) • Can identify varieties which should be discontinued (in in decline) • Can identify where promotional spending should be – i.e. on varieties in growth stage • Can help to know which pricing strategies to use • Can help to know which distribution channels to use • Can help to introduce the new frozen veg into the market • Can help to manage a large portfolio of varieties/products <p>An example of how an answer could develop and how it should be annotated.</p> <table border="1" data-bbox="264 696 1372 1339"> <thead> <tr> <th data-bbox="264 696 437 748">K</th> <th data-bbox="437 696 627 748">APP</th> <th data-bbox="627 696 836 748">AN</th> <th data-bbox="836 696 1027 748">ANAN</th> <th data-bbox="1027 696 1372 748">EVAL</th> </tr> </thead> <tbody> <tr> <td data-bbox="264 748 437 1041" rowspan="2">Product lifecycle is the stages from birth/ invention to death/ decline</td> <td data-bbox="437 748 627 1041">Could identify canned vegetables in their mature/ decline phase</td> <td data-bbox="627 748 836 1041">Which could then be reformulated or rebranded to extend their life</td> <td data-bbox="836 748 1027 1041">Which could influence promotional activities and spending</td> <td data-bbox="1027 748 1372 1041">The product lifecycle is very important for VC (Basic recommendation) because it means they can manage their product lines and maximise revenue</td> </tr> <tr> <td data-bbox="437 1041 627 1339">Can manage a large portfolio of canned products</td> <td data-bbox="627 1041 836 1339">Which may result in a reduction in product duplication</td> <td data-bbox="836 1041 1027 1339">Which could minimise the product range and reduce inventory costs</td> <td data-bbox="1027 1041 1372 1339">(Developed recommendation) however it depends on the quality of the information gathered (Justified recommendation)</td> </tr> </tbody> </table>	K	APP	AN	ANAN	EVAL	Product lifecycle is the stages from birth/ invention to death/ decline	Could identify canned vegetables in their mature/ decline phase	Which could then be reformulated or rebranded to extend their life	Which could influence promotional activities and spending	The product lifecycle is very important for VC (Basic recommendation) because it means they can manage their product lines and maximise revenue	Can manage a large portfolio of canned products	Which may result in a reduction in product duplication	Which could minimise the product range and reduce inventory costs	(Developed recommendation) however it depends on the quality of the information gathered (Justified recommendation)	11
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