www.dynamicpapers.com

CAMBRIDGE
International Education

Cambridge O Level

BUSINESS STUDIES **7115/11**

Paper 1 Short Answer/Data Response **October/November 2025**

MARK SCHEME

Maximum Mark: 80

Published

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

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

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

Cambridge International is publishing the mark schemes for the October/November 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

PUBLISHED

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 descriptions 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.

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

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.

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

PUBLISHED

Social Science-Specific Marking Principles
(for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standardisation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
	Correct point.
	Incorrect point.
BOD	Used when the benefit of the doubt is given in order to reward a response.
TV	Used when parts of the answer are considered to be too vague to be given credit.
REP	Indicates where content has been repeated.
NAQ	Used when the answer or parts of the answer do not answer the question asked.
K	Indicates knowledge and understanding of the concepts and issues relating to the question.
APP	Indicates appropriate reference to the information in the stem.
AN	Indicates where the answer has demonstrated analysis.
EVAL	Indicates where the answer has demonstrated evaluation (part (e) questions only).

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

Annotation	Meaning
OFR	If a mistake is made in a calculation, and the incorrect figure that results from the mistake is used for subsequent calculations.
SEEN	Indicates that the page or content has been seen by examiner, but no credit given.

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

Question	Answer	Marks	Guidance
1(a)	**Define 'trade union'.** Award 2 marks for a full definition. Award 1 mark for a partial definition. • Group of workers who join together to ensure their interests are protected [2] • An organisation of employees aimed at improving pay and working conditions [2] • An organisation that exists to provide workplace support for its members [2] Partial definition e.g. • Group of workers/employees (who join together) [1] • People/organisation who fight for employee/worker rights [1] • Stand for worker`s rights/protect workers [1] • Group of people who protect workers [1] • An organisation that ensures workers' rights are not violated [1]	**2**	For two marks needs the idea of who is involved (a group/organisation of workers) and why it exists (protect their rights/ interests).

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

Question	Answer	Marks	Guidance
1(b)	**Define 'secondary sector'.** Award 2 marks for a full definition. Award 1 mark for a partial definition. Businesses that: • Process/manufacture goods from natural resources [2] • Manufacture goods using the raw materials provided by the primary sector [2] • Use manufacturing to transform the raw materials generated in the primary sector into a product [2] • Converts raw materials into manufactured goods [2] Partial definition e.g. • Makes products [1] • Manufactures goods [1] • Refines/processes raw materials [1]	**2**	Do not award examples of manufactured goods

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

Question	Answer	Marks	Guidance
1(c)	**Identify <u>four</u> reasons why a business might remain small.** Award 1 mark per reason (max 4). Points might include: • Limited access to/lack of capital (to expand) • Limited access to/lack of suitable labour • Limited access to/lack of suitable land • Limited access to/lack of suitable resources/raw materials • Personal preference / owners' choice / owner does not want the responsibility / wants to keep control • Lack of skills/knowledge/experience (to expand) • Size of the market / amount of customers / level of demand / small market • To maintain close customers relationships / provide a personal service / type of industry • Some large firms dominate the market / low market share / too much competition • Can be flexible / respond quickly to changes in customer tastes • No economies of scale / to avoid diseconomies of scale • Operating at maximum possible output Other appropriate responses should be credited.	**4**	Only award the first four responses given. Do not award vague statements such as less stressful/have more free time/less likely to have communication issues.

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

Question	Answer	Marks	Guidance
1(d)	**Explain <u>two</u> possible effects of WMH introducing new technology.** Award 1 mark for identification of each relevant effect (max 2). Award 1 mark for each relevant reference to this business (max 2). Award 1 mark for each relevant explanation (max 2). Points might include: Positive effects: • Improve quality / less waste / fewer mistakes [k] leading to a better reputation [an] for its furniture [app] • Increases productivity / efficiency / quicker production [k] leading to lower (average) costs [an] for this small business [app] • Improved communication [k] leading to fewer mistakes / better efficiency [an] in the factory [app] • Can design new products [k] which may increase sales / access new markets [an] • Greater job satisfaction/motivation [k] reducing absenteeism/lowering labour turnover [an] • Employees may gain new skills [k] leading to higher pay/chances of promotion [an] • Reduces time/costs to design new products [k] • Increase output [k] • Safer workplace [k]	**6**	To use words from the stem as application, the reference must be appropriate (i.e. make sense) in relation to the point being made. The following words are likely to be appropriate for this question: • Furniture or related words such as tables/chairs • Trade union • Factory • Small business • Secondary sector/manufacturing • Location is important Other appropriate examples can be credited. Some points can be [k] or [an] but do not award the same point twice. Some analysis can be used for more than one point, but only award once.

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

Question	Answer	Marks	Guidance
1(d)	Negative effects: • Purchasing new equipment / expensive to buy/set up [k] increasing cash outflows/debt [an] • Need to train workers [k] which can increase costs [an] • If technology is rapidly changing it will need to change often to remain competitive [k] which will increase costs [an] • Some employees may lose their jobs/made redundant [k] • May demotivate employees [k] Other appropriate responses should be credited.		
1(e)	**Explain <u>two</u> factors a manufacturing business should consider when deciding on a suitable location for a factory. Which factor is likely to be the most important? Justify your answer.** Award up to 2 marks for identification of relevant points. Award up to 2 marks for relevant development of points. Award up to 2 marks for justified decision as to which location factor is likely to be the most important for a manufacturing business.		This is a general question so there are no marks for application

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

Question	Answer	Marks	Guidance
1(e)	Points might include: • Access to skilled labour [k] as may be difficult to find/recruit / could increase recruitment/labour costs [an] • Access to raw materials/components [k] so production is not delayed [an] • Availability / rent of suitable land [k] which could restrict size of factory / increase fixed costs [an] • Good transport links [k] to ensure materials arrive / products sent when needed [an] • Proximity to market [k] to ensure sales/revenue can be made [an] • Type of product [k] a fragile/heavy product may need to be closer to customers to reduce risk of damage/cost [an] • Government grants [k] which could help reduce costs [an] • Legal controls [k] which may prevent the business from locating in certain areas [an] • Access to utilities/power/water [k] as needed for production [an] • Trade barriers [k] • Security of the area/level of crime [k] Other appropriate responses should be credited. Justification might include: Skilled labour [k] if difficult to find could increase recruitment costs [an]. Another factor is availability of suitable land [k] which could restrict the size of the factory [an]. Having suitable land is more important because this might limit output which could reduce its ability to meet demand [eval] whereas a business can train employees, and the extra cost might be covered by the additional revenue gained [eval].	**6**	.

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

Question	Answer	Marks	Guidance
2(a)	**Define 'import tariff'.** Award 2 marks for a full definition. Award 1 mark for a partial definition. • A tax (placed) on imported goods [2] • A tax applied to the value of imported goods [2] • A specific form of tax imposed/charged on imported goods [2] Partial definition: • A type of tax [1]	**2**	First mark is for understanding this is a tax.
2(b)	**Identify <u>one</u> non-current asset and <u>one</u> current liability**. Award 1 mark per non-current asset/current liability (max 2). Points might include: Non-current assets: • Machinery • Equipment • Land • Buildings/shops/factories/offices • Motor vehicles/delivery vehicles Current liabilities: • Overdraft • Short-term loan • Trade payables (creditors) Other appropriate responses should be credited.	**2**	Only award the first responses given for each.

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

Question	Answer	Marks	Guidance
2(c)	**Outline <u>two</u> ways the information in Table 2.1 might be useful to CPW.** Award 1 mark for each relevant way (max 2). Award 1 mark for each relevant reference to this business (max 2). Points might include: • Show <u>value of</u> liabilities/what the business owes [k] as has current liabilities of $110 million [app] • Show <u>value of</u> assets/what the business owns [k] which is $190 million [app] • Support loan application/help raise finance [k] for the 10 vehicles [app] • Calculate working capital/current assets minus current liabilities [k] of this private sector business [app] • Show how the business finances its activities [k] when selling kettles/ovens [app] • Calculate current ratio/ratio of current assets to current liabilities [k] 0.63:1/0.64:1 [app] • Compare performance with other businesses [k] • Compare performance over time/against other years [k] • Show value of the business/capital employed [k] $80 million [app] • Equity/owners capital [k] of $5 million [app] Other appropriate responses should be credited.	**4**	To use words from the stem as application, the reference must be appropriate (i.e. make sense) in relation to the point being made. The following words are likely to be appropriate for this question: • Private sector business • Electrical goods or examples such as kettles/ovens • (36) shops • (Inventory from) local suppliers • Import tariffs • Delivery (service) • (10) vehicles • Source of finance • Local suppliers • $75 million (non-current liabilities) • $120 million (non-current assets) • $110 million (current liabilities) • $70 million (current assets) • 0.63:1/0.64:1 (current ratio) • $190 million (value of assets) • Negative $40 million (working capital) • $80 million (capital employed) • $5 million (equity) Other appropriate examples can be credited. Can award ‘assess liquidity’ where no individual liquidity ratios identified.

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

Question	Answer	Marks	Guidance
2(d)	**Explain <u>two</u> factors CPW should consider when deciding on a source of finance for the new vehicles.** Award 1 mark for identification of each relevant factor (max 2). Award 1 mark for each relevant reference to this business (max 2). Award 1 mark for each relevant explanation (max 2). Points might include: • Amount required [k] for the 10 (vehicles) [app] because this is a large amount a bank loan/selling non-current assets maybe required [an] • Current level of borrowing/loans [k] as the bank might not be willing to lend extra finance [an] when have non-current liabilities of $75 million [app] • Time period [k] as the vehicles may be needed for the long-term, the source needs to be long-term [an] to make deliveries [app] • Cost of finance/is it affordable [k] as high interest rates could increase cash outflows/expenses [an] adding to its current liabilities of $110 million [an] • Size/legal form of the business [k] of this private sector business [app] • Security/collateral needed [k] • Level of control [k] • How urgently the funds are required [k] Other appropriate responses should be credited.	**6**	To use words from the stem as application, the reference must be appropriate (i.e. make sense) in relation to the point being made. The following words are likely to be appropriate for this question: • Private sector (business) • Electrical goods (business) • (36) shops • 10 (vehicles) • (Inventory from) local suppliers • Import tariffs • Delivery (service) • $75 million (non-current liabilities) • $120 million (non-current assets) • $110 million (current liabilities) • $70 million (current assets) Other appropriate examples can be credited.

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

Question	Answer	Marks	Guidance
2(e)	**Explain <u>two</u> objectives a private sector business might have. Which objective is likely to be the most important? Justify your answer.** Award up to 2 marks for identification of relevant points. Award up to 2 marks for relevant development of points. Award up to 2 marks for justified decision as to which objective is likely to be the most important. Points might include: • Survival/stay in business [k] to breakeven/ensure costs are covered [an] • Make a profit [k] when revenue exceeds total costs [an] • Growth/expansion [k] as this can help spread risk [an] • Increase sales [k] as this can lead to higher revenue [an] which is necessary to cover costs [an] • Increase market share [k] which could provide an opportunity to control prices/dominate the market [an] • Socially/ethically/environmentally responsible / provide a service (to the community) [k] • Increase returns to shareholders/owners [k] to encourage investment [an] • Increase brand image / reputation / increase brand awareness [k] • Increase customer loyalty [k] • Customer satisfaction [k] Justification might include: One objective is survival [k] to ensure costs are covered [an]. Another objective is making a profit [k] to provide a source of finance [an]. Survival is likely to be the most important objective for private sector business as they may operate in a competitive market [eval.] Without survival, there is no opportunity to make profit in the long term [eval].	**6**	This is a general question so there are no marks for application. Analysis could focus on explaining what the objective is or advantages of that objective. Some points can be awarded as [k] or [an] e.g. break-even but only award once.

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

Question	Answer	Marks	Guidance
3(a)	**Identify X and Y.** Award 1 mark for each correct answer. **X**: Break-even (point) **Y**: (Total) revenue	**2**	Only award the first response given for each.
3(b)	**Define 'margin of safety'.** Award 2 marks for a full definition. Award 1 mark for a partial definition. • The difference between the current level of output/sales and break-even output/sales [2] • The amount by which sales exceed the break-even point [2] Partial definition e.g. • Difference between total output and break-even point [1] • Number of units that exceed break-even output [1]	**2**	

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

Question	Answer	Marks	Guidance
3(c)	**Outline <u>two</u> advantages of Vicki delegating tasks to her employees.** Award 1 mark for each relevant advantage (max 2). Award 1 mark for each relevant reference to this business (max 2). Points might include: • Motivate employees [k] helping increase sales above 900 units [app] • Develop employee skills / increase flexibility of workforce [k] when making burgers [app] • Builds trust between the owner and her employees / better working relations [k] • The owner cannot do all tasks alone / reduces her workload / she has time to focus on other tasks [k] such as completing the break-even chart [app] • Quality of the owner's work is often improved / she is less likely to make mistakes [k] at the restaurant [app] • She can measure performance/success of employees [k] Other appropriate responses should be credited.	**4**	To use words from the stem as application, the reference must be appropriate (i.e. make sense) in relation to the point being made. The following words are likely to be appropriate for this question: • (Fast) food/restaurant • (Chicken) burgers • 14 employees • 900 (meals a week) • 500/break-even • 400/margin of safety • Training • (Economic) recession Other appropriate examples can be credited.

www.dynamicpapers.com

Question	Answer	Marks	Guidance
3(d)	**Explain <u>two</u> possible effects of an economic recession on Vicki's business.** Award 1 mark for identification of each relevant method (max 2). Award 1 mark for each relevant reference to this business (max 2). Award 1 mark for each relevant explanation (max 2). Points might include: • Lower/fewer sales [k] leading to lower revenue [an] from selling burgers [app] • May need to lower costs [k] as revenue is likely to be falling [an] for the restaurant [app] • More workers available to select from [k] so may be able to lower labour costs [an] of the 14 employees [app] • Workers may be made redundant / reduce workforce / downsize [k] which could demotivate other workers [an] • Low business confidence [k] so less willing/likely to invest [an] • The business may fail / hard to survive [k] so may lose their investment [an] • May have cash flow problems [k] so cannot pay day-to-day costs [an] • May have to lower prices [k] • May delay any expansion plans [k] • Banks may not be willing to lend [k] • May change objective to survival [k] • Lower profit [k] so less funds to invest [an] Other appropriate responses should be credited.	**6**	To use words from the stem as application, the reference must be appropriate (i.e. make sense) in relation to the point being made. The following words are likely to be appropriate for this question: • (Fast) food/restaurant • (Chicken) burgers • 14 employees • Delegation • 900 (meals a week) • 500 (break-even output) • 400 (margin of safety) Other appropriate examples can be credited. Some points can be [k] or [an] but only award once. Effects can be positive or negative, but mirror answers can only be credited once.

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

Question	Answer	Marks	Guidance
3(e)	**Explain <u>two</u> methods of training a business might use. Which is likely to be the best method for a service business to use? Justify your answer.** Award up to 2 marks for identification of relevant points. Award up to 2 marks for relevant development of points. Award up to 2 marks for a justified decision as to which is likely to be the best method for a service business to use. Points might include: On-the-job training [k] • Being trained in the workplace [an] • Watching a more experienced worker doing the job [an] • Allows business specific training to be given [an] • Low(er) cost [an] • Some work completed during training [an] • May learn bad habits from trainer [an] • Trainer may not be as productive as usual [an] Off-the-job training [k] • Being trained away from the workplace [an] • Allows employees to be trained by experts [an] • New/up-to-date skills/knowledge can be taught [an] • High(er) cost [an] • Wages paid but no work is being done [an] • Induction training [k] • Can help new employees understand / familiarise with the work/workplace/job role [an] • New workers settle into their job quickly [an] • Delays when start work [an] Other appropriate responses should be credited.	**6**	This is a general question so there are no marks for application. Points can refer to the business or employee. Analysis can be awarded for explaining the method/advantages/disadvantages of using the named method. Some points can be written as an advantage of one method, or a disadvantage of another - only award once.

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

Question	Answer	Marks	Guidance
3(e)	Justification might include: On-the-job training [k] is where trainees watch a more experienced worker [an]. Alternatively, off-the-job training [k] will teach up to date skills [an]. Off-the-job training is the best method as the business is more likely to improve productivity by learning the ideas [eval] whereas on-the-job training may lead to employees picking up bad habits so would have limited value [eval].		

Question	Answer	Marks	Guidance
4(a)	**Define 'brand image'.** Award 2 marks for a full definition. Award 1 mark for a partial definition. • The image or identity given to a product/business which distinguishes it from its competitors brand [2] • Characteristics that distinguish a business from others through design or logo [2] • The general impression of a product/business held by consumers [2] • Personality given to a product/business through marketing activities [2] Partial definition e.g. • Identity given to a product/business [1] • How product/business is seen by others [1] • Characteristics that make a <u>business</u> unique [1]	**2**	

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

Question	Answer	Marks	Guidance
4(b)	**Identify <u>two</u> reasons why some markets have become more competitive.** Award 1 mark for each relevant reason (max 2). Points might include: • Globalisation/growth of free trade agreements • Changes in technology or examples e.g. ecommerce/internet/social media • Changes in legal controls / more or fewer regulations / government intervention in the market • Transport improvements/infrastructure improvements Other appropriate responses should be credited.	**2**	Only award the first two responses given. Do not award: • Factors affecting demand or spending patterns such as changes in population, changes in advertising or changes in prices. Accept reduced barriers to entry once if no other specific reasons e.g. legal control/trade agreements

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

Question	Answer	Marks	Guidance
4(c)	**Outline <u>one</u> way MTL could act ethically with each of the following stakeholder groups:** **Employees** **Customers** Award 1 mark for each relevant way (max 2). Award 1 mark for each relevant reference to this business (max 2). Points might include: Employees: • Pay fair/good wages [k] to its 430 employees [app] • Ensure fair/good working conditions [k] when making the toys [app] • Not employ child labour [k] • Not use zero hours contracts [k] Customers: • Charge a fair price [k] which can help maintain its good brand image [app] • Not advertise misleading prices [k] when operating in a competitive market [app] Other appropriate responses should be credited.	**4**	To use words from the stem as application, the reference must be appropriate (i.e. make sense) in relation to the point being made. The following words are likely to be appropriate for this question: • (Children's) toys • 430 (employees) • Competitive market • Large (business) • (Good) brand image • New markets in other countries • Methods of promotion Other appropriate examples can be credited.

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

Question	Answer	Marks	Guidance
4(d)	**Explain <u>two</u> problems MTL might have when entering a new market in another country.** Award 1 mark for identification of each relevant problem (max 2). Award 1 mark for each relevant reference to this business (max 2). Award 1 mark for each relevant explanation (max 2). Points might include: • Lack of market knowledge [k] so may not be aware of competitors' pricing/promotion [an] for toys [app] • Language differences) [k] so it may have to translate/change wording on the packaging [an] to explain how it is ethical [app] • Cultural differences [k] so product may not sell there [an] which could damage its brand image [app] • Changes in exchange rates [k] may make it difficult to set prices [an] for this large business [app] • Different legal controls [k] which could restrict what/how they can sell [an] • Import restrictions or examples such as quotas [k] which could restrict the number of products they can import [an] • Economic differences e.g. average income, stage in business cycle [k] • Social differences e.g. age structure [k] • Increased transport costs [k] as products may have to be transported over long distances [an] • Level of competition [k] • Lack of recognition of the business [k] • High taxes [k] • Difficulty in locating suppliers [k]	**6**	To use words from the stem as application, the reference must be appropriate (i.e. make sense) in relation to the point being made. The following words are likely to be appropriate for this question: • (Children's) toys • Ethical • Stakeholder groups • 430 employees • (Good) brand image • Large (business) • Methods of promotion Other appropriate examples can be credited. Some points can be [k] or [an] but only award once. Some [an] can be used for different points, but only award once.

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

Question	Answer	Marks	Guidance
4(d)	• Increased risk of non-payment/incorrect payment [k] as methods of payment are likely to be different between each country [an] Other appropriate responses should be credited.		

Question	Answer	Marks	Guidance
4(e)	**Explain <u>two</u> methods of promotion a business might use for its products. Which method is likely to be the best for a large business to use? Justify your answer.** Award up to 2 marks for identification of relevant points. Award up to 2 marks for relevant development of points. Award up to 2 marks for a justified decision as to which method is likely to be the best one for a large business to use.		This is a general question so there are no marks for application. Some analysis can be used for more than one method, but only award once. Analysis can be awarded for explaining: • Advantages of methods • Disadvantages of methods • How the method works

© Cambridge University Press & Assessment 2025

www.dynamicpapers.com

Question	Answer	Marks	Guidance
4(e)	Points might include: • Television [k] is expensive/can include moving images to attract attention [an] • Magazines [k] as able to target specific types of customers [an] • Discount offers/promotional pricing/ (money off) coupons/loyalty card [k] which can make the products more affordable [an] • Social media/internet-based advertising/influencers [k] to reach large numbers of people [an] • Leaflets [k] as this is a low-cost method [an] • Posters/billboards [k] as can be seen by everyone who is passing by [an] • Point of sale displays/demonstrations [k] as this allows the customer to be shown how it is used [an] • Radio advertising [k] which allows them to target specific regions [an] • Newspapers [k] • Gifts [k] • Sponsorship [k] • Competitions [k] encourage customer to buy to receive a reward/win [an] • Free samples [k] increase costs [an] • BOGOF [k] • After-sales service [k] Other appropriate responses should be credited. Justification might include: Television [k] as able to include moving images to attract attention [an]. Another method is posters [k] as it can be seen by everyone who is passing by [an]. Television is the best method as this is a large business so it should be able to afford the cost involved [eval] and is likely to reach far more people than a poster [eval].	**6**	

© Cambridge University Press & Assessment 2025