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A-level  
**BUSINESS**

**7132/3**

**PAPER 3 BUSINESS 3**

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Mark scheme

June 2019

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Version: 1.0 Final



Mark schemes are prepared by the Lead Assessment Writer and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all associates participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every associate understands and applies it in the same correct way. As preparation for standardisation each associate analyses a number of students' scripts. Alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

Further copies of this mark scheme are available from [aqa.org.uk](http://aqa.org.uk)

## Level of response marking instructions

Level of response mark schemes are broken down into levels, each of which has a descriptor. The descriptor for the level shows the average performance for the level. There are marks in each level.

Before you apply the mark scheme to a student's answer read through the answer and annotate it (as instructed) to show the qualities that are being looked for. You can then apply the mark scheme.

### Step 1 Determine a level

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptor for that level. The descriptor for the level indicates the different qualities that might be seen in the student's answer for that level. If it meets the lowest level then go to the next one and decide if it meets this level, and so on, until you have a match between the level descriptor and the answer. With practice and familiarity you will find that for better answers you will be able to quickly skip through the lower levels of the mark scheme.

When assigning a level you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as the rest. If the answer covers different aspects of different levels of the mark scheme you should use a best fit approach for defining the level and then use the variability of the response to help decide the mark within the level, ie if the response is predominantly level 3 with a small amount of level 4 material it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

### Step 2 Determine a mark

Once you have assigned a level you need to decide on the mark. The descriptors on how to allocate marks can help with this. The exemplar materials used during standardisation will help. There will be an answer in the standardising materials which will correspond with each level of the mark scheme. This answer will have been awarded a mark by the Lead Examiner. You can compare the student's answer with the example to determine if it is the same standard, better or worse than the example. You can then use this to allocate a mark for the answer based on the Lead Examiner's mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

Indicative content in the mark scheme is provided as a guide for examiners. It is not intended to be exhaustive and you must credit other valid points. Students do not have to cover all of the points mentioned in the Indicative content to reach the highest level of the mark scheme.

An answer which contains nothing of relevance to the question must be awarded no marks.

## Marking guidance

- Be clear on the focus of the question.
- Read the response as a whole; follow the flow of the argument as a whole.
- Remember that the indicative content provides possible lines of argument but there may be others that are equally valid. Be willing to credit other lines of argument.
- Annotate the script as you read in accordance with the instructions given at standardisation.
- Consider what it all adds up to: eg is this a limited response? A reasonable one? A good one? Refer back to the standardisation scripts and guidance to help you benchmark. You are marking to the standard agreed at standardisation. Be careful of the standard you are marking at; refer back to standardisation scripts regularly.
- Summarise your findings briefly at the end of the response. This will help you decide on the overall level and is helpful for others to understand the mark given, eg for an extended response ‘well-argued’ but does not focus fully on the issue of ‘long term’ feels as if it might be good rather than excellent. Make sure the comments fit with the level awarded: ‘unbalanced and not comparing with alternative solutions’ does not sound as if it is ‘good’.
- Next to your comment put the level awarded, eg L4.
- If in doubt about an approach contact your Team Leader, do not make up your own rules because we must have a standardised approach across all marking.
- Be positive in your marking. Look to reward what is there.

KU	Knowledge and understanding – used to credit knowledge of the specification and also to acknowledge ‘points’ made in relation to the question, perhaps explained, but once the point has some analytical dev, annotate AN or D
Bal	Balanced response, eg both sides <b>acknowledged</b> with a valid argument on each side
AN	Analytical but lacks context – ie a theoretical line of argument
ARG	Argument (analysis developed or less well developed, with context)
DEV	Developed argument (well-developed analysis with context)
Rng	Range of arguments - eg <b>two</b> arguments presented
J	Judgement with support
LF	Losing/lost focus - not fully focussed on the demands of the question
BOD	benefit of doubt – though there is some uncertainty over the student’s meaning, the point or aspect of the argument will be accepted as valid, thus creditworthy
NAQ	Not answering the question - Response has drifted from answering the question set. When using, be sure to read the whole response carefully – students will often drift back to answering the question later in their response – normal annotation should resume whenever they come back to addressing the demands of the question
OFR	own figure rule – to be annotated where a valid argument develops following a miscalculation (ie a wrong answer is used correctly)
SEEN	used to annotate blank pages to show they have been scanned for any student response – please check the whole page
Tick	ONLY used to show a correct calculation – please use KU when annotating valid points
Cross	to show an incorrect calculation or a clearly incorrect link in a chain of logic – if in doubt, do not cross, use BOD
?	Meaning unclear
REP	Repetition

<b>0</b>	<b>1</b>	Analyse <b>two</b> possible reasons why Mike introduced a budgeting system for DWS Ltd in 1991.	<b>[12 marks]</b>
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**Marks for this question: AO1 = 3, AO2 = 3 and AO3 = 6**

Level	The student will typically demonstrate:	Marks
<b>3</b>	<p><b>A good response overall that focuses on many of the demands of the question.</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>• demonstrates a depth and range of knowledge and understanding of issues in the question</li> <li>• demonstrates analysis which is well developed, applied effectively to the context and considers a range of issues in the question</li> </ul>	<b>9 – 12</b>
<b>2</b>	<p><b>A reasonable response overall that focuses on some of the demands of the question.</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>• demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question</li> <li>• demonstrates analysis which is developed, applied to the context and considers some of the issues in the question</li> </ul>	<b>5 – 8</b>
<b>1</b>	<p><b>A limited response overall with little focus on the demands of the question.</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>• demonstrates a limited range and depth of knowledge and understanding of issues in the question</li> <li>• demonstrates analysis with little development and mainly descriptive application to the context.</li> </ul>	<b>1 – 4</b>

**The demands this question are:**

- two reasons for introducing a budgeting system
- how the system helped address the issues faced in 1991.

**Indicative content:**

- he was busy finding new customers – system allows delegation of spending power – so Mike can focus on gaining new customers and inspiring his staff
- needed to build a management team – the delegation allows genuine decision-making power to be passed to his management team – motivating them
- offers control over costs – especially helpful for a young business which may lack financial resources – money was tight.

**Further guidance**

**Approaches are likely to be:**

Good: Effective linking of how budgeting might have helped to overcome issues faced by DWS Ltd from 1989-1991 (For ONE reason well-developed - bottom of this level)

Reasonable: Argument(s) for introducing budgets, which do not explain HOW this would help overcome issues faced

Limited: reason(s) for introducing budgeting explained

<b>0</b>	<b>2</b>	Analyse how setting up the works council may have led to the changes in Human Resource performance data shown in <b>Appendix A</b> .	<b>[12 marks]</b>
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**Marks for this question: AO1 = 3, AO2 = 3 and AO3 = 6**

Level	The student will typically demonstrate:	Marks
<b>3</b>	<p><b>A good response overall that focuses on many of the demands of the question.</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>• demonstrates a depth and range of knowledge and understanding of issues in the question</li> <li>• demonstrates analysis which is well developed, applied effectively to the context and considers a range of issues in the question.</li> </ul>	<b>9 – 12</b>
<b>2</b>	<p><b>A reasonable response overall that focuses on some of the demands of the question.</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>• demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question</li> <li>• demonstrates analysis which is developed, applied to the context and considers some of the issues in the question.</li> </ul>	<b>5 – 8</b>
<b>1</b>	<p><b>A limited response overall with little focus on the demands of the question.</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>• demonstrates a limited range and depth of knowledge and understanding of issues in the question</li> <li>• demonstrates analysis with little development and mainly descriptive application to the context.</li> </ul>	<b>1 – 4</b>

**The demands this question are:**

- effect(s) of setting up works council
- used to explain changes shown in Appendix A.

**Indicative content:**

- works council - a forum within a business where workers and management meet to discuss issues such as working conditions, pay, training and strategic decisions
- trust in management – transparency building job security
- employee security – help build motivation, reduce labour turnover
- better input to decision-making
- may give employees greater power in negotiating pay rises – explains rise in employee costs as % of turnover.
- more experienced/loyal staff may expect higher wages – explaining rise in employee costs as % of turnover

**Further guidance**

**Approaches are likely to be:**

Good: effectively links setting up works council to changes in HR data

Reasonable: analyses benefit(s) of setting up a works council for DWS/or explains how DWS' approach to HR may have led to changes in Appendix A

Limited – some relevant knowledge or interpretation of HR data

**NOTE:** Further guidance on data on final page of this mark scheme

<b>0</b>	<b>3</b>	<p>In 2010 Mike introduced a new approach to operations in response to competitive pressures (lines 34–40).</p> <p>Using data from <b>Appendix B</b> and the <b>other information provided</b>, evaluate the extent to which this new approach has been successful.</p> <p style="text-align: right;"><b>[16 marks]</b></p>
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**Marks for this question: AO1 = 2, AO2 = 3, AO3 = 4 and AO4 = 7**

Level	The student will typically demonstrate:	Marks
<b>4</b>	<p><b>An excellent response overall that is fully focused on the key demands of the question.</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>• demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question</li> <li>• demonstrates analysis throughout which is well developed, is applied effectively to the context and considers a balanced range of the issues in the question</li> <li>• makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole throughout.</li> </ul>	<b>13 – 16</b>
<b>3</b>	<p><b>A good response overall that focuses on many of the demands of the question.</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>• demonstrates a depth and range of knowledge and understanding of issues in the question</li> <li>• demonstrates analysis which is well developed, applied effectively to the context and considers a range of issues in the question</li> <li>• makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole.</li> </ul>	<b>9 – 12</b>
<b>2</b>	<p><b>A reasonable response overall that focuses on some of the demands of the question.</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>• demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question</li> <li>• demonstrates analysis which is developed, applied to the context and considers some of the issues in the question</li> <li>• makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole.</li> </ul>	<b>5 – 8</b>

<b>1</b>	<p><b>A limited response overall with little focus on the demands of the question.</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>• demonstrates a limited range and depth of knowledge and understanding of issues in the question</li> <li>• demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question</li> <li>• makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole.</li> </ul>	<b>1 – 4</b>
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**The demands this question are:**

- judgement on success of introduction of new approach to operations in addressing competitive pressures (improved quality and lowering prices)
- using data from **Appendix B** AND the case study (may include **Appendix C**).

**Indicative content:**

- inventory levels fell, dramatically, from £4m to £100,000 – freeing up working capital. This would also reduce stock holding costs – helping to address problem of competitors prices falling
- quality improved – faults per 1,000 units (already better than average) fell significantly from 5 to 1.5 – helping to maintain DWS Ltd’s competitive advantage on quality
- cost of buying materials rose, from £1,100 to £1,350 – probably the result of buying smaller quantities since the switch to JIT – reducing opportunities for purchasing economies of scale. This would harm attempts to maintain competitive prices
- £3m cost – annual profit fell to £2m despite rise in revenue of £4m
- Kaizen may have improved employee engagement (which was already high).

Good judgement will consider context of business, weighing relative importance of these changes caused by lean to the corporate strategy of high value, top quality.

**Further guidance**

**Approaches are likely to be:**

Excellent: Well-developed 2-sided argument, appendix B and other information used, and focused on the impact on competitive pressures

Good: EITHER well-developed 2-sided argument with Appendix B or other information used and focused on competitive pressures OR both Appendix B and other information used but not focused on competitive pressures

Reasonable: argument(s) on the impact of lean production at DWS, lacking balance

Limited: some relevant points

**NOTE:** Further guidance on data on final page of this mark scheme

<b>0</b>	<b>4</b>	<p>DWS Ltd is considering investing in solar panels.</p> <p>Using <b>Appendix D</b> calculate the payback period and the Average Rate of Return of this investment.</p> <p>Based on your results and <b>other information</b>, recommend whether DWS Ltd should make this investment. Justify your decision.</p> <p style="text-align: right;"><b>[16 marks]</b></p>
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Marks for this question: AO1 = 2, AO2 = 3, AO3 = 4 and AO4 = 7

Level	The student will typically demonstrate:	Marks
<b>4</b>	<p><b>An excellent response overall that is fully focused on the key demands of the question.</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>• demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question</li> <li>• demonstrates analysis throughout which is well developed, is applied effectively to the context and considers a balanced range of the issues in the question</li> <li>• makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole throughout.</li> </ul>	<b>13 – 16</b>
<b>3</b>	<p><b>A good response overall that focuses on many of the demands of the question.</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>• demonstrates a depth and range of knowledge and understanding of issues in the question</li> <li>• demonstrates analysis which is well developed, applied effectively to the context and considers a range of issues in the question</li> <li>• makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole.</li> </ul>	<b>9 – 12</b>
<b>2</b>	<p><b>A reasonable response overall that focuses on some of the demands of the question.</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>• demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question</li> <li>• demonstrates analysis which is developed, applied to the context and considers some of the issues in the question</li> <li>• makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole.</li> </ul>	<b>5 – 8</b>

<b>1</b>	<p><b>A limited response overall with little focus on the demands of the question.</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>demonstrates a limited range and depth of knowledge and understanding of issues in the question</li> <li>demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question</li> <li>makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole.</li> </ul>	<b>1 – 4</b>
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**The demands this question are:**

- makes a justified recommendation
- correctly calculates payback
- correctly calculates ARR
- uses other information from the case study.

**Issues to consider:**

Year	Net Cash Flow (£m)
1	0.1
2	0.4
3	0.7
4	1

- payback = 2 years and  $(0.5/0.7 \times 12)$  8.57 months (Accept 2 years and 8–9 months) or 37.3 weeks (or 37-38) or 261 days or 2.71 years.
- ARR =  $\frac{\text{£}2.2\text{m} - \text{£}1\text{m}}{\text{£}1\text{m}} = \frac{\text{£}1.2\text{m}}{\text{£}1\text{m}} = 1.2$  or 120% (Note: original text says 30%, which is incorrect based on the numbers provided)
- environmental performance a special concern – encouraging investment in an environmentally-friendly project
- a corporate objective balancing CSR with profit – this project would offer this balance
- rising energy costs – which will harm the business' ability to keep costs down without investing.

Evaluation will come from weighing up whether they can afford to wait longer than 2 ½ years, given major upheaval facing the business and its worsening financial situation. Evaluation may also suggest that the decision to go ahead may also be argued to depend on the result of the Board's decision on future strategy

**Further guidance**

**Approaches are likely to be:**

Excellent: Uses data correctly (payback AND ARR) AND other information to make a clear and well-supported judgement

Good: uses data correctly (payback AND/OR ARR) AND other information to make a supported judgement

Reasonable: Does not use Appendix D or bases argument(s) on incorrect calculations to make a judgement (supported through use of OFR)

Limited: some relevant points

If candidate has ONLY calculated Payback and ARR correctly with NOTHING else written, award L2 for 6 (meets some demands of the question). One correct calculation is Level 1 for 3.

<b>0</b>	<b>5</b>	To what extent does the information provided support the view that Mike is an effective leader?	<b>[20 marks]</b>
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Marks for this question: AO1 = 4, AO2 = 3, AO3 = 5, AO4 = 8

Level	The candidate will typically demonstrate:	Marks
<b>5</b>	<p><b>An excellent response overall that is fully focused on the key demands of the question</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>• demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question</li> <li>• demonstrates analysis throughout which is well developed, is applied effectively to the context and considers a balanced range of the issues in the question</li> <li>• makes judgments or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as whole throughout.</li> </ul>	<b>17 – 20</b>
<b>4</b>	<p><b>A good response overall that focuses on many of the demands of the question</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>• demonstrates a depth and range of knowledge and understanding of issues in the question</li> <li>• demonstrates analysis which is well developed and is applied effectively to the context and considers a range of issues in the question.</li> <li>• makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole</li> </ul>	<b>13 – 16</b>
<b>3</b>	<p><b>A reasonable response overall that focuses on some of the demands of the question</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>• demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question</li> <li>• demonstrates analysis which is developed, applied to the context and considers some of the issues in the question.</li> <li>• makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole</li> </ul>	<b>9 – 12</b>
<b>2</b>	<p><b>A limited response overall with little focus on the demands of the question</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>• demonstrates a limited range and depth of knowledge and understanding of issues in the question</li> <li>• demonstrates analysis with little development and with mainly descriptive application to the context and considers a limited number of issues in the question</li> <li>• makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole.</li> </ul>	<b>5 – 8</b>

<b>1</b>	<p><b>A weak response overall lacking focus on the demands of the question</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>• demonstrates isolated or imprecise knowledge and understanding.</li> <li>• demonstrates undeveloped analysis with descriptive application to the context and lacking focus on the question.</li> <li>• makes judgements or proposes solutions based on assertions.</li> </ul>	<b>1 – 4</b>
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**The demands this question are:**

- makes a judgement on Mike's effectiveness
- supports judgement using information provided.

**Indicative content:**

Mike was effective because:

- HR data (alongside operations data) suggests staff are loyal, motivated and effective
- Mike is described as charismatic and inspirational
- Mike has led the company through 30 years
- clear willingness to make changes (eg lean production introduced soon after threat identified, solar panels idea)
- company is still profitable.

Mike was ineffective because:

- he has failed to deal with the threat of competitors effectively
- financial performance is declining
- some directors have lost faith in his ability to resolve the firm's problems
- the company may be suffering from strategic drift – Mike has failed to adjust strategy to suit external environment.

**Evaluative themes:**

- may pick up on how Mike's performance can be said to have diminished in recent years – he was an effective leader, he may no longer be effective in leading DWS Ltd
- may distinguish between different leadership skills – still inspirational, willing to take decisions (lean production, works council), but decisions on corporate strategy may have been wrong – in failing to spot, or deal effectively with competitors.

**Further guidance****Approaches are likely to be:**

Excellent: balanced response – effective use of a range of information (eg. 2 appendices or 1 appendix plus other information) plus able to make an overall judgement on extent of effectiveness of Mike's leadership

Good: one or two well developed arguments– effective use of information (eg at least 1 appendix) – a balanced judgement on extent of effectiveness of Mike's leadership

Reasonable: two arguments with some use of information or one well-developed argument but judgement may lack balance, but will have support

Limited: one argument with some information provided judgement will lack effective support

Weak: some relevant points made

**NOTE:** Further guidance on data on final page of this mark scheme

<b>0</b>	<b>6</b>	<p>DWS Ltd is considering making a major strategic change.</p> <p>To what extent is a SWOT analysis valuable for any business deciding on its future strategy?</p>	<b>[24 marks]</b>
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**Marks for this question: AO1 = 5, AO2 = 4, AO3 = 6, AO4 = 9**

Level	The candidate will typically demonstrate	Marks
<b>5</b>	<p><b>An excellent response overall that is fully focused on the key demands of the question.</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>• demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question</li> <li>• demonstrates analysis throughout which is well developed, is applied effectively to the context and considers a balanced range of the issues in the question</li> <li>• makes judgements or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as whole throughout.</li> </ul>	<b>21 – 24</b>
<b>4</b>	<p><b>A good response overall that focuses on many of the demands of the question</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>• demonstrates a depth and range of knowledge and understanding of issues in the question</li> <li>• demonstrates analysis which is well developed, applied effectively to the context and considers a range of issues in the question</li> <li>• makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole.</li> </ul>	<b>16 – 20</b>
<b>3</b>	<p><b>A reasonable response overall that focuses on some of the demands of the question</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>• demonstrates a limited knowledge and understanding of a range of issues in the question or a good knowledge and understanding of relatively few issues in the question</li> <li>• demonstrates analysis which is developed, applied to the context and considers some of the issues in the question</li> <li>• makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole.</li> </ul>	<b>11 – 15</b>

<b>2</b>	<p><b>A limited response overall with little focus on the demands of the question</b></p> <p>Provides an answer to the question set that :</p> <ul style="list-style-type: none"> <li>• demonstrates a limited range and depth of knowledge and understanding of issues in the question</li> <li>• demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question</li> <li>• makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole.</li> </ul>	<b>6 – 10</b>
<b>1</b>	<p><b>A weak response overall lacking focus on the demands of the question</b></p> <p>Provides an answer to the question set that:</p> <ul style="list-style-type: none"> <li>• demonstrates isolated or imprecise knowledge and understanding</li> <li>• demonstrates undeveloped analysis with descriptive application to the context and lacking focus on the question</li> <li>• makes judgements or proposes solutions based on assertions.</li> </ul>	<b>1 – 5</b>

**The demands this question are:**

- judgement on value of SWOT analysis
- in deciding on future strategy
- for any business.

**Indicative content:**

Beneficial because:

- allows identification of strengths around which strategy can be built
- allows identification of weaknesses around whose elimination strategy can be built
- allows identification of weaknesses allowing a strategy to be developed which sidesteps these issues
- spots opportunities which can allow direction to be planned
- spots threats allowing a strategy to be devised which avoids them or reduces their potential impact.

Weaknesses include:

- depends on how data is interpreted and who is doing the interpretation
- does not make decisions
- does not actually do any planning.

**Evaluative themes:**

- may suggest other techniques are more helpful in deciding on future strategy (Ansoff's matrix, Porter's strategic grid, Bowman's clock), whilst other frameworks for assessing strategic position (Porter's 5 forces model or PESTLE) may bring greater depth of insight
- SWOT will help, but will not do the strategic planning for you.

**Further guidance**

**Approaches are likely to be:**

Excellent: two-sided response, well-developed arguments with balanced conclusion, addressing relevance to all businesses, clear focus on deciding future strategy.

Good: two-sided, well-developed arguments with balanced conclusion, could just be DWS Ltd, how it helps deciding future strategy.

Reasonable: two arguments, but may focus on 'is it useful in general', rather than use in deciding future strategy, and lacking balance in overall judgement.

Limited: one side with little development.

Weak: relevant points made on strengths/weaknesses of SWOT analysis.

Further guidance on changes found in Appendices A, B and C

Appendix A			
	2003	2008	
DWS LTO	10.00%	8%	Lower than Industry Average
	33.33%	20%	Of the Industry Average
Emp. Costs as % T/O	12%	15%	Higher than industry Average
	2003-2008		
DWS % Decline in LTO	60%		
Ind. Av. Decline in LTO	33.33%		
DWS Emp. Costs	8.3%	Increase	
Ind. Av. Costs	4.10%	Increase	

Appendix B			
	2008	2013	
DWA Faults/1000 units	58.33	81.25%	Lower than Ind. Av.
	2008 -2013		
DWS Reduction in Faults	70%	Lower	
Ind. Ave Reduction in Faults	33.33%	Lower	
Cost of 1 tonne sheets £	2008	2013	
DWS	10%	28.57%	Higher than Ind Av
	2008-2013		
DWS	22.72%	Higher	
Ind. Av	5%	Higher	
Av. Value Fin. Goods Inv.	2008	2003	
DWS	20%	96.66%	Lower than Ind Av
	2008-2013		
DWS	97.40%	Lower	
Ind. Av.	40%	Lower	

Appendix C			
Revenue	2008-2013		
	11.11%	Higher	
Revenue	2013-2018		
	17.50%	Lower	
Revenue	2008-2018		
	8.33%	Lower	
Customer Orders	2008-2013		
	16.67%	Lower	
	2013-2018		
	25.00%	Lower	
	2008-2018		
	37.50%	Lower	
Profit £m	2008-2013		
	33.33%	Lower	
	2013-2018		
	90%	Lower	
	2008-2018		
	93.33%	Lower	
Profit Margins	2008	2013	2018
	8.33%	5%	0.61%
Reduction in Profit Margin	2008-2013	2013-2018	2008 - 2018
percentage points	3.33%	4.39%	7.72%