



A-level BUSINESS 7132/3

Paper 3 Business 3

Mark scheme

June 2025

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.

No student should be disadvantaged on the basis of their gender identity and/or how they refer to the gender identity of others in their exam responses.

A consistent use of 'they/them' as a singular and pronouns beyond 'she/her' or 'he/him' will be credited in exam responses in line with existing mark scheme criteria.

Further copies of this mark scheme are available from aqa.org.uk

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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.

K U	Knowledge and Understanding – valid point and/or understanding of concept
AN	Analytical but lacks context
ARG	Argument (developed analysis in context)
DEV	Developed argument (well developed analysis in context)
EVAL	Judgement with support / Evaluation
NFF	Not Fully Focused on the demands of the question
Bal	Balanced response, eg both sides acknowledged
Rng	Range of arguments, eg two arguments presented
BD	Benefit of the Doubt
NAQ	Not answering the question
OF	Own Figure Rule
SEEN	Seen
☒	TICK - indicates a correct calculation
☒	CROSS – incorrect statement or calculation
☐	Txt Box
?	Unclear
Highlighter	Highlighter

The following should be used at the end of the response.

L1	L1
L2	L2
L3	L3
L4	L4
L5	L5

0	1	Use Lewin's force field model to analyse why VBM is making major changes now. [12 marks]
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Marks for this question: AO1 = 3, AO2 = 3, AO3 = 6

Level	The student will typically demonstrate:	Marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis which is well developed, applied effectively to the context and considers a range of issues in the question.	9–12
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: • 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 • demonstrates analysis which is developed, applied to the context and considers some of the issues in the question.	5–8
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development and mainly descriptive application to the context.	1–4

The demands of this question are:

- shows understanding of Lewin's model
- uses Lewin's model to analyse how balance between the two forces has changed for VBM

Indicative content:

Driving forces:

- loss of demand in Europe – significant reduction in sales, caused by legislation
- growing demand in South-East Asia
- failure to develop electrical vehicles early enough.

Restraining forces:

- loyalty to European customers
- loyalty to European workforce – with so many redundancies bad publicity is likely to result, harming the company's image in Europe
- cost of the changes will be significant.

Well-developed arguments will explore the fact that there has been a shift in the relative balance between driving and restraining forces meaning that the company must act now. Limited responses may fail to make reference to Lewin's model.

Some candidates will interpret 'the changes' differently. The indicative content above refers to closing European factories AND beginning EV production in Europe AND entering the Vietnamese market with diesel vehicles. If candidates focus solely on a complete switch to EV production, this is still creditworthy, though note that growing demand in South-East Asia would become a restraining force

Accept other relevant arguments.

0	2	Analyse the impact of the proposed retrenchment on VBM's marketing activities in Europe.	[12 marks]
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Marks for this question: AO1 = 3, AO2 = 3, AO3 = 6

Level	The student will typically demonstrate:	Marks
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding of issues in the question - demonstrates analysis which is well developed, applied effectively to the context and considers a range of issues in the question.	9–12
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: - 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 - demonstrates analysis which is developed, applied to the context and considers some of the issues in the question.	5–8
1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: - demonstrates a limited range and depth of knowledge and understanding of issues in the question - demonstrates analysis with little development and mainly descriptive application to the context.	1–4

The demands of this question are:

- shows understanding of retrenchment
- analyses how retrenchment can affect marketing activities in the context of VBM's European operations.

Indicative content:

- marketing activities include market research and the elements of the marketing mix
- retrenchment is likely to mean a reduced budget, especially with so much finance required to build a new factory in Vietnam
- damage to brand – re-branding will be required to an extent to shift towards electrical vehicles and deal with negative publicity caused by factory closures and redundancies
- European strategy will now focus on selling electric vehicles – changes to the marketing mix will start with a change to the product element. Price and promotion are also likely to be adjusted.

Good responses will refer to marketing actions that result from VBM's retrenchment. The focus of the question is on VBM's European operations.

Accept other relevant arguments.

0	3	VBM's Operations Director believes that the new factory could be opened in a year. Do you agree? Justify your view by using the data in Appendix C and other information provided. [16 marks]
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Marks for this question: AO1 = 2, AO2 = 3, AO3 = 4, AO4 = 7

Level	The student will typically demonstrate:	Marks
4	An excellent response overall that is fully focused on the key demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question • demonstrates analysis throughout which is well developed, is applied effectively to the context and considers a balanced range of the issues in the question • 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.	13–16
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis which is well developed, applied effectively to the context and considers a range of issues in the question • makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole.	9–12
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: • 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 • demonstrates analysis which is developed, applied to the context and considers some of the issues in the question • makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole.	5–8

1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question • makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole.	1–4
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The demands of this question are:

- shows understanding of the network diagram and table in **Appendix C**
- analyses reasons why the project is and is not likely to be completed within a year
- analyses data from **Appendix C** and other information to support response, showing understanding of network analysis
- offers a judgement on whether the project is likely to be completed within a year.

Indicative content:

Arguments supporting completion within a year:

- the network diagram suggests completion in 11 months
- the diagram shows float time on activities D (2 months), F (1 month), B (2 months) and G 2 months) even with a 'deadline' of 11 months
- with the HR director's recommendations, the project will be completed in 12 months – B and G become critical after adjusting durations for the HR director's advice (new critical path is B,G,H.
- there may be scope to reassess the network, such as starting the search for suppliers earlier.

Arguments against completion within the year:

- there is evidence the Operations director has been too optimistic – what other activity durations may have been underestimated
- a delay on any one of activities A, C, E or H would delay the project past 11 months, eliminating float time
- after HR director's changes there can be no delays to critical activities without missing the 12 month deadline
- the business has never operated manufacturing in Vietnam – will they be able to make realistic assumptions about activity durations without such experience or advice
- European retrenchment may prove a distraction especially to management, causing delays.

Evaluation

Judgement will hinge on the perceived likelihood of the Operations director's predicted durations being accurate. There are several reasons to believe that this is unlikely. The context highlights the limitations of network analysis as a tool. The answer may also depend on the extent to which the company's resources are channelled into the project which may help to keep timings on track or distracted by European upheaval.

Responses that correctly identify the original project duration as 11 and use this number correctly will be at least reasonable. Responses that fail to use Appendix C will be reasonable at best given the demands of the question.

0	4	VBM has major Human Resource challenges such as: • recruitment and training for the factory in Vietnam • managing redundancies in Europe. Which of these two challenges is likely to be harder to manage effectively? Justify your view. [16 marks]
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Marks for this question: AO1 = 2, AO2 = 3, AO3 = 4, AO4 = 7

Level	The student will typically demonstrate:	Marks
4	An excellent response overall that is fully focused on the key demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question • demonstrates analysis throughout which is well developed, is applied effectively to the context and considers a balanced range of the issues in the question • 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.	13–16
3	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis which is well developed, applied effectively to the context and considers a range of issues in the question • makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole.	9–12
2	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: • 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 • demonstrates analysis which is developed, applied to the context and considers some of the issues in the question • makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole.	5–8

1	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question • makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole.	1–4
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The demands of this question are:

- shows understanding of the terms ‘recruitment and training’ and ‘redundancies’
- shows understanding of the nature of the challenge of recruitment and training in Vietnam and the managing of redundancies in Europe
- analyses the challenges of recruitment and training in a new continent for VBM
- analyses the challenges of handling mass redundancies for VBM
- offers a justified judgement on which challenges will be harder for VBM to manage.

Indicative content:

Redundancies:

- unpopular – there will be major resistance within the business – Kotter and Schlesinger’s self-interest etc
- expensive due to redundancy payments
- bad PR for the business – reputational damage
- emotionally difficult
- those still employed may retain concerns over the future security of their jobs.

Recruitment and training in Vietnam:

- no experience in the country, so management capability, infrastructure, supply chain and legislation and ‘the way things are done’ can be a challenge
- the whole process will cost a significant sum
- time pressure to get the factory up and running
- possible cultural issues with training staff to do things the VBM way
- VBM could enlist the help of local experts (recruitment or training professionals).

Accept other relevant arguments.

Evaluation

VBM have a plan for the redundancies, settlement and consultation and so this will make it easier to manage whereas the recruitment/training is looking like it will be rushed. Recruiting and training new staff brings a greater positivity to the role of HR than a series of mass redundancies – which may make the European aspect a greater challenge. However, time pressure is greatest in Vietnam which may tip the balance.

0	5	To what extent do you agree that VBM's biggest threat is changes in legislation?
		[20 marks]

Marks for this question: AO1 = 4, AO2 = 3, AO3 = 5, AO4 = 8

Level	The candidate will typically demonstrate:	Marks
5	An excellent response overall that is fully focused on the key demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question - demonstrates analysis throughout which is well developed, is applied effectively to the context and considers a balanced range of the issues in the question - makes judgments or provides solutions which are built effectively on analysis, show balance and have a clear focus on the question as a whole throughout.	17–20
4	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: - demonstrates a depth and range of knowledge and understanding of issues in the question - demonstrates analysis which is well developed and is applied effectively to the context and considers a range of issues in the question - makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole.	13–16
3	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: - 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 - demonstrates analysis which is developed, applied to the context and considers some of the issues in the question - makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole.	9–12
2	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: - demonstrates a limited range and depth of knowledge and understanding of issues in the question - demonstrates analysis with little development and with mainly descriptive application to the context and considers a limited number of issues in the question - makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole.	5–8

1	A weak response overall lacking focus on the demands of the question. Provides an answer to the question set that: • demonstrates isolated or imprecise knowledge and understanding • demonstrates undeveloped analysis with descriptive application to the context and lacking focus on the question • makes judgements or proposes solutions based on assertions.	1–4
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The demands of this question are:

- shows understanding of a threat (external change that may work against VBM's interests)
- analyses scale of changes in legislation as a threat to VBM
- analyses scale of another threat(s) to VBM
- offers a justified judgement on whether changes in legislation are the greatest threat facing VBM.

Indicative content:

Legislation could be the biggest threat because:

- changes to the law are damaging sales of its main product in key markets
- the changes to the law threaten to make its core competence irrelevant
- the changes are having an immediate impact on sales
- changes in legislation are unlikely to be reversed.

Legislation is not the biggest threat because other threats may be greater:

- environmental concerns have led to politicians passing this legislation
- consumers, certainly in Europe, are embracing the switch to electric vehicles – showing their environmental concern
- competitors' actions are a threat because they were faster off the mark with the development and launch of electric vehicles
- competitors will have significant advantages based on the experience curve principle
- other external issues, such as further technological change or global economic downturn may pose a significant threat
- legislation is being planned years in advance and this minimises the threat as it is visible.

Accept other relevant arguments.

Evaluation

Evaluation should be focused on the scale of the threat – there is room to debate whether the legislation is driving consumer behaviour or vice versa. The legislation is primarily focused on cities for now, once broader legislation covering countries is passed, this would be an even greater threat, VBM's internal response (slow to change) has certainly intensified the danger caused by changes in the industry. Could conclude that several issues are intertwined.

Responses that only consider legislation will only be focused on some demands of the question. Good or excellent responses will contrast the scale of legislation as a threat with another threat to VBM.

0	6	Effective capacity management involves ensuring a business has the right level of capacity in the right place to match demand. To what extent is effective capacity management always harder for large, multinational businesses than small businesses? [24 marks]
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Marks for this question: AO1 = 5, AO2 = 4, AO3 = 6, AO4 = 9

Level	The candidate will typically demonstrate	Marks
5	An excellent response overall that is fully focused on the key demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding that is precise and well selected in relation to issues in the question • demonstrates analysis throughout which is well developed, is applied effectively to the context and considers a balanced range of the issues in the question • 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.	21–24
4	A good response overall that focuses on many of the demands of the question. Provides an answer to the question set that: • demonstrates a depth and range of knowledge and understanding of issues in the question • demonstrates analysis which is well developed, applied effectively to the context and considers a range of issues in the question • makes judgements or provides solutions which are built on analysis, show balance and address the question as a whole.	16–20
3	A reasonable response overall that focuses on some of the demands of the question. Provides an answer to the question set that: • 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 • demonstrates analysis which is developed, applied to the context and considers some of the issues in the question • makes judgements or provides solutions which are built on analysis, but lack balance and are not fully focused on the question as a whole.	11–15

2	A limited response overall with little focus on the demands of the question. Provides an answer to the question set that: • demonstrates a limited range and depth of knowledge and understanding of issues in the question • demonstrates analysis with little development, mainly descriptive application to the context and considers a limited number of issues in the question • makes judgements or proposes solutions which have limited links to analysis or limited focus on the question as a whole.	6–10
1	A weak response overall lacking focus on the demands of the question. Provides an answer to the question set that: • demonstrates isolated or imprecise knowledge and understanding • demonstrates undeveloped analysis with descriptive application to the context and lacking focus on the question • makes judgements or proposes solutions based on assertions.	1–5

The demands of this question are:

- shows an understanding of the terms ‘capacity’ and ‘demand’
- analyses reasons why managing capacity may be hard for both large multinationals and for small businesses
- offers a justified judgement of whether managing capacity is harder for large multinationals or small businesses.

Indicative content:

Yes, harder for large multinationals because:

- greater capacity overall so more scope for unused capacity
- likely to be coping with larger absolute changes in demand
- may have wider range of facilities/products
- more decisions to be made and got right
- subject to more external changes
- smaller businesses are more likely to be nimble and adaptable perhaps due to flatter structures allowing customer feedback to reach decision-makers faster.

No, not harder for large multinationals because:

- scope to shift production to locations with spare capacity
- external changes in one country, eg recession may be cancelled out by growth in another
- multinationals are likely to have access to more resources enabling them to be flexible
- resources can be used to more accurately forecast demand and make changes to capacity in advance
- smaller businesses likely to face bigger proportionate changes in demand, external changes more likely to have large impact.

Accept other relevant arguments.

Evaluation

Though capacity management for multinationals may be more complex, managers may have more experience and certainly greater resources available to help them address the challenge.

Managing capacity successfully may depend on factors other than scale, such as cultural response to change and flexibility, effectiveness of forecasting and ability to effectively manage change. The type of product/service may also be important – digital products/platforms may be relatively easy to flex capacity to meet demand in other places relatively quickly, as may some transport/logistics businesses with assets that can travel may find it relatively easy to adapt in the medium term, eg airlines flying to new destinations.