



GCE A LEVEL MARKING SCHEME

SUMMER 2025

**A LEVEL
BUSINESS - COMPONENT 1
A510U10-1**

About this marking scheme

The purpose of this marking scheme is to provide teachers, learners, and other interested parties, with an understanding of the assessment criteria used to assess this specific assessment.

This marking scheme reflects the criteria by which this assessment was marked in a live series and was finalised following detailed discussion at an examiners' conference. A team of qualified examiners were trained specifically in the application of this marking scheme. The aim of the conference was to ensure that the marking scheme was interpreted and applied in the same way by all examiners. It may not be possible, or appropriate, to capture every variation that a candidate may present in their responses within this marking scheme. However, during the training conference, examiners were guided in using their professional judgement to credit alternative valid responses as instructed by the document, and through reviewing exemplar responses.

Without the benefit of participation in the examiners' conference, teachers, learners and other users, may have different views on certain matters of detail or interpretation. Therefore, it is strongly recommended that this marking scheme is used alongside other guidance, such as published exemplar materials or Guidance for Teaching. This marking scheme is final and will not be changed, unless in the event that a clear error is identified, as it reflects the criteria used to assess candidate responses during the live series.

GENERAL MARKING GUIDANCE

Positive Marking

It should be remembered that learners are writing under examination conditions and credit should be given for what the learner writes, rather than adopting the approach of penalising him/her for any omissions. It should be possible for a very good response to achieve full marks and a very poor one to achieve zero marks. Marks should not be deducted for a less than perfect answer if it satisfies the criteria of the mark scheme, nor should marks be added as a consolation where they are not merited.

For each question there is a list of indicative content which suggest the range of business concepts, theory, issues and arguments which might be included in learners' answers. This is not intended to be exhaustive and learners do not have to include all the indicative content to reach the highest level of the mark scheme.

The level-based mark schemes sub-divide the total mark to allocate to individual assessment objectives. These are shown in bands in the mark scheme. For each assessment objective a descriptor will indicate the different skills and qualities at the appropriate level. Learner's responses to questions are assessed against the relevant individual assessment objectives and they may achieve different bands within a single question. A mark will be awarded for each assessment objective targeted in the question and then totalled to give an overall mark for the question.

EDUQAS A LEVEL BUSINESS

COMPONENT 1 – BUSINESS OPPORTUNITIES AND FUNCTIONS

SUMMER 2025 MARK SCHEME

Q.		Total		
1 (a)	Define the term market research. AO1: 2 marks Award 1 mark for a limited definition of market research. Award 2 marks for a good definition of market research. Market research is the collection, collation and analysis of data / information (1) relating to the marketing and consumption of goods and services (1). Market research is collecting data / information (1) about customers and / or competition (1). Award a maximum of 1 mark for reference to primary or secondary market research. Credit any other valid definition.	2		
1 (b) Evaluate the importance of a business plan to the success of Cutting Edge. [10]				
Band	AO1	AO2	AO3	AO4
	2 marks	2 marks	3 marks	3 marks
3			3 marks Excellent analysis shown of the importance of business plans to success. Analysis considers both sides of the argument. Lines of reasoning are clear.	3 marks A well-balanced and detailed evaluation of the importance of business plans to success. Clear judgements are made with supporting statements to build the argument. Qualifying statements may be made.
2	2 marks Good understanding shown of business plans. Clear identification of key features of business planning are identified.	2 marks Good application to Cutting Edge. Clear reference made to the case study to support arguments.	2 marks Good analysis shown of the importance of business plans to success. Analysis may be one-sided.	2 marks Evaluation is good. Evaluation may be one-sided but well-developed.

1	1 mark Limited understanding shown of business plans. The candidate identifies a relevant feature of business planning.	1 mark Limited application to Cutting Edge. Reference to the case study is limited.	1 mark Limited analysis shown of the importance of business plans to success. Analysis is one-sided. Underdeveloped points are made.	1 mark Limited evaluation. Evaluation is limited and likely to be one-sided. Evaluation tends to be asserted rather than explained.
0	0 marks No valid knowledge.	0 marks No valid application.	0 marks No valid analysis.	0 marks No valid evaluation.

Indicative content:

- A business plan makes clear the objectives of a business and how the business intends to achieve these objectives. A business plan can help a business to secure finance. The owners of a business can use a business plan to check progress against their objectives and can act as a guide to help to make decisions.

Importance of business plans:

- A well-constructed plan will encourage Jamie to examine all aspects of the business, which could improve decision making and reduce risk of failure.
- Sets out objectives and strategy; a plan of how a business will develop over a period of time, including growth targets and how services can be developed.
- The bank requires the business plan and will expect to judge creditworthiness. Jamie needs money to start the business.
- May encourage potential investors to invest money if the bank declines the loan. Without one, raising finance is less likely.
- By planning, problems could be highlighted and they can be dealt with in advance.

Other factors influencing success:

- External influences can impact success, both positively or negatively.
- Jamie already has experience, a possible loyal customer base, a qualification and competition credentials.
- Jamie's skills in meeting his clients' needs will be crucial in the success of Cutting Edge. His experience and receiving mentorship could help with this.
- Marketing effort on Instagram and TikTok.

Possible themes of evaluation

- Is the business plan based on fully-researched and up to date information?
- How will success be measured?
- The plan might not be realistic and may lack detail.
- Has Jamie taken the planning process seriously and will he use the plan?
- A business plan might be useful, but it cannot by itself guarantee success.
- Businesses can achieve success without a business plan.
- Likely to be greater chance of success with a well-constructed business plan but it does not guarantee success.
- Constructing an effective plan will make success more likely, but nothing is guaranteed. Risk of failure may be minimised.

Credit any valid point.

Q.		Total
2 (a)	Calculate Carly's annual profit for 2024. (Show your workings.) AO1: 1 mark AO2: 3 marks Award 1 mark for correct formula. Award 1 mark for correct workings for total revenue Award 1 mark for correct workings for variable costs Award 1 mark for correct answer. Profit = Total Revenue – Total Costs (1) Total Revenue = $60 \times £29.79 \times 12 = £21\,448.80$ (1) Total Variable Costs = $(£2.28 + £1.51 + £11.75 + £2.75) \times 60 \times 12 = £13\,168.80$ (1) Profit = $£21\,448.80 - £13\,168.80 = £8\,280$ (1) Alternatively: Profit = Total Contribution – Fixed Costs (1) Contribution = $£29.79 - £18.29$ ($£2.28 + £1.51 + £11.75 + £2.75$) = $£11.50$ (1) Total Contribution = $£11.50 \times 60 \times 12$ (2) = $£8\,280$ (1) OFR applies. Award 3 marks for correct answer without £ sign. Award 4 marks for correct answer without workings.	4
2 (b)	Calculate and comment on the change in average profit per exploding chocolate box between 2023 and 2024. (Show your workings.) AO2: 3 marks Award 1 mark for correct calculation of average profit for both years. Award 1 mark for calculating the difference in average profit. Award 1 mark for interpreting the difference in average profit. Average profit in 2024: $£8\,280 / (60 \times 12) = £11.50$ Average profit in 2023: $£7350 / 600 = £12.25$ (1) Difference in average profit is $£0.75$ (1) or 6.12% (1) The average profit has worsened / decreased / lowered / fallen (1) OFR applies.	3

Q.		Total
3	Describe two reasons why consumers sometimes need protection from exploitation from businesses. AO1: 4 marks Award 1 mark for each identified reason why consumers sometimes need protection from exploitation from businesses. (Max. 2 marks) Award 1 mark for each development of why consumers sometimes need protection from exploitation from businesses. (Max. 2 marks) Indicative content: • Some businesses carry out misleading or aggressive practices that are unfair to consumers e.g. – falsely stating that a product will only be available for a limited time. • Customers need protection from fraud, especially with buying goods from the internet. • Not all goods and services are of satisfactory quality (fit to be sold), fit for purpose for which they were bought. • When sold by description, goods and services do not always match that description – counterfeit goods may be sold to consumers. • Businesses must follow the law for accurate product labelling so that customers can make informed choices. • Damage can be caused to consumers by defective products. • Credit agreements can be misleading and exploit consumers. • Unfit food is often sold and can cause illness or even death. • Goods can be sold at incorrect weights or measurements. • Online buying can be misleading – cooling off periods are allowed so that consumers can cancel contracts. • Increasing technology means more and more complex products coming onto the market and consumers do not have the knowledge to assess the quality of the technology. • The Internet is still largely unregulated, and consumers need protection in areas such as payment-related fraud, non-delivery of goods and unauthorised use of their details. • Prices – prevent pricing for essential goods / services from being increased more than what is reasonable/exploitative pricing (e.g. the use of the energy price cap or pricing for medicines). Credit any other valid point.	4

Q4. Evaluate the view that the private sector has a more important role in the provision of goods and services than the public sector. [8]			
Band	AO1	AO3	AO4
	2 marks	3 marks	3 marks
3		3 marks Excellent analysis of the role of the public sector and private sector in the provision of goods and services. Analysis considers both sides of the argument. Lines of reasoning are clear.	3 marks A well-balanced and well-detailed evaluation of the view that the private sector is more important than the public sector. Clear judgements are made with supporting statements to build the argument. Qualifying statements may be made.
2	2 marks Good knowledge of the public sector and private sector. Clear identification of key features of both sectors of the economy.	2 marks Good analysis of the role of the public sector and private sector in the provision of goods and services. Analysis may be one-sided.	2 marks A good evaluation of the view that the private sector is more important than the public sector. Evaluation may be one-sided but well-developed.
1	1 mark Limited knowledge of the public sector or private sector. The candidate makes superficial points.	1 mark Limited analysis of the role of the public sector and private sector in the provision of goods and services. Analysis is one-sided. Underdeveloped points are made.	1 mark A limited evaluation of the view that the private sector is more important than the public sector. Evaluation is limited and likely to be one-sided. Evaluation tends to be asserted rather than explained.
0	0 marks No valid knowledge.	0 marks No valid analysis.	0 marks No valid evaluation.

Indicative content:

Role and importance of the public sector:

- The public sector is that part of the economy that is controlled and financed by the government.
- Public sector provides universal service to all UK households wherever they live, which are non-excludable and non-rivalrous.
- Help to fund new businesses which boost the economy.
- Provision of merit and public goods – goods and services that are under-provided by the private sector because of no profit incentive/not cost effective.

- Public sector organisations provide employment for many people. These people pay tax and contribute to the economy.
- Government provides public goods that would otherwise not be provided or be underprovided e.g. street lighting, police and armed forces. The public feel safer and more secure with these services.
- Those who cannot afford private healthcare or education will benefit directly from the provision of publicly provided healthcare and education.
- Society will benefit due to there being a better educated workforce and fitter population.
- The government will provide more infrastructure and not be profit oriented.
- But it would be costly for members of the population to fund a bigger public sector.
- The public sector does not face competition and therefore is likely to be more inefficient.
- There might be resentment from some who do not have children or who are healthy providing for schools and colleges and healthcare.

Role and importance of the private sector:

- Private sector organisations are run and owned by private individuals.
- Private sector organisations include sole traders, partnerships, companies, charities, social enterprises, and societies.
- Aims and objectives of the private sector might include survival, increasing market share, profit maximisation, growth, maximisation of sales revenues, increasing share value.
- Most individuals who own private sector businesses do it for financial gain.
- Some services provided by the public sector are also provided by the private sector (health and education).
- Profit incentive helps to drive down prices and gives consumers more choice and competition is encouraged.
- Most new and innovative products are brought about by private sector organisations.
- Increasing number of councils employ private sector businesses to carry out, for example, refuse collection, pest control, street cleaning and beach maintenance.
- Some public sector organisations have been successfully privatised.
- Schools and NHS run more like private businesses now.
- Provide tax for government spending on public services.
- Encourage investment in the UK from abroad.

Possible themes for evaluation:

- Candidates might credibly recognise that both the public sector and private sector have important roles in providing goods and services. This includes providing employment that provides income for people to pay for goods and services.
- Candidates might agree or disagree with the view, to varying extents.
- Candidates may evaluate that the private sector funds the public sector through taxation of profit, VAT and through income tax paid to employees.
- Both private and public sector organisations aim to provide goods and services and therefore both are important to some degree.
- Provision of merit goods by the public sector helps raise society's standard of living, as do goods and services provided by private sector.
- Candidates may explore the weighting of different goods and services in terms of their importance to people in society.

Credit any valid point.

Q.		Total
5 (a)	Identify the parts of the product life cycle labelled: Award 1 mark for each correct identification (i) Growth [1] (ii) Time [1]	2
5 (b)	Describe why cash flow is negative in the introduction stage of the product life cycle. AO1: 2 marks Award 1 mark for limited understanding of why cash flow is negative in the introduction stage of the product life cycle. Award 2 marks for good understanding of why cash flow is negative in the introduction stage of the product life cycle. Indicative content: • Cash flow is negative in the introduction stage because sales are low (1) and costs are high (1). • During the development stage cash flow is negative because development costs are being incurred before any revenue is achieved (1) which continues into the introduction stage as costs are still being incurred while sales are relatively low (1). • Once the product is introduced cash flow starts to increase although there may still be costs associated with the launch of the product (1) that still need to be covered by sales revenue that is being achieved in the introduction stage (1). Credit any valid point.	2

5 (c) Evaluate the impact on Mattel of using a range of promotional strategies when launching its new products. [8]			
Band	AO2	AO3	AO4
	2 marks	3 marks	3 marks
3		3 marks Excellent analysis of a varied promotional strategy. Analysis considers both sides of the argument. Lines of reasoning are clear.	3 marks A well-balanced and well-detailed evaluation of a varied promotional strategy. Clear judgements are made with supporting statements to build the argument. Qualifying statements may be made.
2	2 marks Good application of the use of a varied promotional strategy to Mattel. Information from the case is used well to support arguments.	2 marks Good analysis of a varied promotional strategy. Analysis may be one-sided.	2 marks A good evaluation of a varied promotional strategy. Evaluation may be one-sided but well-developed.
1	1 mark Limited application of the use of a varied promotional strategy to Mattel. Limited use of the case.	1 mark Limited analysis of a varied promotional strategy. Analysis is one-sided. Underdeveloped points are made.	1 mark A limited evaluation of a varied promotional strategy. Evaluation is limited and likely to be one-sided. Evaluation tends to be asserted rather than explained.
0	0 marks No valid application.	0 marks No valid analysis.	0 marks No valid evaluation.

Indicative content:

- New products will be promoted in a variety of ways, which increases awareness and potentially increases sales.
- New products could be advertised together, and the same advertisement could be used in different countries, which could result in marketing economies of scale.
- Using a range of promotional methods could increase brand identity and help Mattel remain competitive.
- By using different print and digital media, Mattel can attract more of its target market, which may include both adults and children.
- Reduced risk of failure of new products through a range of promotion.

- Using above-the-line promotion can result in extensive reach of customers and below-the-line methods of advertising can result in more sales being achieved at potentially lower cost.
- Informative and persuasive advertising can be achieved through using a combination of promotional methods.
- A range of promotion is likely to be expensive, especially as new products are launched frequently and a range of methods are used.
- It takes time to plan and execute a range of promotional methods.
- Given that Mattel sell to over 150 countries, planning and organising promotional methods across different countries could be complex and cultural sensitivities, language barriers and access to media will need to be considered.

Possible themes for evaluation:

- Using a varied promotional strategy is most likely to be beneficial for Mattel since they are established and have high brand value. It is more likely that the increased awareness will result in higher sales.
- Although varied promotional strategies inevitably are more expensive than using fewer strategies, the benefits in extra sales are mostly likely outweighed by the cost of the promotional strategies.
- In a competitive market, varied promotional strategies help to distinguish a brand and its products and make it stand out compared to Hasbro and LEGO.
- Any decision to retain or alter the promotional methods used can depend on factors such as the budget available, changes in the target market and competitor actions.

Credit any valid point.

Q.		Total																								
6 (a)	Using relevant data from Table 2, calculate the gross profit for EasyFit PLC for 2024. AO1: 1 mark AO2: 2 marks Award 1 mark for correct formula Gross profit = Sales revenue – cost of sales Award 1 mark for calculating total cost of sales. Award 1 mark for calculating gross profit. <table> <tr> <td></td><td>£</td><td>£</td></tr> <tr> <td>Sales revenue</td><td></td><td>26 750</td></tr> <tr> <td>Cost of Sales</td><td></td><td></td></tr> <tr> <td>Opening Stock</td><td>1470</td><td></td></tr> <tr> <td>Purchases</td><td>14 500</td><td></td></tr> <tr> <td>Less Closing Stock</td><td>1520</td><td></td></tr> <tr> <td></td><td></td><td><u>14 450</u> (1)</td></tr> <tr> <td>Gross Profit</td><td></td><td>12 300 (1)</td></tr> </table> Award 3 marks if just correct gross profit is given. Award 2 marks if correct gross profit is calculated without a £ sign. OFR applies.		£	£	Sales revenue		26 750	Cost of Sales			Opening Stock	1470		Purchases	14 500		Less Closing Stock	1520				<u>14 450</u> (1)	Gross Profit		12 300 (1)	3
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Less Closing Stock	1520																									
		<u>14 450</u> (1)																								
Gross Profit		12 300 (1)																								

Q6 (b) Other than sale of assets and leasing, assess two appropriate sources of finance for EasyFit PLC's expansion plan. [8]				
Band	AO1	AO2	AO3	AO4
	2 marks	2 marks	2 marks	2 marks
2	2 marks Good understanding of appropriate sources of finance. Relevant points are made.	2 marks Good application of appropriate sources of finance to EasyFit PLC. Information from the case study is used in context.	2 marks Good analysis of appropriate sources of finance to EasyFit PLC. Analysis of two sources of finance. Logical chains of reasoning are evident.	2 marks Well-reasoned and balanced judgement is made on how the expansion plan should be financed. Clear judgement is made with supporting statements.

1	1 mark Limited understanding of appropriate source(s) of finance. Superficial points are made.	1 mark Limited application of appropriate sources of finance to EasyFit PLC. Reference to the case study is limited.	1 mark Limited analysis of appropriate sources of finance to EasyFit PLC. Underdeveloped points are made.	1 mark Evaluation is limited. Judgement is made but is not supported. Evaluation is asserted rather than explained.
0	0 marks No valid understanding.	0 marks No valid application.	0 marks No valid analysis.	0 marks No valid evaluation.

Indicative content:

- A range of internal and external sources of finance would be appropriate, including retained profit, share capital, hire purchase, debt factoring, bank loan and venture capital.
- Inappropriate sources of finance would be leasing, owners' capital, partners' capital, sale of assets, trade credit (short term). Overdraft may be inappropriate, but candidates may combine this with another source of finance. Government grants may also be inappropriate unless the candidate suggests a valid line of reasoning.
- Retained profits. This would avoid any interest charges that are likely to result from bank loan. However, this could deplete reserves and could affect liquidity. EasyFit PLC achieved net profit of £1 800 000, which could be used, depending on if it is available and there could be retained profit from previous years.
- Hire purchase, since this would avoid a large capital outlay and is not likely to affect short-term liquidity. EasyFit PLC would own the assets at the end of the hire purchase term, but the purchase cost could be inflated to consider the payment term.
- Bank loan. Although interest would have to be paid on the loan, it is likely to be fixed for the duration of the loan, which would help with budgeting. Banks might want security / collateral for the loan, which the directors might struggle with, so might have to provide personal guarantees. Banks might be willing to lend to the business because they have made a profit each year. Depends on interest rates, current loans and ability to gain the loan. EasyFit PLC is an established business with a good reputation.
- Share Capital. There could be dilution of ownership for existing shareholders. Dividends may be expected by shareholders, but do not need to be paid. No interest payments. New and existing shareholders may buy the shares given the company is profitable and they have a good reputation, and the money is for expansion.
- Venture capital. Can offer advice and expertise but will require some equity in return and a degree of control may be given up. Large sums of money can be available.

Credit any valid point.

Q7	Flexible working will always benefit employers more than employees. Discuss this statement. [10]		
Band	AO1	AO3	AO4
	4 marks	3 marks	3 marks
3	3-4 marks Excellent knowledge and understanding of flexible working. Consistent use of flexible working key terms.	3 marks Excellent analysis of flexible working on both employers and employees. The analysis is balanced and detailed.	3 marks Excellent evaluation of flexible working on both employers and employees. Well-reasoned and balanced evaluation. Lines of evaluation are well-developed and informed judgements are made. Qualifying statements might be used.
2	2 marks Good knowledge and understanding of flexible working.	2 marks Good analysis of flexible working on both employers or employees. Clear lines of reasoning.	2 marks Good evaluation of flexible working on both employers and employees. Reasonably well-balanced evaluation with some development on both sides of the argument. Judgments made with some attempt to support the answer.
1	1 mark Limited knowledge and understanding of flexible working.	1 mark Limited analysis of flexible working on employers or employees. Analysis is one-sided or superficial.	1 mark Limited evaluation of flexible working on both employers and employees. Evaluation is one-sided. Judgements are superficial and unsupported.
0	0 marks No valid knowledge.	0 marks No valid analysis.	0 marks No valid evaluation.

Indicative content:

- Flexible working means that there is some flexibility as to when and where employees work, including flexible hours, home working, part time, temporary, job sharing, multi-skilling, zero hours contracts and hot-desking.

Employers:

- May reduce labour turnover and absenteeism if employees can work flexibly around other activities. This can lead to experienced and loyal staff.
- The employer may benefit from reduced costs in relation to office space by allowing employees to work from home. However, communication may not be as effective as before and supervision of staff who are underperforming may be problematic.

- Part time and temporary employees can be used to cover peak periods, which reduces the need for full time employees all year round, resulting in reduced costs. Zero hour contracts can offer employers even more flexibility in giving employees hours and therefore pay.
- Job sharing can retain the skills and experiences of two members of staff, who may be able to share the workload. May cause communication problems if those who job share do not communicate effectively with each other. It is a way of retaining skills of staff who do not want to leave.
- Multi-skilling can help to reduce the overall number of staff needed in a business by ensuring employees can conduct more than one job and reduce idle time.
- There might be increased costs to employers in terms of administering flexible working arrangements, handling employee results, setting up employees from home and monitoring work of staff that work from home.
- Employers might also be criticised for zero hour contracts.

Employees:

- Flexible working will benefit employees because it gives them a say in when they work and, in some cases, where they work. It means that they can achieve a better work-life balance.
- Home working means employees can be more productive at home by cutting out travel time and the stresses associated with commuting. Allow employees to work in a quiet environment often carrying out e-working tasks. Employees may be positively impacted by this as it may fit better with family commitments and save them money in relation to transport and childcare costs. However, for some it may lead to a feeling of isolation and damage their productivity and motivation.
- Part time work might allow employees to pursue other interests with their life.
- Temporary work might provide employees with an income at the times of year when they need it or are available, such as students, which gives them skills for later, more secure employment.
- Employees are likely to be happier and more motivated if they have some say over their hours and place of work. It is likely to lead to better industrial relations.
- Multi-skilling may be motivating for some employees.
- It might be more difficult to work at home because there are distractions, and they may miss the social aspect of working with others (Maslow's social needs).
- Zero hours contracts might not allow employees to earn a regular or secure income.

Credit any valid point.

Q.		Total
8 (a)	Define the term quality chain. AO1: 2 marks Award 1 mark for a limited definition of quality chain. Award 2 marks for a good definition of quality chain. Indicative content: Employees in the production process treat the receiver of their work (1) as a customer (internal customer) (1). The use of cross-functional teams in total quality management (1) where a 'right first time' approach is adopted to ensure quality (1). Encouraging employees / work groups to think that the work they do for fellow employees (1) is for the end customer (1). Credit any valid point.	2
8 (b)	Outline two reasons why Kimberly-Clark uses flow production. AO1: 2 marks AO2: 2 marks Award 1 mark for each stated reason of flow production. Award 1 mark for each stated reason of flow production applied to Kimberly-Clark. Indicative content: • Lower unit costs because of technical economies of scale, leading to lower prices of its products such as Andrex for its customers. • Identical products are made allowing for consistency of quality and uniformity so customers know each time they buy Huggies that they have the same expectations. • Production levels are high and constant to meet demand levels, such as the high demand for Kleenex tissues. • Allows for continuous production (can speed up production). • Fewer employees are needed leading to lower costs. Without flow production they might need higher more than the 45 000 employees. Labour can specialise on simple tasks, which can cut training costs of the 45 000 employees. Credit any valid point.	4

Q 8 (c)	Evaluate the impact of introducing lean production on the stakeholders of Kimberly-Clark. [10]			
Band	AO1	AO2	AO3	AO4
	2 marks	2 marks	3 marks	3 marks
3			3 marks Excellent analysis of the impact of lean production on different stakeholders. Analysis is balanced and includes positive and negative impacts on different stakeholders. Clear lines of analysis.	3 marks Excellent evaluation of the impact of lean production on different stakeholders. Evaluation is well-balanced and detailed. Clear judgement made. Qualifying statements may be used.
2	2 marks Good understanding shown of lean production. Examples of lean production techniques are identified.	2 marks Good application of lean production to Kimberly-Clark. Information from the case study is used in context.	2 marks Good analysis of the impact of lean production on different stakeholders. Analysis may be unbalanced.	2 marks Good evaluation of the impact of lean production on different stakeholders. Reasoned judgement with an attempt to use supporting statements. Evaluation is reasonably well-balanced and with some development on both sides of the argument.
1	1 mark Limited understanding shown of lean production. Superficial knowledge of lean production.	1 mark Limited application of lean production to Kimberly-Clark. Reference to the case study is limited.	1 mark Limited analysis of the impact of lean production on different stakeholders. Underdeveloped points are made. Analysis is one-sided.	1 mark Limited evaluation of the impact of lean production on different stakeholders. Judgements are superficial and may be unsupported. Evaluation is likely to be one-sided.
0	0 marks No valid understanding.	0 marks No valid application.	0 marks No valid analysis.	0 marks No valid evaluation.

Indicative content:

- Lean production aims to remove all elements of waste from the production process and as a result increases productivity and reduces costs. It uses a range of techniques to reduce costs, cut waste and improve productivity and quality.
- Lean production aims to reduce the quantity of resources such as materials, stock, labour, and time used in production.
- Lean production techniques include kaizen (continuous improvement), just-in-time, cell production and time-based management.

Impact of lean production on stakeholders:

- Shareholders – may benefit from increased dividends if lean production results in lower costs and higher profits. But there might be higher costs in the short term.
- Managers – may benefit by being able to meet targets more easily, such as productivity, wastage, and meeting production deadlines. However, there might be increased pressure on managers to strive to continuously improve.
- Employees – cell production and kaizen groups allow employees to work together to achieve targets. By working together, employees may be more motivated and satisfied with their work. Employee workload may increase and there may be more pressure to meet targets.
- Suppliers – just-in-time requires good relationships with suppliers and there may be more orders in the long term for suppliers. However, there may be additional flexibility required by suppliers and pressure to meet changing requirements. Suppliers that cannot meet expectations may lose contracts.
- Customers – may benefit from lower prices as the philosophy of lean production is on reducing inputs and maximising outputs. Customers may also benefit from higher quality products.
- Local community / society – may benefit from reduced waste as resources are used more efficiently. Less pollution is likely to result. But if there are less employment opportunities if fewer people are needed for employment, it will be detrimental to the local economy.
- Government – may benefit from increased tax from increased profits.
- Pressure groups.

Possible themes for evaluation:

- The impact of lean production depends on which stakeholders are considered. There are many positive impacts of lean production to a range of stakeholders, but there can also be negative impacts.
- Much depends on the ability to manage and realize the financial and quality benefits of lean production.
- There are short term costs of lean production which then might bring longer term benefits to a range of stakeholders.
- Candidates may consider how many lean production methods are introduced and the extent to which more of these might bring about different impacts to stakeholders.
- Candidates may evaluate that some stakeholders are impacted more than others and justify this line of evaluation.

Credit any other valid point.