



GCE A LEVEL MARKING SCHEME

SUMMER 2025

**A LEVEL
BUSINESS - COMPONENT 2
A510U20-1**

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.

GCE A LEVEL BUSINESS – COMPONENT 2

SUMMER 2025 MARK SCHEME

Q1	Total
Define the terms aims and objectives and explain their relationship. AO1 – 2 marks AO3 – 1 mark Award 1 mark for knowledge of business aims. Award 1 mark for knowledge of business objectives. Award 1 mark for analysing the link between aims and objectives. Indicative content: Business aims are broad statements of intent [1] to be achieved over the medium-long term [1] and tend to be quite generic. [1] Aims are there to work towards the mission statement. [1] Business objectives are usually set on a short-medium term timescale [1] and are likely to be SMART. [1] The main relationship is that business objectives are usually set to work towards achieving the aim. Credit any other valid response.	3

Q2 (a)		Total
	Describe the term working capital. AO1 – 2 marks Award 1 mark for a limited understanding of working capital. Award 2 marks for a good understanding of working capital. Indicative content: Working capital is the money needed in the business to pay for day-to-day expenses. [1] A short-term measure of the liquidity position of a business. [1] It is calculated by current assets – current liabilities. [1] Credit any other valid response.	2
Q2 (b)		Total
	Calculate working capital for The Everything Shop Ltd. AO2 – 1 mark Award 1 mark for correct answer $328 - 262 = \text{£}66\text{m}$ or 66	1
Q2 (c)		Total
	Calculate net assets for The Everything Shop Ltd. AO2 – 1 mark Award 1 mark for correct answer Total Assets – Total Liabilities $542 + 328 - 262 - 192 = \text{£}416\text{m}$ or 416	1

Q2 (d)	Evaluate The Everything Shop Ltd's working capital. [6]		
Band	AO2	AO3	AO4
	2 marks	2 marks	2 marks
2	2 marks	2 marks	2 marks
	Good application to the data and the context is shown. The numerical data and the qualitative data is used and is clear and direct.	Good analysis of the level of working capital. The analysis will attempt to develop chains of reasoning and may be uneven with some well-developed points and others that are more limited in their development.	Good evaluation of the level of working capital is made. Judgements are likely to be made in context to The Everything Shop Ltd. It is likely there will be a brief overall conclusion.
1	1 mark	1 mark	1 mark
	Limited application to the context and/or the data.	Limited analysis of the level of working capital. The analysis is likely to be brief and undeveloped.	Limited evaluation of the level of working capital is given. Judgements are likely to be superficial and unsupported.
0	0 marks	0 marks	0 marks
	No application is shown.	No analysis is shown.	No evaluation is shown.

Indicative content:

On initial judgement it would appear that this is good level of working capital as it is a positive figure of £66m (OFR), and therefore the business is likely to be able to cover its short-term liabilities and be able to pay its day-to-day expenses, including wages and buying more stock, which this business does lots of. This could lead to good relationships with supplier, and maintaining satisfied employees.

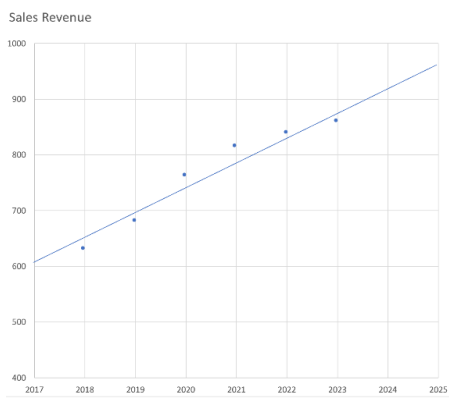
Accept analysis on the benefits of positive working capital to meet short term requirements or the negatives if it is unable to.

However, the text states that the business sells on credit so it is likely that they will have a high trade receivables figure. Whilst it is not known what percentage of the current assets trade receivables are, if this is a high amount and the debtors do not pay, the working capital and liquidity position could be made much worse.

As the company stores a lot of stock in warehouses however, it could be assumed that the Current Assets figure is made up primarily of stock. The business would need to be careful of this as stock is a relatively illiquid asset and hard to turn into cash quickly.

Overall, whilst it appears positive on first glance, more information would be needed to make a better judgement. For a business who will need large sums of cash to buy stock regularly, sufficient working capital is essential.

Credit any other valid response.

Q3 (a)		Total
	Outline what is meant by the Delphi method. AO1 – 2 marks Award 1 mark for limited understanding. Award 2 marks for good understanding. Indicative content: The Delphi method is a forecasting technique that requires the viewpoints of a panel of experts. [1] The experts will repeatedly fill in a questionnaire until a consensus is reached. [1] Experts will independently rate and prioritise ideas. [1] Credit any other valid response.	2
Q3 (b)		Total
	Complete the table by calculating the three-point moving average for 2020. AO2 – 1 mark Award 1 mark for correct answer 2020: $(696+742+824)/3 = 754$	1
Q3 (c)		Total
	Plot the three point moving averages on the graph provided and draw a line of best fit. Award 1 mark for correctly plotting all the moving averages. Award 1 mark for drawing a line of best fit through the points. 	2
Q3 (d)		Total
	Use the line of best fit to predict the sales revenue for 2025. Award 1 mark for a prediction for 2025 using the line of best fit drawn.	1

Q3 (e)	Evaluate the use of quantitative forecasting techniques to Lightable Logs Ltd. [8]			
Band	AO1	AO2	AO3	AO4
	2 marks	2 marks	2 marks	2 marks
2	2 marks Good knowledge is shown of quantitative sales forecasting techniques. It is likely that specialist terminology will be used.	2 marks Good application to the data and the context of Lightable Logs Ltd is shown. The data is used throughout the response and is clear and direct.	2 marks Good analysis of one advantage and one disadvantage of quantitative sales forecasting techniques. The analysis will attempt to develop chains of reasoning and may be uneven with some well-developed points and others that are more limited in their development.	2 marks Good evaluation is shown of the use of quantitative forecasting techniques to Lightable Logs Ltd. Context is given to support judgements made. It is likely there will be a brief overall conclusion.
1	1 mark Limited knowledge is shown of quantitative forecasting technique(s). Generic terminology may be used or reference to key features of quantitative forecasting.	1 mark Limited application to the context and/or the data. The response is mainly theoretical with limited reference made to the context and/or data.	1 mark Limited analysis of one advantage and/or one disadvantage of quantitative sales forecasting techniques. The analysis is likely to be brief and undeveloped.	1 mark Limited evaluation of the usefulness of quantitative forecasting techniques is shown. Judgements are likely to be superficial and unsupported.
0	0 marks No knowledge is shown.	0 marks No application is shown.	0 marks No analysis is shown.	0 marks No evaluation is shown.

Indicative content

Quantitative sales forecasting techniques include correlation, time-series analysis, customer intentions market research and extrapolation using a line of best fit.

Advantages may include:

- The obvious increasing trend can be quickly and cheaply seen. Quantitative methods on the most part use existing data and so are quick to make predictions from in comparison to qualitative methods.
- Quantitative methods are based on actual data and so are likely to carry a higher level of accuracy because of this. In this case, the trend is steadily increasing and so it could be a safe assumption that this will continue further.

Disadvantages may include:

- What happened in the past might not actually be a good indication of what may happen in the future. Quantitative methods do not take into consideration external factors. For example, the text mentions the rising cost of living – quantitative methods would not take this into account when making future predictions.
- Less useful for long term forecasts. As this is only a prediction for 2025, it is not looking too far into the future. But much beyond this the accuracy of basing predictions on past data will fall.

Possible themes for evaluation:

- In this situation there is a fair amount of historical data, with a relatively steady increasing trend and so quantitative forecasting methods are likely to be reliable enough to make this prediction.
- As it is a supplier of wood which is a non-perishable good, it may be argued that it would be better to over forecast anyway as it can always be stored for future seasons.
- Even though qualitative methods take into account external events, it is likely that this is a stable market as even when the cost of living falls again, customers are likely to stick with heating their homes with wood if they already have a wood burner installed.

Would depend on the amount of time and finances available to complete the sales forecasting as to which is the best option.

Q4 (a)	Apart from market share, explain two non-financial measures that Aldi may use to evaluate its performance.		
Band	AO1	AO2	AO3
	2 marks	2 marks	2 marks
2	2 marks Good understanding is shown of two non-financial measures of performance.	2 marks Good application to the data and the context is shown. The data is used throughout the response and is clear and direct.	2 marks Good explanation of how Aldi may use two non-financial measures to evaluate its performance. The explanation will attempt to develop chains of reasoning and may be uneven with some well-developed points and others that are more limited in their development.
1	1 mark Limited understanding is shown of one or two non-financial measures of performance. Understanding is superficial.	1 mark Limited application to the context and/or the data. The response is mainly theoretical with limited reference made to the context and/or the data.	1 mark Limited explanation of how Aldi may use non-financial measures of performance to evaluate its performance. The points made are likely to be brief and undeveloped.
0	0 marks No knowledge / understanding is shown.	0 marks No application to Aldi is shown.	0 marks No explanation is shown.

Indicative content:

- **Customer attitude surveys / customer satisfaction** – measures the degree to which customer expectations are met or exceeded e.g. in terms of price and product/service quality. Methods of measuring customer satisfaction or customer attitude is to consider the level of repeat purchases, amount of customer complaints, percentage of products returned and by gathering feedback by questionnaires and focus groups. In a competitive industry with lots of alternatives, Aldi need to ensure they measure customer satisfaction as it could lead to loyalty and therefore higher market share. However, it could be argued that customers will keep coming back because of the low prices so may be less important to them than other supermarkets who have less of a USP.
- **Employee attitude surveys** – (including labour turnover, morale, retention) are used to find out about the views of workers in regard to their roles in the business and overall business performance. The overall objective of the survey is to discover the needs of the business from the point of view of employees. Aldi have over 35 000 UK employees and so this would provide a lot of data to assess the performance in a relatively labour intensive industry known for low skilled workers and fairly high labour turnover.
- **Productivity** – Aldi is well known for its low cost approach that enables it to keep prices down by keeping overheads down. It is likely that labour productivity is quite high – demonstrated through how efficiently it runs the checkout system. Employees working fast on the checkout and opening and closing them regularly based on demand are both likely to lead to high labour productivity. This is a good measure of performance as it helps it achieve its cost based strategy, as well as increasing profit margins and potentially improving employee motivation.
- **Environmental impact** – businesses are becoming more aware of the impact they have on the environment and try to minimise this impact. This could be done in many ways, for example; through recycling materials, investing in environmental projects, using sustainable supplies and considering ways to help with climate change. The case mentions that Aldi have been carbon neutral since 2019, which implies they follow many environmentally driven initiatives. Not only is this a good way to measure performance on key data such as level of recycling and emissions, it is likely to also be seen through customer and shareholder satisfaction – and could be linked to their award for highest positive brand recognition.

Credit any other valid point, including quality and sales targets

Q4 (b) Using Porter's Five Forces framework, evaluate the position of Aldi in the UK grocery market. [12]				
Band	AO1	AO2	AO3	AO4
	2 marks	2 marks	4 marks	4 marks
3			4 marks Excellent analysis of the position of Aldi in the grocery market is shown. Analysis is consistently well developed, with logical chains of reasoning shown.	4 marks Excellent evaluation of the position of Aldi in the UK grocery market. Clear reference to the context is given to support the judgement. Relevant balanced judgements are made with qualifying statements used to build an argument. It is extremely likely that there will be an overall conclusion.
2	2 marks Good knowledge of Porter's Five Forces framework is shown. Some reference is made to all 5 forces.	2 marks Good application to the context. There is direct and clear reference made to the context of Aldi.	2-3 marks Good analysis of the position of Aldi in the grocery market is shown. Analysis is developed, with some logical chains of reasoning shown.	2-3 marks Good evaluation of the position of Aldi in the grocery market. The candidate makes balanced judgements with some attempt to support their evaluation. There is likely to be some reference to the context to support their judgement for top marks in this band.
1	1 mark Limited knowledge of Porter's Five Forces framework is shown. Understanding is superficial.	1 mark Limited application given to the context of Aldi. The response is mainly theoretical, with limited reference made to the context. Reference to the context is likely to be superficial.	1 mark Limited analysis is made of the position of Aldi in the UK grocery market. The analysis is likely to be brief and undeveloped.	1 mark Limited evaluation of the position of Aldi in the grocery market. Unsupported and limited judgements are made and are often likely to be superficial. The evaluation is likely to be one sided and unbalanced and is unlikely to be given in context.
0	0 marks No knowledge of Porter's Five Forces framework is shown.	0 marks No application to Aldi is shown.	0 marks No analysis of the Aldi in the market.	0 marks No evaluation of the position of Aldi is shown.

Indicative content:

Porter's Five Forces is a model of the business environment that stated industries and businesses were being influenced by 5 external forces. Porter suggested the idea that the interaction and influence of these 5 forces will determine the behaviour of businesses and the likely levels of profitability for a business within a particular industry.

Barriers to entry/Threat of new entrants:

Factors that prevent new competition from entering the market. If barriers to entry are high, monopoly profits can be earned. Barriers to entry in the grocery market are likely to be high for several reasons including; cost advantages of existing firms already benefitting from economies of scale, high capital investment required to develop the necessary number of stores and distribution centres and the strong brand identity of existing firms. Therefore, according to the model, this puts Aldi in a strong position in the market and will increase its profitability.

Supplier Power:

If suppliers have high levels of power they are able to push up prices for raw materials and components, so lowering profit margins for the business (the supplier's buyer). On the other hand, with lower levels of supplier power, the situation is reversed. The buyer may be able to force prices paid for components and raw materials down, which results in higher profit margins for the business. Again, Aldi is likely to be in a strong position as supplier power is likely to be low. Lots of alternative suppliers and the importance of Aldi's buying volume to the supplier will keep supplier power lower, enabling Aldi to pay low prices to its suppliers – an essential part of its price based USP. Therefore, profitability is likely to be high.

Buyer Power:

Buyer power concerns the ability of the customers within an industry to affect/ determine the price they pay. The higher the buyer power, the lower the potential for the business to set the price themselves. As customers don't buy in bulk, this will reduce their buyer power as they are not able to negotiate prices. However, there are low switching costs for buyers to move to other supermarkets which creates some power for them. Overall, buyer power is relatively weak increasing profitability (although Aldi are not likely to use this low power to raise prices).

Degree of competition:

The level of competition in a market can in theory vary between a pure monopoly to perfect competition. As a general rule we can say the lower the level of competition, the higher the profit margins (and vice versa). The UK grocery market is an oligopoly, which is likely to be very price competitive with lots of firms selling similar goods. Aldi has managed to slightly differentiate itself as a discount supermarket and it sells a variety of additional products too, and as shown in the context, it is increasing its market share reducing the threat of competition. Overall, the degree of competition is high so profitability is likely to be low.

Threat of substitutes:

This concerns the availability of alternative products that customers could switch to. The more substitute products available the weaker the position of the business, and vice versa. There are not many substitutes for a grocery shop for consumers, although there are an increasing number of ways to buy groceries e.g. Hello Fresh or home delivery. However, these substitutes are generally not competitive with Aldi's low prices, and so the threat of substitutes is low, increasing profitability.

Overall, according to Porter's Five Forces it appears that Aldi is in a strong position in the market, and one that continues to get stronger as consumers switch to cheaper alternatives at times of high inflation. It has lots of power to control the prices it pays and charges, and therefore is likely to be experiencing high levels of profitability.

Q5 (a)		Total
	Calculate the payback period for both options. AO2 – 2 marks Award 1 mark for each correct calculation. Option 1: 4 years Option 2: 3 years and 3 months Do not accept 3.25 years or 3 ¼ years (must be expressed as years and months).	2
Q5 (b)		Total
	Using the discounted cash flow method of investment appraisal, calculate the net present value for both options. AO2 – 4 marks Option 1: Y1 – 22 000 * 0.94 = £20 680 Y2 – 28 000 * 0.89 = £24 920 Y3 – 40 000 * 0.84 = £33 600 Y4 – 50 000 * 0.79 = £39 500 Y5 – 45 000 * 0.75 = £33 750 Total discounted cash flow = £152 450 [1] Deduct initial cost of £140 000 = £12 450 [1] Option 2: Y1 – 50 000 * 0.94 = £47 000 Y2 – 65 000 * 0.89 = £57 850 Y3 – 80 000 * 0.84 = £67 200 Y4 – 100 000 * 0.79 = £79 000 Y5 – 95 000 * 0.75 = £71 250 Total discounted cash flow = £322 300 [1] Deduct initial cost of £220, 000 = £102 300 [1] Deduct 1 mark if either/both final answers are expressed without a £ sign. Mark can be awarded for incorrect final answer, if the initial cost is correctly deducted from an incorrect total discounted cash flow.	4

Q5 (c)	Using your calculations for questions (5a) and (5b) and qualitative information, advise Bill which is the best investment option. [9]		
Band	AO2	AO3	AO4
	3 marks	2 marks	4 marks
3	3 marks Excellent application to the context and the data is shown. There is consistently direct and clear reference made to both the quantitative and qualitative information provided.		4 marks Excellent evaluation of both options. Clear reference to the context is given to support the judgement. Relevant balanced judgements are made with qualifying statements used to build an argument. There is an overall judgement given as to which option is best that is supported.
2	2 marks Good application to the context and/or the data. The candidate uses one of the investment appraisal calculations and the other information, or only uses both calculations. There is consistently direct and clear reference made to the data.	2 marks Good analysis of the two options available. Analysis is well developed, with logical chains of reasoning shown.	2-3 marks Good evaluation of the options available is made. The candidate makes partial balanced judgements with some attempt to support their evaluation. There is likely to be some reference to the context to support their judgement for top marks in this band.
1	1 mark Limited application to the context and/or the data. The candidate only uses either of the calculations or the other available information. The response is mainly theoretical, with limited reference made to the context and/or the data given.	1 mark Limited analysis of the two options available. Analysis is likely to be brief and undeveloped.	1 mark Limited evaluation of the options available. Unsupported and limited judgements are made and are often likely to be superficial. The evaluation is likely to be one sided and only cover 1 of the options available.
0	0 marks No application is shown.	0 marks No analysis is shown.	0 marks No evaluation is shown.

Indicative content:

According to both payback and NPV, the best option would be Option 2 as it is a quicker payback period and a higher NPV. However, it is only 9 months quicker, which isn't a huge amount of time, and it should be considered that a much bigger loan will be needed to fund Option 2 so will need to pay back higher amounts of the loan in that shorter period of time.

Option 1 would mean Bill was part of a large growing market in gin. Whilst this might make it more competitive with other local producers, if it was to stay small scale it could still be profitable, helped by the changing of the law concerning its manufacture. Additionally, if Bill were to ever up the scale of this production, it is likely he has contacts and relationships with supermarkets from his established dairy farm, which could mean distribution amongst supermarkets would be made slightly easier despite the ever-increasing competition.

Option 2 has a qualitative benefit of being linked to Bill's current area of expertise, as he has experience in the farming industry. This knowledge and already developed infrastructure should make this option relatively easy to access, despite its much larger initial cost and therefore more borrowing. Whilst it may appear good that this has been a success on a local farm, Bill would need to consider if he was far enough away to not be in too close competition and potentially reach a saturated local market relatively quickly.

Overall, the best option would depend on the risk Bill is willing to take. If he wants to spend more, he will make more profit in the long term from Option 2 but will obviously increase his borrowing in the short term. Both options appear to tail off in Y5 so it is a potential that further investment would be needed. Is it possibly easier to expand with Option 1 as that could potentially target a global market, whereas Option 2 only targets customers in the local area who can travel? Overall, it depends on the amount of a loan Bill wants to borrow and what he sees as the future longevity of the options.

OFR applies to interpretation of calculations.

Q6 (a)		Total
	Outline what is meant by a strategic decision. AO1 – 2 marks Award 1 mark for limited understanding. Award 2 marks for good understanding. Indicative content: • A strategic decision is a long-term decision [1] that will affect the entire business. [1] • Decisions will be made by senior management or the owners. [1] • Decisions that are often complex and result in large changes. [1] • Decisions that will involve a large financial commitment. [1]	2

Q6 (b)		Total
	Using the decision tree diagram, calculate: AO2 - 4 (i) the probability of failure for each option [1] Award 1 mark for correctly identifying all three failure probabilities. Option 1: 0.2 or 20% Option 2: 0.6 or 60% Option 3: 0.6 or 60% (ii) the net return of each option. [3] Award 1 mark for correctly calculating all three net returns. Option 1: £120 000 Success: 0.8, $0.8 * 300\ 000 = 240\ 000$ Failure: 0.2, $0.2 * 80\ 000 = 16\ 000$ Total EV: $240\ 000 + 16\ 000 = 256\ 000$ Option 2: £170 000 Success: 0.4, $0.4 * 650\ 000 = 260\ 000$ Failure: 0.6, $0.6 * 150\ 000 = 90\ 000$ Total EV: $260\ 000 + 90\ 000 = 350\ 000$ Option 3: £250 000 Success: 0.4, $0.4 * 850\ 000 = 340\ 000$ Failure: 0.6, $0.6 * 205\ 000 = 123\ 000$ Total EV: $340\ 000 + 123\ 000 = 463\ 000$ Option 1: $256\ 000 - 120\ 000 = \text{£}136\ 000$ [1] Option 2: $350\ 000 - 170\ 000 = \text{£}180\ 000$ [1] Option 3: $463\ 000 - 250\ 000 = \text{£}213\ 000$ [1] Award 1 AO2 mark if all Expected Value's are correct.	4

Q6 (c)		Total
	With reference to your calculations, advise Pristine Clean on the best option to take. AO2 - 1 mark Award 1 mark for identifying the option on the diagram that has the highest overall net return. (OFR applies). AO4 - 1 mark Award 1 mark for justifying the choice as the one with the highest overall reward. Indicative content: According to the decision tree diagram, option 3 [1] is the best option to take as it gives the highest overall net return (OFR) by a relatively considerable margin. [1] N.B Credit can be awarded for making a judgement based on the calculation of failure probabilities.	2

Q6 (d)	Evaluate the potential decision of relocation (Option 3) for Pristine Clean and its stakeholders. [12]		
Band	AO2	AO3	AO4
	3 marks	4 marks	5 marks
3	3 marks Excellent application to the context and the data is shown. There is consistently direct and clear reference made to both the quantitative and qualitative information provided.	4 marks Excellent analysis of the decision to relocate on a range of stakeholders of the business. Analysis is consistently well developed and the impact of relocation on the stakeholders is detailed and logical.	4-5 marks Excellent evaluation of the decision to relocate the business. Clear reference to the context is given to support the judgement and a range of stakeholders are considered. Relevant balanced judgements are made with qualifying statements used to build an argument. There is likely to be an overall judgement given.
2	2 marks Good application to the context and the data. The candidate is likely to use both the quantitative and qualitative information, although this may be unbalanced. There is some direct and clear reference made to the data.	2-3 marks Good analysis of the factors affecting the decision to relocate is given for some of the stakeholders of the business. Analysis is well developed, with logical chains of reasoning shown.	2-3 marks Good evaluation of the decision to relocate is made, with reference to specific stakeholders of the business. The candidate makes partial balanced judgements with some attempt to support their evaluation. There is likely to be some reference to the context to support their judgement for top marks in this band.
1	1 mark Limited application to the context and/or the data. The candidate only uses either the quantitative or qualitative information. The response is mainly theoretical, with limited reference made to the context and/or the data given.	1 mark Limited analysis of the factors affecting the decision to relocate is given. Analysis is likely to be brief and undeveloped.	1 mark Limited evaluation of the decision is made. Unsupported and limited judgements are made and are often likely to be superficial. The evaluation is likely to be one sided.
0	0 marks No application is shown.	0 marks No analysis is shown.	0 marks No evaluation is shown.

Indicative content:

Factors that may be considered when relocating the business might include; access to markets, social reasons, factors of production and historical reasons.

Evaluation of the potential relocation on the stakeholders might include:

- **Employees:** Obviously if the business decides to relocate to a new site 15 miles away this may or may not suit the employees depending on where they live and how they commute to work. It may be worth consulting with the employees first before the move is taken to try and implement a solution that may suit their individual needs.
- **Customers:** The obvious downside of the relocation to customers will be that they may have to travel further for the services. The willingness to do so would depend on how loyal the customer base is and if any incentives may be offered. The impact of this would also be affected by if the customers accessed the mobile service or on-site services. It may be down to the business to decide how far they would travel for mobile services from the new location, or if perhaps any of its mobile valeters could be foot loose perhaps.
- **Owner:** This is where the quantitative element of relocation comes into importance, as it is by far the most expensive option in the short term but proves to be the option that has the highest net reward. So quantitatively this decision is clearly beneficial to the owner but the other qualitative factors need to be considered. It should also be considered that two sites may be too difficult to manage so easier to have it all on one site.
- **Suppliers:** The suppliers are likely to be relatively unaffected by this, as 15 miles is not really far enough away to warrant changing suppliers. If it was there are likely to be lots of suitable suppliers near the new location too so supplier power is likely to be low and not much of an issue.
- **Government:** The governments main interest are the generation of tax and the employment of people. All three options appear to do both of these things. As the new location is still within the UK and not international the impact of relocation and growth of the business will be in the best interests of the government.

Overall, relocation is a high risk and long term decision because of the financial cost as well as the issue of a customer base. For a business in the tertiary sector such as this one, it is a huge risk as it is unlikely that the entire customer base will follow them, so it would rely on some effective marketing in the new location, as well as some market analysis on existing competition to make the relocation move as effective as possible.