



Mark Scheme (Results)

Summer 2025

Pearson Edexcel GCE A Level
in Business (9BS0)

Paper 03 Investigating business in a
competitive environment

Edexcel and BTEC Qualifications

Edexcel and BTEC qualifications are awarded by Pearson, the UK's largest awarding body. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information visit our qualifications websites at www.edexcel.com or www.btec.co.uk. Alternatively, you can get in touch with us using the details on our contact us page at www.edexcel.com/contactus.

Pearson: helping people progress, everywhere

Pearson aspires to be the world's leading learning company. Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your students at: www.pearson.com/uk

Summer 2025

Question Paper Log Number P79927A

Publications Code 9BS0_03_2506_MS

All the material in this publication is copyright

© Pearson Education Ltd 2025

General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question Number	Answer	Mark
1(a)	Knowledge 2, Application 2, Analysis 2, Evaluation 2 • In terms of SWOT analysis, a threat is a negative factor outside a business' control that impacts on its possible future success. • Technology and changes in the way that music is distributed, such as via Social Media sites like TikTok, means that UMG may lose out from royalties usually paid to them for playing material from their artists • Competitors such as Sony Music could be a threat to UMG's position as market leader. This may be achieved by signing more successful artists or making more sales from existing artists • Artificial Intelligence (AI) may use copyrighted material owned by UMG and its artists, which reduces UMGs' potential revenue. <i>Possible counterbalance</i> • UMG's revenues increased 14.4% in 2024, suggesting that its artists are selling music, and its sales are increasing. Therefore, the threat from social media distribution may not be largely impacting UMG. • Taylor Swift's album sold 255,515 copies on physical formats in the UK, which demonstrates, that record buyers will still want to buy the most up-to-date albums by high profile artists, like Taylor Swift.	(8)

Level	Mark	Descriptor
	0	• A completely inaccurate response.
Level 1	1-2	• Isolated elements of knowledge and understanding – recall based. • Weak or no relevant application to business examples. • Generic assertions may be presented.
Level 2	3-5	• Accurate knowledge and understanding. • Chains of reasoning are presented, showing causes(s) and/or effects, but may be assertions or incomplete. • An attempt at an assessment is presented using quantitative and/or qualitative information. • Supported throughout by use of the business behaviour/context, though unlikely to show the significance of competing arguments.
Level 3	6-8	• Accurate and thorough knowledge and understanding. • Logical chains of reasoning, showing cause(s) and/or effect(s). • Assessment is balanced, well contextualised, using quantitative and/or qualitative information. • Supported throughout by relevant and effective use of the business behaviour/context, and shows an awareness of competing arguments/factors including supported judgement.

Question Number	Answer	Mark
1(b)	Knowledge 2, Application 2, Analysis 3, Evaluation 3 • A small or medium sized business (SME) is one that has fewer than 250 employees. • Rather than have the business objective of growth, some businesses choose to remain small. • Rough Trade may wish to offer a more personal service. As independent record shops sell physical music such as Vinyl and CDs. Being small supports them knowing their customers and offering high levels of customer service. • The owners of Rough Trade may not have profit maximisation as its main objective. For example, they do not want to take the sales of other independent record retailers by opening new stores in the competitor's location. • Operating in a niche market, which physical sales of music has become, can be profitable and more possible by remaining small. Higher profit margins per sale may be possible compared to attempting a more mass-market strategy of a bigger business. <i>Possible counterbalance</i> • The owners recognise that there might be other locations that they could expand into, so staying small may not be a long-term aim. Rough trade may be sacrificing potential revenue by limiting the numbers of locations it sells in. • Remaining a small business may limit market share and potential profits. Rough Trade's market share increased to 8.4% from 7%, which could increase even more if there were more Rough Trade stores to sell from. • Remaining small may also limit Rough Trade's potential to develop sales of other products such as books and turntables. There may be a lack of shop space, and customers to serve, reducing Rough Trade's ability to diversify. <i>Possible judgement</i> • Although Rough Trade remains small, it is still a national business. Given its recent sales and market share growth, it could be argued that it has a business model that gains from customer loyalty and staff knowledge, and avoids some of the problems of growth, such as over-trading and diseconomies of scale.	(10)

Level	Mark	Descriptor
	0	• A completely inaccurate response.
Level 1	1–2	• Isolated elements of knowledge and understanding – recall based. • Weak or no relevant application to business examples. • Generic assertions may be presented.
Level 2	3–4	• Elements of knowledge and understanding. • Which are applied to the business example. • Chains of reasoning are presented, but may be assertions or incomplete. • A generic or superficial assessment is presented.
Level 3	5–6	• Accurate and thorough knowledge and understanding. • Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). • An attempt at an assessment is presented using quantitative and/or qualitative information • Supported throughout by use of the business behaviour/context, though unlikely to show the significance of competing arguments.
Level 4	7–10	• Accurate and thorough knowledge and understanding. • A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). • Assessment is balanced and well contextualised, using quantitative and/or qualitative information • Supported throughout by relevant and effective use of the business behaviour/context, and shows an awareness of competing arguments/factors leading to a supported judgement.

Question Number	Indicative content	Mark
1(c)	Knowledge 2, Application 2, Analysis 4, Evaluation 4 Marks for application and analysis include up to 4 marks for quantitative skills. Quantitative skills assessed: QS1: calculate, use and understand ratios, averages and fractions. QS8: use and interpret quantitative and non-quantitative information in order to make decisions. - Profitability measures the ability of a business to generate profits from its activities - Gross profit margin = $\frac{£5\,210\,500}{£14\,348\,884} \times 100 = 36.31\%$ - Operating profit margin = $\frac{£528\,330}{£14\,348\,884} \times 100 = 3.68\%$ Profitability could be improved by - Increasing revenue from £14 348 884. This could be achieved by raising prices, which might be possible if price is relatively price inelastic due to Rough Trade being a small business selling niche music products - Rough trade could try to improve its gross profit margin by reducing its cost of sales (£9 138 384). This could be achieved by finding cheaper suppliers of records and books - It could try to reduce operating expenses (£4 682 170) to improve its operating profit margin. This might be achieved by trying to negotiate lower rent for its shops, reduce future wage bills by limiting profit-related pay of its staff <i>Possible counterbalance</i> - Raising prices is risky as it could lead to lower sales and therefore lower revenue. Rough Trade customers may choose to buy from other independent record shops or online if its prices are much higher than competitors - Cheaper suppliers may not exist as the supply of vinyl and recorded music may be limited due to it being a smaller proportion of overall music sales - Rough Trade has made a policy of paying its staff well, with the real living wages, and profit share schemes. It is therefore unlikely that it will be able to reduce expenses such as the wage bill, while other expenses such as rental agreements for shops may be fixed in the short term.	

	<i>Potential judgement</i> • Rough Trade has seen an increased market share for vinyl sales, from 7% to 8.4%, which demonstrates a demand for vinyl. Rough Trade could improve profitability if its cost of sales and expenses, such as the marketing costs, did not increase at the same rate as some of its other costs have. • Whilst Rough Trade wishes to remain small and pay its staff a living wage and offer profit related pay, it seems unlikely that it will be able to improve its operating profit significantly. Profitability from a gross profit perspective might increase, but this depends on the ability of Rough Trade to source lower prices recorded music from suppliers.	(12)
--	--	-------------

Level	Mark	Descriptor
	0	• A completely inaccurate response.
Level 1	1–2	• Isolated elements of knowledge and understanding – recall based. • Weak or no relevant application to business examples. • Generic assertions may be presented.
Level 2	3–4	• Elements of knowledge and understanding. • Which are applied to the business example. • Chains of reasoning are presented, but may be assertions or incomplete. • A generic or superficial assessment is presented.
Level 3	5–8	• Accurate and thorough knowledge and understanding. • Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). • An attempt at an assessment is presented using quantitative and/or qualitative information. • Supported throughout by use of the business behaviour/context, though unlikely to show the significance of competing arguments.
Level 4	9–12	• Accurate and thorough knowledge and understanding. • A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). • Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information. • Supported throughout by relevant and effective use of the business behaviour/context, and shows an awareness of competing arguments/factors leading to a supported judgement.

NB: To access levels 3 and 4, students will need to demonstrate quantitative skills to support their judgement.

Question Number	Indicative content	Mark
1(d)	Knowledge 4, Application 4, Analysis 6, Evaluation 6 • An ethnocentric marketing strategy is where a business markets its products or services in foreign markets the same way that it does in domestic markets • A polycentric approach is when different products are marketed to different international markets to recognise different local tastes and needs Ethnocentric approach • Record labels such as UMG used this approach when first selling to emerging markets. Global artists such as Elton John would be marketed and promoted in the same way as they would be in the USA or Europe. This approach helps to reduce risk and keep costs lower as it is an extension of a strategy already in place in existing markets • An ethnocentric approach also provides UMG with the opportunity for economies of scale. It might be able to bulk purchase advertising time on international satellite television stations, which advertise Western music to markets all around the world • Product development costs of signing, recording and promoting local artists are also reduced. Artists such as JioSaavn in India may be unknown outside their own markets, so international businesses such as UMG may not be able to market these acts effectively enough to increase sales in these markets. Polycentric approach • Record labels such as UMG could sign and promote local artists, such as Chris MJ in Chile, and appeal to local music tastes and language preferences. This has the potential to increase UMG sales overall and if costs are competitive, support profit maximisation • Local streaming services, such as JioSaavn have established themselves as promoters and sellers of local music talent, who can go on to become superstars. Signing and working with local artists, will help UMG to boost its global market share and achieve profit maximisation • As streaming services grow and emerging market sales increase, it is more likely that a polycentric approach to global marketing will increase UMG's profits, rather than and a more out of date 'one-size fits all' approach of an ethnocentric approach, promoting the same music to all markets. <i>Potential judgement:</i>	

	• An ethnocentric approach to marketing music acts is the low risk, lower cost option for UMG. It can take domestic acts, such as Taylor Swift and market her music in the same way across a range of markets around the world. This could support the objective of profit maximisation, by keeping promotion costs to a minimum and building on existing popularity. Partnerships with social media influencers and streaming platforms such as Spotify can also support this approach. • A polycentric approach is more likely to help UMG maximise its profits by increasing its revenue. This is because of the rapid growth of local music talent in emerging markets. If UMG were to sign and promote local artists in emerging markets, such as Indonesia and Chile, then it could benefit from their rapidly rising popularity based on local languages, traditions, and tastes. Examples of possible MOPS recommendations: Market – The music market around the world has become more fragmented, with technology, particularly streaming services supporting the development of local music artists. This supports UMG taking a polycentric approach by signing and promoting these local artists. Objectives – if UMG wants to maximise its profits, a polycentric approach could help to increase revenues from the sale of music from artists that are successful in local markets. Products/services – An ethnocentric approach could be more successful given the success of ‘Western’ artists such as Taylor Swift and Sabrina Carpenter. These acts, already signed by UMG could be seen as aspirational by customers in emerging market, which might increase sales for UMG and convert to increased profits due to the relatively low cost of working with existing artists. Situation – UMG has seen sales increase by 14.4% in 2024, based on the album sales of one US artist’s album, The Tortured Poets Department. This suggests an ethnocentric approach could continue to be successful.	(20)
--	---	------

Level	Mark	Descriptor
	0	• A completely inaccurate response.
Level 1	1–4	• Isolated elements of knowledge and understanding. • Weak or no relevant application of business examples. • An argument may be attempted, but will be generic and fail to connect cause(s) and/or consequence(s)/effect(s).
Level 2	5–8	• Elements of knowledge and understanding which are applied to the business example. • Arguments and chains of reasoning are presented, but connections between cause(s) and/or consequence(s)/ effect(s) are incomplete. Attempts to address the question. • A comparison or judgement may be attempted, but it will not successfully show an awareness of the key features of business behaviour or business situation.
Level 3	9–14	• Accurate and thorough knowledge and understanding supported throughout by use of the business behaviour/context. • Uses developed chains of reasoning, so that cause(s) and/or consequence(s)/effect(s) are complete, showing an understanding of the question. Arguments are developed. • Quantitative and/or qualitative information is/are introduced in an attempt to support judgements, a partial awareness of the validity and/or significance of competing arguments and may lead to a conclusion.
Level 4	15–20	• Accurate and thorough knowledge and understanding supported throughout by use of relevant and effective use of the business behaviour/context. • Uses well-developed and logical, coherent chains of reasoning, showing a range of cause(s) and/or effect(s). Arguments are fully developed. • Quantitative and/or qualitative information is/are used well to support judgements. A full awareness of the validity and significance of competing arguments/factors, leading to balanced comparisons, judgements and an effective conclusion that proposes a solution and/or recommendation(s).

Question Number	Answer	Mark
2(a)	Knowledge 2, Application 2, Analysis 2, Evaluation 2 • An entrepreneurial motive is the reason that an entrepreneur has for setting up a new business. These motives can be financial or non-financial. • A non-financial motive could be independence. Simon felt that he could run his own music festival, while visiting other festivals, which gave him the idea and the justification of making his own business decisions. • Another non-financial motive could have been social entrepreneurship. Simon may have seen an opportunity to launch a music festival that promotes environmental and social issues. This could attract festival goers who feel strongly about these issues, given that this has been successful for other festivals, such as Glastonbury. • A financial motive could have been profit satisficing. Simon saw the opportunity to start a new festival, and recognised, or chose, that its profits may be acceptable, but not maximised as they may be with larger events like Reading or Glastonbury. <i>Possible counterbalance</i> • However, it may be that independence is not totally possible. To get the festival started and running it requires building links with suppliers, colleagues and bands on which Simon and the success of the End of the Road festival will depend. • However, environmental and social issues may not have been the main motives for setting up the festival. These may have gained prominence once the festival was operating and had a venue and brand image. • However, at the beginning of the venture, it is unlikely that Simon was motivated by profit. He is more likely to have wanted the festival to break even in the short-term, something that other festivals were not able to do, given their high failure rate.	(8)

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1-2	- Isolated elements of knowledge and understanding – recall based. - Weak or no relevant application to business examples. - Generic assertions may be presented.
Level 2	3-5	- Accurate knowledge and understanding. - Chains of reasoning are presented, showing causes(s) and/or effects, but may be assertions or incomplete. - An attempt at an assessment is presented using quantitative and/or qualitative information. - Supported throughout by use of the business behaviour/context, though unlikely to show the significance of competing arguments.
Level 3	6-8	- Accurate and thorough knowledge and understanding. - Logical chains of reasoning, showing cause(s) and/or effect(s). - Assessment is balanced, well contextualised, using quantitative and/or qualitative information. - Supported throughout by relevant and effective use of the business behaviour/context, and shows an awareness of competing arguments/factors including supported judgement.

Question Number	Answer	Mark
2(b)	Knowledge 2, Application 2, Analysis 3, Evaluation 3 - Corporate Social Responsibility is when a business includes social and environmental objectives into its operations and does so voluntarily. Corporate Social Responsibility is valuable - CSR may be valuable as it has become part of the brand image of the festival. Potential customers could be attracted by a festival that takes active steps to use recycled material and give some of its profits to War Child - CSR could provide a point of differentiation with other festivals that have gained a reputation in the media for environmental damage, such as abandoned tents after Glastonbury festival - CSR can help support relationships with stakeholders such as the local community and employees. The venue in Larmer Tree is a village, so the impact on local community could be negative. Steps taken by the organisers to minimise this impact, such as minimising waste and rubbish could help to keep positive relationships. <i>Possible counterbalance</i> - The success of a music festival such as the End of The Road is more dependent on the popularity of the bands performing, than CSR. The demand for tickets is more likely to be directly influenced by the attractiveness of the festival to customers, than the approach the festival takes to recycling, for example. - Taking a CSR approach can add to the financial costs of the festival. For example, finding a supplier for, and using recyclable plastic cups is likely to be more expensive than cheaper single-use plastic - The location and venue are likely to be more important to the success of the festival. The rural woodland location may be attractive to summer festival customers, while the location may be convenient for customers living in Wiltshire and Dorset, in comparison to Latitude in Suffolk. <i>Possible judgement</i> - Corporate Social Responsibility is likely to be valuable to the organisers of the End of the Road festival. The environmental and social policies the festival has instigated are part of the event's overall image of a 'green', sustainable event. - While Corporate Social Responsibility might be considered important by some customers, it unlikely to be the main reason for their attendance. The organisers of the festival are more likely to be concerned with the quality and range of artists appearing, as this will affect the popularity of tickets and therefore sales revenue.	(10)

Level	Mark	Descriptor
	0	• A completely inaccurate response.
Level 1	1–2	• Isolated elements of knowledge and understanding – recall based. • Weak or no relevant application to business examples. • Generic assertions may be presented.
Level 2	3–4	• Elements of knowledge and understanding. • Which are applied to the business example. • Chains of reasoning are presented, but may be assertions or incomplete. • A generic or superficial assessment is presented.
Level 3	5–6	• Accurate and thorough knowledge and understanding. • Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). • An attempt at an assessment is presented using quantitative and/or qualitative information • Supported throughout by use of the business behaviour/context, though unlikely to show the significance of competing arguments.
Level 4	7–10	• Accurate and thorough knowledge and understanding. • A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). • Assessment is balanced and well contextualised, using quantitative and/or qualitative information • Supported throughout by relevant and effective use of the business behaviour/context, and shows an awareness of competing arguments/factors leading to a supported judgement.

Question Number	Indicative content	Mark
2(c)	Knowledge 2, Application 2, Analysis 4, Evaluation 4 - The competitive environment is the nature of, size and range of competitors in a given business' market. The competitive environment has a positive impact - The availability of other festivals, such as the Green Man festival is likely to encourage innovation and efficiency of the End of the Road festival. This can lead to a better experience for the customer as the festival takes steps to differentiate itself from competitors by signing artists of different genres. - As festival attendance has generally increased, due to the success of national events such as Glastonbury and Reading. Smaller festivals such as the End of the Road can benefit from raised awareness of the festival experience in general, leading to increased demand for its tickets. - The recent closure of lots of other festivals such as the Secret Garden party, means that the competition is reducing for The End of the Road festival. This could lead to increased ticket sales, as customer of closed events look for alternative experiences. <i>Potential counterbalance</i> - The competitive environment can negatively impact the End of the Road festival by restricting its flexibility to raise prices. For example, its current prices are only £10 below the Reading festival, despite this being a larger event, with a potentially wider range of artists. - The timing of the release of ticket prices can have a big negative impact on festivals such as the End of The Road. If a festival publishes its prices early, it can be under-cut by rivals and potentially lose ticket sales as a result. This was the case with the Secret Garden party resulting in closure. - Competition from other festivals to sign music acts, secure equipment, and staff can all lead to rising costs for the End of the Road festival, as suppliers and workers increase demands during the peak summer festival weeks. <i>Potential judgement</i>	

	• The increased awareness that festival customers have of the experience in general, generated by national media exposure, and increased sponsorship, could actually benefit smaller festivals that are not directly competing for the same customers as the Reading festival, for example. Therefore, the competitive environment might benefit a business such as The End of the Road festival. • The large number of closures of smaller festivals demonstrates that it is difficult to compete in this market. This is particularly the case when large festivals such as Glastonbury have national exposure and are able to secure sponsorship deals that may not be open to smaller festivals to increase their revenues.	(12)
--	--	-------------

Level	Mark	Descriptor
	0	• A completely inaccurate response.
Level 1	1–2	• Isolated elements of knowledge and understanding – recall based. • Weak or no relevant application to business examples. • Generic assertions may be presented.
Level 2	3–4	• Elements of knowledge and understanding. • Which are applied to the business example. • Chains of reasoning are presented, but may be assertions or incomplete. • A generic or superficial assessment is presented.
Level 3	5–8	• Accurate and thorough knowledge and understanding. • Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). • An attempt at an assessment is presented using quantitative and/or qualitative information. • Supported throughout by use of the business behaviour/context, though unlikely to show the significance of competing arguments.
Level 4	9–12	• Accurate and thorough knowledge and understanding. • A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). • Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information. • Supported throughout by relevant and effective use of the business behaviour/context, and shows an awareness of competing arguments/factors leading to a supported judgement.

Question Number	Indicative content	Mark
2(d)	Knowledge 4, Application 4, Analysis 6, Evaluation 6 Marks for application and analysis include up to 4 marks for quantitative skills Quantitative skills assessed: QS8: use and interpret quantitative and non-quantitative information in order to make decisions. • Capacity utilisation measures the actual production (attendance), compared to the potential production (capacity). It is calculated $\text{actual/potential} \times 100$ • 15 000 attendees from an official capacity of 15 000 suggests a capacity utilisation of $15\,000/15\,000 \times 100 = 100\%$. Increasing ticket prices • Increasing ticket prices for the End of the Road festival could reduce demand for tickets, so that the number of people attending is reduced to capacity level. This assumes that demand for festival tickets is relatively price elastic, so the price increase reduces demand sufficiently. • Raising ticket prices has the potential to increase revenue for the End of the Road festival, so if demand is inelastic, and customers are not put off by higher prices, the total revenue for the festival increases. • The End of the Road festival's (£240) prices are lower than the Isle of Wight (£289.95) and Green Man festival (£275), so there is scope raise them. It is likely that the price rise needed to reduce demand would be small, given the smaller size and lower profile of this festival among potential festival customers. Increasing capacity • Increasing capacity from 15 000 would mean extending the size of the venue, and the viewing and camping space available to festival customers. This would allow more customers to physically fit in the venue and increase the number of tickets that could be sold, therefore potentially increasing revenue. • The End of the Road Festival has a 30% capacity of that of Latitude, which has a similar rural location, woodland venue and similar target market. There is scope for the End of the Road festival to increase capacity without losing its small-scale appeal. • If the capacity were increased, the festival may become more efficient, reducing its average costs as economies	

	of scale are gained. This might include bulk renting of equipment such as crowd barriers, or portable toilets, as well as managerial economies from being able to recruit more specialist staff to plan and organise the festival each year. - Increased capacity could also improve the experience of customers at the festival. This could include reduced waiting time for food and drinks purchases, accessing different stage areas, and if parking and access was increased, the speed of entry and exit to the festival. <i>Potential judgement:</i> - For a small festival such as The End of the Road, it is likely that small increases in capacity, with a strict limit on the number of ticket sales, will improve its overall capacity utilisation. The reported over capacity of 2024 is likely to have led to crowding and congestion at the venue, so addressing this will support future demand from customers. The potential for improved efficiency of economies of scale is also helps to reduce average costs. - Raising ticket prices could reduce demand sufficiently to reduce the capacity utilisation, through lower attendance. This would also need to be linked to strict restrictions on the number of tickets sold. The increased revenue, without additional costs associated with expansion are likely to support other objective, such as profit maximisation that the owners might have. Examples of possible MOPS recommendations: Market – Smaller festivals have been closing recently, so increased capacity and therefore size, could prevent the End of the Road festival experiencing a similar fate. Objectives –Reducing ticket sales through higher prices meets the aim of reducing over-utilisation, more quickly, if demand is elastic for the tickets. Products/services – Festival customers, particularly regular visitors are likely to accept higher prices and still demand tickets, so increased capacity would improve their experience and also reduce the threat of over-capacity. Situation – The End of the Road festival is a small festival, growing in popularity. To maintain its USP, raising prices to allow it to operate under 100% capacity utilisation of 2024 is likely to maintain the festival's success.	(20)
--	--	------

Level	Mark	Descriptor
	0	• A completely inaccurate response.
Level 1	1–4	• Isolated elements of knowledge and understanding. • Weak or no relevant application of business examples. • An argument may be attempted, but will be generic and fail to connect cause(s) and/or consequence(s)/effect(s).
Level 2	5–8	• Elements of knowledge and understanding which are applied to the business example. • Arguments and chains of reasoning are presented, but connections between cause(s) and/or consequence(s)/ effect(s) are incomplete. Attempts to address the question. • A comparison or judgement may be attempted, but it will not successfully show an awareness of the key features of business behaviour or business situation.
Level 3	9–14	• Accurate and thorough knowledge and understanding supported throughout by use of the business behaviour/context. • Uses developed chains of reasoning, so that cause(s) and/or consequence(s)/effect(s) are complete, showing an understanding of the question. Arguments are developed. • Quantitative and qualitative information is introduced in an attempt to support judgements, a partial awareness of the validity and/or significance of competing arguments and may lead to a conclusion.
Level 4	15–20	• Accurate and thorough knowledge and understanding supported throughout by use of relevant and effective use of the business behaviour/context. • Uses well-developed and logical, coherent chains of reasoning, showing a range of cause(s) and/or effect(s). Arguments are fully developed. • Quantitative and qualitative information are used well to support judgements. A full awareness of the validity and significance of competing arguments/factors, leading to balanced comparisons, judgements and an effective conclusion that proposes a solution and/or recommendation(s).

NB: To access levels 3 and 4, students will need to demonstrate quantitative skills to support their judgement.

