



Mark Scheme (Results)

Summer 2025

Pearson Edexcel GCE A Level
in Business (9BS0)

Paper 02 Business activities, decisions and
strategy

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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 1, Application 2, Analysis 1 Knowledge/understanding: 1 mark for knowledge of business angel: • Individual who invests money in exchange for a stake in the business OR • The entrepreneur will have access to mentoring and support, as well as finance to set up a business Application: up to 2 marks for • Sir Alan Sugar invested £250 000 • Owned with 50% of the shares each. • This allowed Tom to launch his beauty brand. Analysis: 1 mark for • This has led to Stylideas having rapid success through having the finance to develop a range of different cosmetic products.	(4)

Question Number	Answer	Mark
1(b)	Knowledge 1, Application 3 Quantitative skills assessed: QS 1: calculate, use and understand ratios, averages and fractions Knowledge: 1 mark for the acid test ratio formula: Current assets – inventory/Current liabilities Application: up to 3 marks for e.g. • $2.54 (1.39 + 1.03 + 0.12) - 1.39 = 1.15$ (1) • $1.15 / 1.56$ (1) • $= 0.74$ or $0.74:1$ (1) NB: if the only answer given is 0.74 or 0.74:1 award 4 marks. If the only answer given is 0.7 award 3 marks	(4)

Question Number	Indicative content	Mark
1(c)	Knowledge 2, Application 2, Analysis 3, Evaluation 3 • A distinctive capability is a skill or attribute possessed by a business which provides a competitive advantage. • Innovation is the creation, development and implementation of a new product, process or service. Reasons for innovation: • Stylideas success is due to its several market-leading products, such as the makeup brush cleaner and dryer, which sold more than 2 million units. • Stylideas won Gold for the Business Innovation Award, and its LED face mask was a 2024 Beauty Awards winner. These awards may have contributed to promoting its brand. • Stylideas is constantly developing new products, such as anti-wrinkle and anti-ageing devices/innovative mirrors/sustainable makeup products. This develops brand loyalty amongst its existing customers as well as attracting new customers. <i>Potential counterbalance</i> • Success may be due to the distinctive capability of brand/reputation. Stylideas marketing team could have developed a strong brand image for its products through recommendations from social media influencers. • Success may be due to the distinctive capability of relationships with retailers. Stylideas has developed a wide distribution network through supplying retailers such as Boots, Superdrug and Amazon. <i>Potential judgement</i> • Innovation is the main reason for Stylideas success because its unique designs can be protected by a patent, preventing competitors from copying them. • Other factors are also important for success, such as the quality of Stylideas' products demonstrated by the awards they have won in 2023 and 2024.	(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(d)	Knowledge 2, Application 2, Analysis 4, Evaluation 4 - A business cycle is a period of expansion and contraction in economic activity. It is measured by changes in economic indicators such as GDP. Positive effects - In 2024 GDP grew by 0.9% compared to 0.4% in 2023 and is forecast to grow by 0.75% in 2025. This indicates that the economy is slowly recovering and consumer incomes are likely to rise. - Consumers could have greater spending power, which may result in increased demand for Stylideas products. - The growth reflected a strong performance by the UK's large service sector. Stylideas is a retailer of health and beauty products, which is part of the service sector. This growth indicates that Stylideas may generate an increase in sales revenue. - Demand for Stylideas products could be considered income elastic, because health and beauty products may be classified as luxury goods. An increase in GDP should result in increased sales. <i>Potential counterbalance</i> - The Bank of England halved its forecast for growth in 2025 to 0.75%, which is lower than 0.9% in 2024. This may lead to a fall in consumer confidence. Stylideas' sales may fall if nervous consumers switch their spending to cheaper alternatives. "Beneath the surface of these latest figures, consumer demand and business investment were weaker than expected,". This indicates that economic growth is slow and Stylideas may be reluctant to take on more staff and invest in new products. - Due to the lower forecast GDP for 2025 in the UK, demand for Stylideas products may reduce, therefore it may need to increase sales in other countries where the economy is stable or growing. <i>Potential judgement</i> - Based upon the forecasts for economic growth, Stylideas may experience negative effects at this stage in the business cycle, due to GDP growing by less than 1% in the UK. - The extent of the effect may depend on how Stylideas responds to the low growth figures. It could focus on developing cheaper beauty products to target different market segments.	(12)

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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
1(e)	Knowledge 4, Application 4, Analysis 6, Evaluation 6 • A role culture is where the organisation is seen as a system of interlocking roles, where each member has a specific, clearly defined function and set of responsibilities. • A power culture is where there is a central source/individual of power responsible for decision making. Role culture • Stylideas Ltd now employs 14 staff as a result of its expansion. They specialise in specific roles such as marketing, operations and finance. This should lead to a better run business because employees understand exactly what is expected of them, and there are well-defined processes and procedures to follow. • Stylideas Ltd has enjoyed rapid success since its formation in 2011. Its sales turnover in 2024 was more than £5 million. A role culture should enable the business to be managed efficiently and avoid potential diseconomies of scale resulting from rapid growth. • Role culture is often described as bureaucratic. The rigid structure can stifle flexibility, as employees may only consider their own role within their own department. Power culture • Being the driving force, a power culture would enable Tom to make all the decisions. This could speed up decision making, which may be important when operating in a dynamic market. • Stylideas Ltd operates in a competitive health and beauty market. Power culture would enable the business to respond quickly to market trends and develop innovative new products before larger rivals, such as sustainable makeup products. This may provide it with a first-mover advantage. • Power culture can lead to favouritism and a lack of objectivity in decision making. Tom may have strong opinions about the beauty products and ignore employee's views. <i>Potential judgement:</i>	

	• Stylideas Ltd should adopt a role culture. This is because as the business expands, Tom Pellereau will be able to delegate business functions to specialised staff. This will allow him to focus on the strategic decisions required to expand the business. • Stylideas Ltd should adopt a power culture, as this will allow Tom to retain control of how the brand develops in other countries through adopting a centralised approach. Examples of possible MOPS recommendations: Market – the health and beauty market is competitive with several large brands such as Revlon and L’Oreal. In order for Stylideas to get a first mover advantage, it would need to quickly create new products to match changing demands e.g. eco-friendly products. Objectives – Stylideas Ltd has developed its brand reputation and expanded its workforce to 14 staff. Role culture would enable the planned expansion to be well managed, enabling a better run, more efficient business. Products/services – Stylideas Ltd sells a range of beauty products. It has won awards for its innovative products. Power culture would allow Tom to retain control over innovation. Situation – Stylideas Ltd was founded by Tom Pellereau. His main strength is being an inventor. As the business expands, a role culture would enable him to continue to focus on developing new products, by delegating other business functions to staff with more expertise.	(20)
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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 1, Application 2, Analysis 1 Knowledge/understanding: 1 mark for knowledge of quality: - Quality refers to how well a product or service does what it is intended to do. - OR - Nivea may benefit from an improved reputation and brand loyalty. Application: up to 2 marks for e.g. - The Nivea brand benefits from high levels of consumer trust. - Nivea is a global brand with consistent names/products/packaging. Analysis: 1 mark for e.g. - This could give it a competitive advantage, as consumers would trust the brand and encourage repeat sales.	(4)

Question Number	Answer	Mark
2(b)	Knowledge 1, Application 3 Quantitative skills assessed: QS 1: calculate, use and understand ratios, averages and fractions Knowledge: 1 mark - Sales volume is the number of units sold - OR - Sales revenue/selling price (1) Application: up to 3 marks for - Sales revenue = £750m x 0.12 = £90m (1) - Sales volume = £90m/£10 (1) = 9 million units (1) NB: if the only answer given is 9 million units award 4 marks. If incorrect unit given award 3 marks e.g. £9 million	(4)

Question Number	Indicative content	Mark
2(c)	Knowledge 2, Application 2, Analysis 3, Evaluation 3 Marks for application and analysis include up to 2 marks for quantitative skills. Quantitative skills assessed: QS 9 interpret, apply and analyse information in written, graphical and numerical forms • An exchange rate is the value of one currency compared to another. • Between August and December 2024, the € to the £ exchange rate changed from €1.15: £1 to €1.21: £1. Positive effects • The £ has appreciated in value against the €. This makes imports to the UK cheaper. • Tesco's cost of importing Nivea products from Germany will be lower, which could allow Tesco to reduce prices. • If Tesco reduce the price of Nivea products in the UK, this may result in increased sales and possibly increase market share. • If Tesco do not reduce prices, profits may increase. <i>Potential counterbalance</i> • The UK market is competitive and other supermarkets would also benefit from lower import costs of Nivea products. • Nivea products are only one of many products that Tesco sell, therefore the cost saving is likely to be small. <i>Potential judgement</i> • Given that the exchange rate fluctuates on a regular basis, it is likely that Tesco will not change the prices of Nivea products and will instead benefit from lower costs, possibly leading to higher profits. • The £ has only appreciated by 0.06 euros, resulting in an insignificant fall in the cost of Nivea products. Other factors such as quality, brand image and marketing may have a greater effect on sales.	(10)

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Question Number	Indicative content	Mark
2(d)	Knowledge 2, Application 2, Analysis 4, Evaluation 4 - Capital intensive is when products are mainly produced by machines and robots. Reasons why it is important: - The use of machinery such as automated tube filling and labelling machines could reduce labour costs. This greater efficiency may result in higher profit margins. - By using machinery, there is less chance of human error, resulting in better quality and reduced wastage. - Greater flexibility in terms of production. Beiersdorf uses both semi-auto and automated fill lines allowing it to produce 450 million products per year. <i>Potential counterbalance</i> - The initial set up costs of the factory/machinery are high, at €300 million. Beiersdorf invested significantly in a wide range of machinery. This may require substantial sources of finance. - Breakdowns in production can be costly. Equipment such as automated tube filling machines have high fixed costs. Breakdowns in production may result in falling capacity utilisation, leading to higher unit costs due to the fixed costs being spread over lower levels of output. - Standard products will be produced on a large scale which may make it difficult to customise packaging to suit special offers. <i>Potential judgement</i> - Capital intensive production is important to Beiersdorf because it can benefit from lower unit costs of its Nivea products such as personal care products, enabling it to keep its prices competitive. - Other factors may also be important. These could include high levels of customer service and the ability to produce and deliver customer orders on time.	(12)

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Question Number	Indicative content	Mark
2(e)	Knowledge 4, Application 4, Analysis 6, Evaluation 6 • The shareholder approach is that a business should focus purely on shareholder returns in its business decisions/objectives. • The stakeholder approach considers that a business should consider all its stakeholders in its business decisions/objectives. Shareholder approach • Beiersdorf is controlled by the German businessman Michael Herz, who owns 50.49% of the shares. He has invested significant funds into the business and would expect business decisions taken to provide a return on his investment, through dividend payments and a rising share price. • Providing good returns for shareholders may attract new investors. Beiersdorf operates in a competitive market and may need to constantly invest in new products and manufacturing facilities. New investors could provide the funds required. • Business decisions may focus on short term returns e.g. dividends to its shareholders, rather than investing in the business. This may damage the long-term growth of the business. Stakeholder approach • Beiersdorf employs 20 000 people in more than 160 countries by making decisions, such as providing well paid secure jobs and good working conditions. Therefore the company could benefit from effective employer-employee relations. • By focussing on consumer trends, such as the growing demand for natural and organic products and environmentally friendly packaging, Beiersdorf could gain an improved reputation and brand loyalty. • Beiersdorf is a multinational company that operates in more than 160 countries. Its activities may have a significant effect upon local communities. By providing jobs and protecting the environment, the business may gain a good reputation. <i>Potential judgement:</i>	

	• Beiersdorf should focus on shareholders. The main purpose of a business is to generate good profits to retain existing shareholders and attract future investors. • Beiersdorf should focus on stakeholders. By meeting stakeholder interests the company could benefit from improved employee performance and consumer loyalty. Examples of possible MOPS recommendations: Market – Beiersdorf operates in the competitive personal-care market. Its rivals include L’Oreal and Clinique. Focusing on shareholders returns could lead to the business generating increased profits, enabling it to remain competitive. Objectives – Beiersdorf aims to remain one of the leading businesses in the global personal-care market. Focusing on stakeholders may enable it to develop a good reputation, attracting employees, customers and suppliers. Products/services – Beiersdorf makes a range of personal-care products. Its best-selling brand is Nivea. Focusing on shareholders may generate higher profits, which can be reinvested into developing new products. Situation – Beiersdorf is a multinational company. It has a significant effect upon a wide range of stakeholders. By adopting a socially responsible approach, the business may also attract ethical investors.	(20)
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