



GCE AS MARKING SCHEME

SUMMER 2025

**AS
BUSINESS – UNIT 1
BUSINESS OPPORTUNITIES
2510U10-1**

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.

WJEC GCE AS BUSINESS
UNIT 1 - BUSINESS OPPORTUNITIES
SUMMER 205 MARK SCHEME

1. (a) Describe two possible ways that Fuel Food could segment its market. [4]

AO1 - 2 marks

AO2 - 2 marks

Award **1** mark for identifying (or clearly implying) each valid market segment

Award **1** mark for applying each valid market segment to Fuel Food

Indicative content:

Demographic

Gender: Fuel Food could target women in the ready meals market by focusing on factors like taste, health, and convenience.

Fuel food could target health-conscious men offering protein rich ready meals.

Age: Fuel Food could offer meals with different nutritional values in their ready meals specifically for children or the elderly.

Income / socio-economic group: as Fuel Food offers high quality, healthy and fresh ready-made meals, it may be regarded as a luxury good and more suitable for high income earners and those of higher socio-economic groups.

Personality and emotionally based behaviour (Psychographic): the low carbohydrate package for customers looking to lose weight, a balanced package for customers wanting to maintain a healthy weight and a performance package for customers looking to gain weight suits different personalities.

Lifestyle, attitudes and opinions: suitable for those who lead hectic family, work and travel commitments as finding the time to shop and cook a well-balanced meal can be tricky.

Geographical: Fuel Food serves UK customers only.

Culture: Fuel Food could offer meals for different cultures e.g. Halal meals for Muslims.

Credit any other valid points.

(b) Define what is meant by market research. [2]

AO1 - 2 marks

Award **1** mark for each valid point

Indicative content:

Market research is the process of collecting / gathering information / data. [1] This could be primary (field) or secondary (desk) in nature [1] about a business's customers, the market place and the activities of competitors within that marketplace [1].

Credit any other valid points.

(c) With reference to the market research carried out by Fuel Food, state what is meant by qualitative and quantitative data. [4]

AO1 - 2 marks

AO2 - 2 marks

Award **1** mark for correct definition of qualitative data

Award **1** mark for correct definition of quantitative data

Award **1** mark for a suitable example of qualitative data gathered by Fuel Food

Award **1** mark for a suitable example of quantitative data gathered by Fuel Food

Indicative content:

Qualitative data seeks to gather opinions and views.

Data gathered in the form of comments from the discussion in a focus group is an example of how Fuel Food gathered qualitative data.

Quantitative research Involves the collection of numerical and statistical data / data that can be measured.

2023 survey – 40.42% eat healthy

10.28% rarely eat healthy

Increase in males 16+ overweight

More overweight males than females

10% more men than women overweight.

The Welsh Government National Survey for Wales 2016

Credit any other valid points.

(d) Consider the usefulness of the qualitative and quantitative market research data gathered by Fuel Food when setting up the business. [8]			
Band	AO2 2 marks	AO3 3 marks	AO4 3 marks
3		3 marks Excellent analysis of the usefulness of both the qualitative and quantitative data to Fuel Food when setting up the business in relation to the data. The learner develops fully their explanation of the usefulness of both the qualitative and quantitative data.	3 marks Excellent evaluation of the usefulness of both the qualitative and quantitative data to Fuel Food when setting up the business. Balanced judgements are made.
2	2 marks Good application to the data gathered by Fuel Foods. There is direct and clear reference to the data. Information from the data is used in development.	2 marks Good analysis of the usefulness of the qualitative and/or quantitative market research data to Fuel Food in relation to the data. The learner develops their explanation of the usefulness of qualitative and/or quantitative data.	2 marks Good evaluation of the usefulness of the qualitative and/or quantitative market research data when setting up Fuel Food. Judgements may be one sided.
1	1 mark Limited application to the data gathered by Fuel Food. The learner response is mainly theoretical with limited reference to the data.	1 mark Limited analysis of the usefulness of the qualitative and/or quantitative market research data to Fuel Food. Superficial or generic explanation.	1 mark Limited evaluation of the usefulness of the qualitative and/or quantitative market research data when setting up Fuel Food. Superficial judgements.
0	0 marks No valid application.	0 marks No valid explanation.	0 marks No valid evaluation.

Indicative content:

Qualitative market research data:

- The focus group was a useful method for Fuel Food as it could be used to measure the reaction of customers to the business idea.
- The focus group provided Fuel Food with immediate ideas for the business.
- The focus group helped Fuel Food identify the product requirements of the end-user.
- The focus group provided Fuel Food with insights on the current position of its competitors in the mind of the customer, as well as measuring the reaction of customers to its product's design, packaging, price and message.

However

- The focus group may not be as efficient in covering maximum depth on the business idea.
- Maybe the members of the focus group may not have expressed their honest and personal opinions about Fuel Food. The participants may be hesitant to express their thoughts, especially when their thoughts oppose the views of another participant. However, there are some negative comments stated e.g. ready-made meals are too expensive.

Quantitative market research data:

- In 2023, the survey conducted on the eating habits among people in the UK (Figure 1) found that 40.42% of the respondents followed a healthy and balanced diet very often during the period considered which is positive to Fuel Food as this implies a possible increase in demand and sales.
- However, 10.28% of the interviewees stated they rarely had healthy food which could be useful to Fuel Food in terms of product portfolio and product development.
- In Wales, the pattern of increased overweight in males continues in people aged 16+ which illustrates potential demand for healthy, fresh meals.
- There is at least 10% more men than women who are overweight which may affect how Fuel Food segments its market.
- As the proportion of overweight males is statistically higher than females, Fuel Food may use this data to decide how best to market the business.
- It indicates that there is potentially a significant market in the UK for healthy, fresh meals as Fuel Food produces meals designed specifically for weight loss.
- The data in Figure 1 shows that almost 50% are not eating healthy often and may not wish to eat healthy.

However

- There may be no relation between eating a healthy and balanced diet and buying ready-made healthy meals.
- The Welsh Government data is specific for Wales which may not be as useful to Fuel Food as the business delivers the meals throughout the UK.
- The Welsh Government data was gathered in 2016 which means that it is 9 years out of date and therefore might be invalid.

The data in Figure 1 is research undertaken for the UK as a whole and therefore may not be the same in Wales.

Credit any other valid points.

2. (a) Define what is meant by the concept of price elasticity of demand. [2]

AO1 - 2 marks

Award **1** mark for each valid point

Indicative content:

Price elasticity of demand measures the responsiveness of demand [1] to a change in price. [1]

or

Price elasticity of demand measures how sensitive the demand for a good or service is [1] to a change in price. [1]

Credit any other valid points.

(b) (i) State what is meant by price inelastic demand. [1]

AO1 - 1 mark

Award **1** mark for correct definition

Indicative content:

If a good has inelastic price elasticity of demand then a change in price causes a less than proportional change in the quantity demanded. [1]

If price elasticity of demand is inelastic and increasing price causes a less than proportional fall in the quantity demanded, this means revenue would increase. [1]

Credit any other valid points.

(b) (ii) Identify one reason why the demand for a product may be price inelastic. [1]

AO1 - 1 mark

Award **1** mark for a valid reason

Indicative content:

- consumer loyalty
- lack of competition in the market / no substitute
- high brand value/luxury goods
- necessity
- addictive product

3. (a) With reference to the data, outline two reasons why The Welsh Whisky Company Ltd is classified as an SME. [2]

AO2 - 2 marks

Award **1** mark for each valid reason given

Indicative content:

As The Welsh Whisky Company Ltd employs 95 workers, it's an SME because it's a business with fewer than 250 employees. [1]

As The Welsh Whisky Company Ltd turnover was £23.1m in 2019, it's an SME because its turnover is less than € / £50 million. [1]

(b) Describe how The Welsh Whisky Company Ltd operates in both a trade market and a consumer market. [4]

Band	AO1 2 marks	AO2 2 marks
2	2 marks Good knowledge of both a trade and a consumer market.	2 marks Valid application for both trade and consumer market.
1	1 mark Limited knowledge of either a trade or a consumer market.	1 mark Valid application for trade or consumer market.
0	0 marks No valid knowledge.	0 marks No valid application.

Indicative content:

A trade market is a market that focuses on selling and supplying to distributors, retailers, wholesalers, and other supply chain businesses (B2B) instead of the consumer.

A consumer market (B2C) is the activity of selling goods or services to people for their own use. When a person buys a product or service, it participates in the consumer market. A consumer market is the very system that allows people to purchase products, goods, and services. These items can be used for personal use or shared with others.

Examples of a trade market for The Welsh Whisky Company Ltd are Asda, Tesco, Waitrose and other supermarket giants. National and independent hotels and bars as well as high profile, luxurious hotels such as the Ritz and Savoy and the famous London retail store, Harrods are examples of a trade market.

The Welsh Whisky Company Ltd also has The Visitor Centre which sees over 43,000 visitors a year who visit for the tours, masterclasses and the gift shop which is an example of a consumer market.

Credit any other valid points.

(c) Analyse the impact of the change in revenue and net profit on The Welsh Whisky Company Ltd. [6]			
Band	AO1 1 mark	AO2 2 marks	AO3 3 marks
3			3 marks Excellent analysis of the impact of the change in revenue and net profit on The Welsh Whisky Company Ltd. Developed chains of reasoning. The learner develops their analysis of the impact of the change in revenue and net profit on The Welsh Whisky Company Ltd.
2		2 marks Good application to the change in revenue and net profit of The Welsh Whisky Company Ltd. There is direct and clear reference to the data. Information from the data is used in development.	2 marks Good analysis of the impact of the change in revenue and/or net profit on The Welsh Whisky Company Ltd. The learner develops their analysis of the impact of the change in revenue and/or net profit on The Welsh Whisky Company Ltd.
1	1 mark Identify any valid points showing: • understanding of revenue or profit, or • difference between revenue and profit, or • reasons for change in revenue or profit (or costs)	1 mark Limited application to the change in revenue and/or net profit of The Welsh Whisky Company Ltd. The learner response is mainly theoretical with limited reference to the data.	1 mark Limited analysis of the impact of the change in revenue and/or net profit on The Welsh Whisky Company Ltd. Superficial or generic analysis of the impact of the change in revenue and/or net profit on The Welsh Whisky Company Ltd.
0	0 marks No valid knowledge.	0 marks No valid application.	0 marks No valid analysis.

Indicative content:

Revenue

- Revenue is the money a business makes from sales.
- Sales growth is a key aim for The Welsh Whisky Company Ltd - where the business tries to make as many sales as possible. In 2022, revenue at The Welsh Whisky Company rose to £19.7m, up from £18.3m in the previous year, The revenue continued to increase in 2023 to £23.1m.
- As The Welsh Whisky Company Ltd is looking to expand its customer base into new markets, the aim of sales growth is a key focus for the business. This increased revenue therefore gives The Welsh Whisky Company Ltd the confidence to build the Penderyn brand in France, Germany and Japan.
- This sales growth and expansion may also mean that the survival of The Welsh Whisky Company Ltd is more likely.
- The Welsh Whisky Company Ltd can also benefit from economies of scale as sales increase which reduces the cost per unit produced.

Profit

- Profit is the financial benefit realised when revenue generated from a business activity exceeds the expenses, costs, and taxes involved in sustaining the activity in question.
- Profit maximisation is a key expression when considering how successful a business is. In 2023, The Welsh Whisky Company Ltd recorded a net profit of £1.46m. In 2022, The Welsh Whisky Company Ltd recorded a net profit of 1.45m
- The Welsh Whisky Company Ltd may want to set a similar increase in profit for coming years as The Welsh Whisky Company Ltd may utilise this increased profit to fund the expansion to Swansea and Llandudno.
- As The Welsh Whisky Company Ltd becomes more profitable, it makes sense to build up and retain some profit (reserves). This will provide a liquidity buffer and potential funds for growth.
- Change in profit may benefit shareholders through increased dividends and may attract more investment
- Welsh Whisky Company Ltd may use the increase in profit for product development.

Credit any other valid points.

(d) Apart from increasing revenue and net profit, explain two other aims that would be suitable for The Welsh Whisky Company Ltd. [6]			
Band	AO1 2 marks	AO2 2 marks	AO3 2 marks
2	2 marks Identify and describe two business aims. Clear knowledge of two aims.	2 marks Good application to The Welsh Whisky Company Ltd. There is direct and clear reference to the data. Information from the data is used in development.	2 marks Good explanation of why both aims are appropriate for The Welsh Whisky Company Ltd. The learner develops their explanation of the two aims suitable for The Welsh Whisky Company Ltd.
1	1 mark Identify and describe one business aim. Or Identify two business aims.	1 mark Limited application to The Welsh Whisky Company Ltd. The learner response is mainly theoretical with limited reference to the data.	1 mark Limited explanation of why an aim is appropriate for The Welsh Whisky Company Ltd. Superficial or generic explanation of why an aim is appropriate for The Welsh Whisky Company Ltd.
0	0 marks No valid knowledge.	0 marks No valid application.	0 marks No valid explanation.

Indicative content:

- Growth - The Welsh Whisky Company Ltd aims to keep the company moving forward instead of remaining static which could place the business at risk of elimination. The Welsh Whisky Company Ltd has revealed expansion plans to open an additional production site, offices, warehouse, visitor centre, gift shop and tasting bar in Swansea as well as a retail outlet, visitor centre and training facility in Llandudno.
- To increase shareholder value - Measured by the dividend paid and the share price. As a limited company, this is often the main objective for directors. Many senior managers have bonus schemes related to increasing share prices and dividends; achieving the targets within these schemes will then become the main focus of the business. The Welsh Whisky Company Ltd want to make a return on the capital invested in the business like the £5m investment in its proposed new location in North Wales.
- Gaining market share - Businesses may spend to gain customers, reducing profits in the short run, but hopefully increasing profits in the longer term. Some may concentrate on establishing their brand name, becoming the most recognised business in their market. This costs money, so reduces profits. The Welsh Whisky Company Ltd is looking to expand its customer base into new markets which include USA and China, as well as investing in building their brand in France, Germany and Japan. The Welsh Whisky Company Ltd may now decide to focus on other new markets also.
- Improving ethics / environment - there are businesses that will try to minimise the impact of their activities on the environment or ensure that their suppliers get a good deal. Such ethical objectives are likely to increase costs and reduce profits. From its own fresh water supply from the Brecon Beacons, The Welsh Whisky Company Ltd has a commitment to quality which emphasises The Welsh Whisky Company Ltd commitment to ethical behaviour.

Credit any other valid points.

(e) Evaluate the different sources of finance available to businesses seeking to expand. [10]			
Band	AO1 3 marks	AO3 3 marks	AO4 4 marks
3	3 marks Excellent knowledge and understanding of at least two sources of finance suitable for businesses seeking to expand. Accurate and consistent use of terminology throughout.	3 marks Excellent analysis of the different sources of finance available to businesses seeking to expand. The analysis is well developed with clear lines of reasoning.	4 marks Excellent evaluation of the different sources of finance available to businesses seeking to expand. The evaluation is fully balanced and includes most of the key issues. The learner makes judgements to support their evaluation.
2	2 marks Good knowledge and understanding of at least two sources of finance suitable for businesses seeking to expand.	2 marks Good analysis of the different sources of finance available to businesses seeking to expand. The analysis has some development.	2-3 marks Good evaluation of the different sources of finance available to businesses seeking to expand. The evaluation may be one sided. The evaluation will include some of the key issues. The learner makes judgements with an attempt to support their evaluation.
1	1 mark Limited knowledge of at least one source of finance suitable for businesses seeking to expand.	1 mark Limited analysis of a source(s) of finance available to businesses seeking to expand Superficial/ underdeveloped analysis.	1 mark Limited evaluation of a source(s) of finance available to businesses seeking to expand. Partial judgements that may be supported. One sided.
0	0 marks No valid understanding.	0 marks No valid analysis.	0 marks No valid evaluation.

Indicative content:

Businesses cannot survive without finance, whether in the form of initial funds to start the business, working capital to run the business day-to-day, or investment capital to help the business grow.

- Retained profit - This is regarded as the single most important source of finance and is also the cheapest source of finance. As a business becomes more profitable, it makes sense to build up and retain some profit (reserves). This will provide a liquidity buffer and potential funds for growth. Reserves, reinvested profits, come with only one cost - the loss of profit distribution to owners. Short-term pressures to pay profits to owners (normally shareholders) can, however, restrict the availability of this form of finance.
- Sale of assets - Established businesses are able to sell off assets that are no longer required, such as buildings and machinery. Smaller businesses are unlikely to have such unwanted assets. However, if a business is seeking to expand and achieve growth as an objective, it is much more likely to want to acquire assets as opposed to losing them.
- Bank loans / Mortgage - A loan is borrowing a fixed amount, for a fixed period of time, Payments made up of interest and capital are made monthly. Security, if available, will very often come in the form of property. Offering security against a loan / mortgage can make it much easier to get funding and reduces interest rates charged - but increases risk to assets. A business would have to present a detailed business plan. If the business is not able to maintain payments, business assets may be removed.
- Leasing and hire purchase - Leasing and hire purchase are methods of gaining the use of capital goods, whilst paying a monthly fee. With a business lease the company gains use of a productive asset, without ever owning it. Businesses often lease office equipment like computers and photocopiers. Many business vehicles are leased. With hire purchase a business's payment includes a hire charge and a payment towards purchase. At the end of the hire purchase period the business will own the asset. As a business looks to expand, leasing and hire purchase would be a possible source of finance as this would mean that the business would not require the initial capital to purchase the equipment.
- Share capital - If the business is a limited company, a long-term method of providing funds for growth is to sell shares. The question business owners have to answer is how much of the business are the owners willing to give up to gain the finance needed. Share capital is a form of permanent capital; this means it does not have to be repaid. Owners of shares have a say in how the business is run, but the amount of influence they have depends upon the percentage shareholding they own. The major disadvantage of bringing in shareholders is the loss of control. The business owners will have decisions influenced by new investors. Also, the new shareholder investors may be looking for an exit strategy within a few years. This means that they are expecting the business to grow rapidly and then they expect to be able to sell their shares, taking their capital gain.
A Public Limited Company could raise capital through the sale of shares on the stock market. Large amount of capital may be raised, however control may be reduced. Share value are subject to fluctuations.
- Venture capitalists / business angels - Venture capitalists are professional investors who can invest large amounts of capital into small and medium sized businesses. Venture capitalists and venture capital companies (who exist to invest into growing businesses), will not only take a shareholding but also expect to be fully involved in running the business. They will take seats on the board and appoint managers and advisors to help generate success and growth. From the business owners' point of view, all this input of skills and capital allows the business to grow at a speed that was previously impossible. Venture capitalists are often quite happy to focus on growth for the short and medium term, with the expectation that profits will come later.
- Government assistance - Although hard to come by, both local and central government may offer finance to business start-up schemes. The qualifying criteria do tend to be quite narrow and businesses setting up in regions of high unemployment tend to be favoured. The amounts available tend to be relatively small and are for a limited period of time. However, grants will not have to be repaid which is hugely beneficial.
- Trade credit - Could be useful if the expansion needs high levels of stock.

Credit any other valid points.

(f) With reference to the data on The Welsh Whisky Company Ltd, evaluate the impact of SMEs on businesses and the economy. [10]				
Band	AO1 2 marks	AO2 2 marks	AO3 3 marks	AO4 3 marks
3			3 marks Excellent analysis of the impact of The Welsh Whisky Company Ltd as an SME on businesses and the economy. The analysis is detailed and developed in context. Lines of reasoning are clear.	3 marks Excellent evaluation of impact of The Welsh Whisky Company Ltd as an SME on businesses and the economy. The evaluation is fully balanced and includes most of the key issues. The learner makes judgements to support their evaluation. An overall judgement may be made.
2	2 marks Good knowledge of the impact of SMEs on businesses and / or the economy.	2 marks Good application to the context given in the data. The learner makes effective use of the data throughout their answer.	2 marks Good analysis of the impact of The Welsh Whisky Company Ltd as an SME on businesses and / or the economy. The analysis has some development.	2 marks Good evaluation of the impact of The Welsh Whisky Company Ltd as an SME on businesses and /or the economy The evaluation will include some of the key issues The learner makes judgements with an attempt to support their evaluation. May include an overall judgement.
1	1 mark Limited knowledge of the impact of SMEs on businesses and / or the economy.	1 mark Limited application to the context given in the data. The learner response is mainly theoretical with brief reference to the data.	1 mark Limited analysis of the impact of The Welsh Whisky Company Ltd as an SME on businesses and / or the economy. Superficial / underdeveloped analysis.	1 mark Limited evaluation of the impact of The Welsh Whisky Company Ltd as an SME on businesses and / or the economy. Partial judgements that may be supported. One sided.
0	0 marks No valid knowledge.	0 marks No valid application.	0 marks No valid analysis.	0 marks No valid evaluation.

Indicative content:

- The expansion plan created new skilled jobs in Swansea and Llandudno. Skilled jobs are well-paid and will have a positive multiplier effect on the local and national economy. The deal is estimated to be worth hundreds of millions of pounds.
- Suppliers and local businesses benefited. These are likely to be SMEs.
- The training facility has benefited workers seeking to gain valuable, transferable skills, which may have benefited other businesses in Wales.
- The £1.4m that the Welsh Government put forward to support the expansion to Llandudno is significant and the money could have been spent elsewhere in the public sector.
- Placing a very large amount of money into one project carried a risk. If The Welsh Whisky Company Ltd ran into difficulties and sales fell, they could have closed the North Wales location. This would have caused unemployment and resulted in wasted government expenditure.
- Businesses like The Welsh Whisky Company Ltd however, provide quality jobs for a significant number of Welsh workers in South Wales; both directly and in the supply chain.
- The vast majority of people in Wales are employed by micro, small and medium sized businesses, so it would seem essential that the government supports them and encourages them to set up.
- Many small businesses fail within their first two years and the support they may have been offered to set up is wasted. All businesses carry a degree of risk, whether large or small.
- The impact that The Welsh Whisky Company Ltd will have upon the Welsh economy will depend upon how successful it proves to be. If successful it will be money well-spent. Other businesses may also be attracted if the venture succeeds. The up-skilling of the workforce may have benefited other businesses. However, failure could have been very costly in terms of government investment, investing £1.4m into one business is very risky.

Credit any other valid points.