



GCE A LEVEL MARKING SCHEME

SUMMER 2017

**A LEVEL (NEW)
BUSINESS – UNIT 3
1510U30-1**

INTRODUCTION

This marking scheme was used by WJEC for the 2017 examination. It was finalised after detailed discussion at the examiners' conference by all the examiners involved in the assessment. The conference was held shortly after the paper was taken so that reference could be made to the full range of candidates' responses, with photocopied scripts forming the basis of discussion. The aim of the conference was to ensure that the marking scheme was interpreted and applied in the same way by all examiners.

It is hoped that this information will be of assistance to centres but it is recognised at the same time that, without the benefit of participation in the examiners' conference, teachers may have different views on certain matters of detail or interpretation.

WJEC regrets that it cannot enter into any discussion or correspondence about this marking scheme.

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 BUSINESS - UNIT 3 (NEW)

SUMMER 2017 MARK SCHEME

1 (a)	Calculate the value of the variances for (i), (ii) and (iii) stating in each case whether the variances are adverse or favourable.	Total
	<p>(i) Award 1 mark for correct calculation of sales revenue variance</p> <p style="text-align: right;">AO2: 1 mark</p> <p>Variance = 1550 – 2100 = £550 favourable or Variance = 1 550 000 – 2 100 000 = £550 000 favourable</p> <p>(ii) Award 1 mark for correct calculation of cost of sales variance</p> <p style="text-align: right;">AO2: 1 mark</p> <p>Variance = 950 – 1250 = £300 adverse or Variance = 950 000 – 1 250 000 = £300 000 adverse</p> <p>(iii) Award 1 mark for correct calculation of gross profit variance</p> <p style="text-align: right;">AO2: 1 mark</p> <p>Variance = 600 – 850 = £250 favourable or Variance = 600 000 – 850 000 = £250 000 favourable</p>	3

1 (b)	Identify and outline possible reasons for the variances in revenue and costs of sales for Sian's Ice Creams Ltd. [6]	
Band	AO1	AO2
	3 marks	3 marks
3	3 marks Excellent understanding of the reasons for change in revenue and costs identified. Key reasons are identified and clearly understood.	3 marks Excellent application of case study scenario in outlining likely reasons for variances. Clear and consistent relevance to the case study and situation.
	2 marks Good understanding of the reasons for change in revenue and/or costs identified. Reasons are identified and an attempt is made to understand the reasons for the variances.	2 marks Good application of case study scenario in outlining likely reasons for variances. Links to the case study when explaining possible reasons.
1	1 mark Limited understanding of a reason for change in revenue or costs identified. Answers are brief and show limited understanding.	1 mark Limited application of case study scenario in outlining likely reasons for variances. The response is mainly theoretical with little reference to the case study scenario.
	0 marks No knowledge or understanding of variance identified.	0 marks No application of case study scenario when explaining likely reasons for variance.

Indicative content:

A favourable variance in sales revenue may be due to increased popularity of the product. As Sian's Ice Cream Ltd seems to be trading in traditional British tourist locations, an increase in tourists to these locations, perhaps due to a warmer than average summer, may have led to a greater than expected level of purchases of ice creams.

Additionally, Sian has just introduced some new flavours to the market. A favourable variance may have been achieved by the market taking a liking to these new products. The higher than expected demand will lead to a favourable variance in sales revenue.

An adverse variance in cost of sales may be derived from an increase in the direct cost of sales. As sales revenue shows a positive variance it is likely that more ice cream has been produced and sold over the trading period. As a result, the increase in sales has produced an increase in the use of raw materials such as sugar and milk. This has created an adverse variance in the cost of sales.

Credit any other valid point.

2 (a)	Calculate the price elasticity of demand for The Glider board. Show your workings.	Total
	<p>Award 1 mark for correct price elasticity of demand (PED) formula</p> $\text{PED} = \frac{\% \text{ change in quantity}}{\% \text{ change in price}}$ <p style="text-align: right;">AO1: 1 mark</p> <p>Award 1 mark for correct calculation of % change in quantity</p> $\frac{108-120}{120} \times 100 = -10\%$ <p style="text-align: right;">AO2: 1 mark</p> <p>Award 1 mark for correct calculation of % change in price</p> $\frac{600-500}{500} \times 100 = 20\%$ <p style="text-align: right;">AO2: 1 mark</p> <p>Award 1 mark for correct calculation of PED</p> $\text{PED} = \frac{-10}{20} = -0.5 \text{ (inelastic)}$ <p style="text-align: right;">AO2: 1 mark</p> <p>OFR applies</p>	4

2 (b)	With reference to both quantitative and qualitative data above, discuss whether Steve Summers should increase the price of 'The Glider' during summer 2017. [8]			
Band	AO1	AO2	AO3	AO4
	2 marks	2 marks	2 marks	2 marks
2	<p>2 marks</p> <p>Good understanding of pricing decision making use of quantitative and qualitative information.</p>	<p>2 marks</p> <p>Good application of pricing decision to Wipeout Ltd.</p> <p>The learner makes effective use of the data and text.</p>	<p>2 marks</p> <p>Good analysis of the impact of pricing decision making use of quantitative and qualitative information.</p>	<p>2 marks</p> <p>Good evaluation of the pricing decision making use of quantitative and qualitative information.</p> <p>Balanced argument made.</p>
1	<p>1 mark</p> <p>Limited understanding of pricing decision making use of quantitative and/or qualitative information.</p>	<p>1 mark</p> <p>Limited application of pricing decision to Wipeout Ltd.</p> <p>The learner makes some use of the data or text.</p>	<p>1 mark</p> <p>Limited analysis of the impact of pricing decision making use of quantitative and/or qualitative information.</p>	<p>1 mark</p> <p>Limited evaluation of the pricing decision making use of quantitative and/or qualitative information.</p> <p>Unsupported judgements made.</p>
0	<p>0 marks</p> <p>No understanding of pricing decision.</p>	<p>0 marks</p> <p>No application of pricing decision to Wipeout Ltd.</p>	<p>0 marks</p> <p>No analysis of pricing decision.</p>	<p>0 marks</p> <p>No evaluation of pricing decision.</p>

Indicative content:

With a price elasticity level of -0.5 The Glider is price inelastic. This will mean that an increase in price will lead to an increase in the revenue (£60 000 to £64 000) generated from sales. Therefore, quantitatively, it would seem to make sense to increase the price.

One factor leading to a high level of price inelasticity could be that the business has developed a strong brand name over a number of years. This would support the idea of the product being price inelastic due to high customer loyalty.

It is clear from the text that Wipeout Ltd. have previously been so busy that, during their peak season, demand has exceeded the capacity to supply. Therefore, if Steve does not increase the price of The Glider, he is likely to lose revenue from unfilled orders.

In summer 2017 Wipeout Ltd.'s home town, Newquay, will host the UK surfboarding championships. This is likely to significantly increase demand for their surfboards making an increase in the price for their competition level board, The Glider, a good way of increasing sales revenue.

However, a 20% increase in price for an existing board may be seen as profiteering. Therefore, the predicted fall from 120 to 108 boards may be incorrect leaving the business with a poor reputation and stocks of unsold boards.

It may be better for Steve to increase the capacity of the business by purchasing more machinery or hiring more staff in the peak season. This would assist in coping with peak demand, which seems to be a reoccurring problem. Therefore, Wipeout Ltd. will be able to generate an increase in income without raising prices.

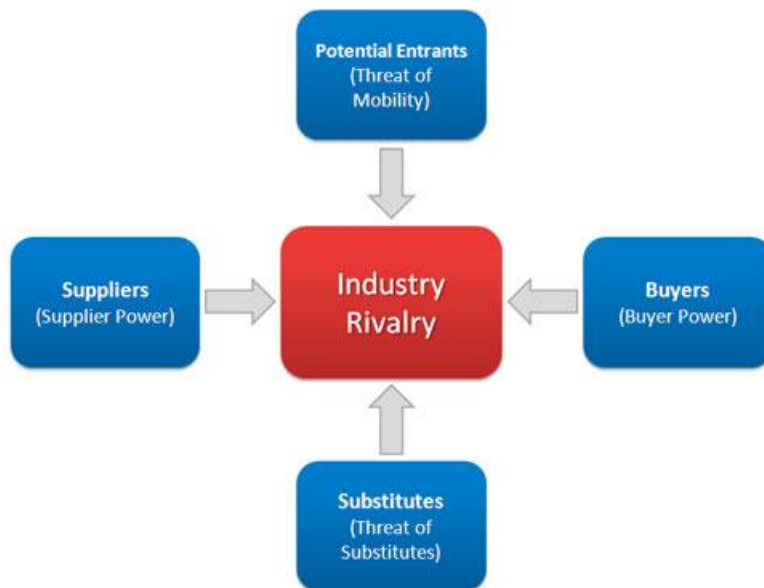
In conclusion, surfing is likely to be a niche market. Therefore, an increase in prices for short-term advantage may be problematic in the long-term as customers, disgruntled with the price increase, move to other brands.

Credit any other valid point.

3	With reference to Porter's Five Forces Framework and the information in the passage, discuss the present situation for Greggs. [10]			
Band	AO1	AO2	AO3	AO4
	2 marks	2 marks	2 marks	4 marks
3				<p>3-4 marks</p> <p>Excellent evaluation of Porter's Five Forces Framework to Greggs case study.</p> <p>Supported judgements of the importance of each factor.</p> <p>Summative judgement considering the main points may be offered.</p>
2	<p>2 marks</p> <p>Good understanding of Porter's Five Forces Framework.</p> <p>The learner will have a clear understanding of each of Porter's Five Forces.</p>	<p>2 marks</p> <p>Good application of Porter's Five Forces Framework to Greggs case study.</p> <p>The learner makes effective use of the case study context throughout the answer.</p>	<p>2 marks</p> <p>Good analysis of Porter's Five Forces Framework to Greggs case study.</p> <p>Good well-developed answer explaining the current situation for Greggs.</p>	<p>2 marks</p> <p>Good evaluation of Porter's Five Forces Framework to Greggs case study.</p> <p>The evaluation will include some of the key issues.</p> <p>Judgements made with some attempt to support evaluation.</p>
1	<p>1 mark</p> <p>Limited understanding of Porter's Five Forces Framework.</p> <p>The learner identifies some of Porter's Five Forces.</p>	<p>1 mark</p> <p>Limited application of Porter's Five Forces Framework to Greggs case study.</p> <p>The learner makes some use of the case study context during the answer.</p>	<p>1 mark</p> <p>Limited analysis of Porter's Five Forces Framework to Greggs case study.</p> <p>An attempt to explain the current situation for Greggs.</p>	<p>1 marks</p> <p>Limited evaluation of Porter's Five Forces Framework to Greggs case study.</p> <p>Judgements are superficial and unsupported.</p>
0	<p>0 marks</p> <p>No understanding of Porter's Five Forces Framework.</p>	<p>0 marks</p> <p>No application of Porter's Five Forces Framework to Greggs case study.</p>	<p>0 marks</p> <p>No analysis of Porter's Five Forces Framework to Greggs case study.</p>	<p>0 marks</p> <p>No evaluation of Porter's Five Forces Framework to Greggs case study.</p>

Indicative content:

Diagram outlining Porter's Five Forces elements or introductory paragraph identifying forces (see below).



Barriers to entry: Fast food is a low cost start up business which contains thousands of independent retailers as well as large multinationals such as McDonalds, Subway and KFC. Therefore, Greggs may struggle to achieve high market share in this industry due to low barriers to entry.

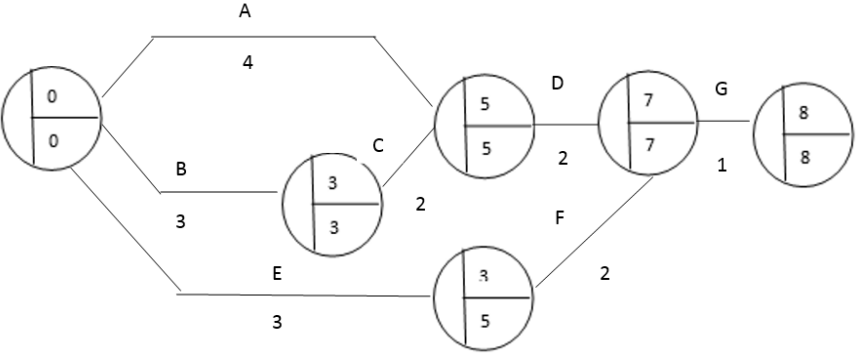
Competition: Competition from supermarkets is high in the bread section of the business. Businesses such as Jenkins Bakery have had an impact on sales in some South Wales towns. Despite these challenges, it appears that the business is becoming more successful with 6.4% growth in sales due to expansion.

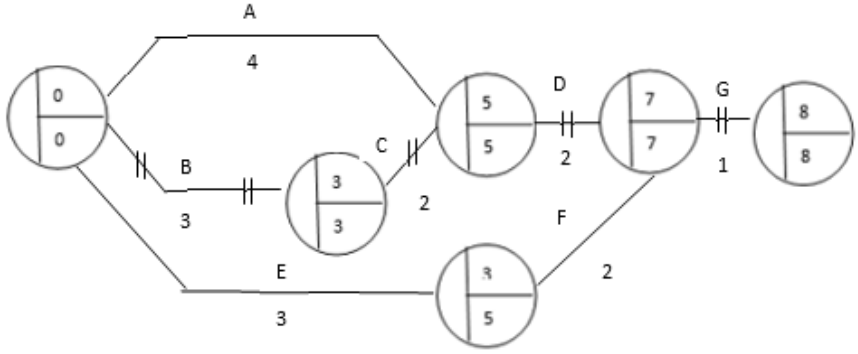
Buyers: Buyers have power in the high street as there are alternatives such as Jenkins Bakery as well as independent food retailers. However, in motorway services these options may be limited. Therefore, the place strategy of Greggs seems to be successfully locating in an area which limits buyer power through a lack of choice.

Substitutes: Of course there are many alternatives to the pastry based products produced by Greggs. New trends for healthier products made to order may become a threat to Greggs plans for continued growth. Should the trend for fresh items continue, the strength of substitutes will grow.

Suppliers: Due to the increased sales in Greggs products and a growing number of stores, any supplier of Greggs will value them as a customer. Greggs will be a significant customer, this may encourage suppliers to reduce their prices due to the size of Greggs orders. Therefore, supplier power is likely to be weak.

Credit any other valid point.

<p>4 (a)</p>	<p>Using the data in table 1, complete the network diagram:</p> <p>label the activities the time required for each task calculate the earliest start times and the latest finishing times.</p> <p>Award 1 mark for correct labelling of activity lines (A-G). Award 1 mark for correct labelling of time required for each task. Award 1 mark for correct EST calculations. Award 1 mark for correct LFT calculations (OFR applies).</p> <p style="text-align: right;">AO2: 4 marks</p> 	<p>Total</p> <p style="text-align: center;">4</p>
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<p>(b)</p>	<p>Mark the critical path on the diagram.</p> <p>Award 1 mark for correct identification of the critical path as B, C, D, G.</p> <p style="text-align: right;">AO2: 1 mark</p> 	<p>Total</p> <p style="text-align: center;">1</p>
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4 (c)	Discuss the usefulness of critical path analysis to businesses such as Mine-All-Mine. [8]		
Band	AO1	AO3	AO4
	2 marks	4 marks	2 marks
3		3-4 marks The learner gives an excellent analysis of the usefulness of critical path analysis. Key issues are discussed in detail.	
2	2 marks Good understanding of the usefulness of critical path analysis.	2 marks Good analysis of the usefulness of critical path analysis. A number of key points have been well-developed and clearly discussed.	2 marks Good evaluation of the usefulness of critical path analysis. The evaluation includes some key issues. The learner makes partial judgements, with some attempt to support their evaluation.
1	1 mark Limited understanding of the usefulness of critical path analysis.	1 mark Limited analysis of the usefulness of critical path analysis. Superficial discussion.	1 mark Limited evaluation of the usefulness of critical path analysis. Unsupported judgements are made.
0	0 marks No understanding of the usefulness of critical path analysis.	0 marks No analysis of the usefulness of critical path analysis.	0 marks No evaluation of the usefulness of critical path analysis.

Indicative content:

For:

- In complex activities such as the opening of a store there may be a schedule of activities to undertake. By using time series analysis a business will be able to identify when each activity needs to take place in order that they can establish the completion time of the activity. This will enable businesses to identify product launch dates or dates for a store opening. Advertising may then be organised around these dates.
- The critical path will enable businesses to identify activities which cannot be slowed down without extending the overall time it will take to complete a project. In this case, as the scheduled activities will take eight weeks to complete, only one week may be added to the total time before the business misses its deadline for the shop opening.

Against:

- Although a network diagram may show that a process seems to complete in time for a product launch date or a shop opening date, all of the activities will have estimated times. Therefore, any slowing down of the activities on the critical path could cause deadlines to be missed.
- Some time frames for activities may be optimistic. For example, in this case, only leaving 2 weeks to negotiate with a range of specialist mines might lead to limited time to agree prices. This could end in the business paying more for stock than would otherwise be the case.

Credit any other valid point.

Q5 (a)	Calculate the contribution per Suntrap which would be made if Summer Sun Ltd's order was to be accepted.	Total
	<p>Award 1 mark for correct formula</p> <p>Contribution = revenue – variable cost</p> <p>Award 1 mark for correct answer</p> <p>Contribution = (£225 - £150) = £75</p>	2

5 (b)	Advise Lucy as to whether or not she should accept Summer Sun Ltd's order. [10]			
Band	AO1	AO2	AO3	AO4
	2 marks	2 marks	2 marks	4 marks
3				<p>3-4 marks</p> <p>An excellent well-balanced evaluation of the key issues involved in special order decisions.</p> <p>Clear judgements are made with qualifying statements that build the argument.</p> <p>A clear recommendation is given.</p>
2	<p>2 marks</p> <p>Good understanding of issues surrounding special order is demonstrated.</p>	<p>2 marks</p> <p>Good application to the case study.</p> <p>The candidate makes effective use of the data throughout their answer.</p>	<p>2 marks</p> <p>Good analysis of accepting the special order.</p> <p>Both positive and negative impacts of accepting the special order are discussed.</p>	<p>2 marks</p> <p>A good evaluation of the key issues involved in special order decisions considering both positive and negative effects.</p> <p>Relevant judgements are made with qualifying statements that build the argument.</p> <p>A recommendation is attempted.</p>
1	<p>1 mark</p> <p>Limited understanding of issues surrounding special order is demonstrated.</p>	<p>1 mark</p> <p>Limited application to the case study.</p> <p>The candidate response is mainly theoretical with limited use of the case study scenario.</p>	<p>1 mark</p> <p>Limited analysis of accepting the special order.</p> <p>Points made are in general terms and only one of the decisions is discussed.</p>	<p>1 mark</p> <p>Limited evaluation of the issues involved in special order decisions.</p> <p>Unclear advice given on the recommendation.</p>
0	<p>0 marks</p> <p>No understanding of issues surrounding special order is demonstrated.</p>	<p>0 marks</p> <p>No application to the case study.</p>	<p>0 marks</p> <p>No analysis of the problems surrounding special order decisions is attempted.</p>	<p>0 marks</p> <p>No evaluation of the issues involved in special order decisions are given.</p> <p>No advice given.</p>

Indicative content:

Answers might include the following:

Arguments in favour:

- As the order is for a large quantity of summer houses, the total contribution would be £150,000. This would be a significant contribution to an SME such as Garden Glory Ltd.
- Due to the British weather the peak sales season when customers are thinking about enjoying time in the garden is likely to be relatively short. Therefore, it is important for Lucy to recover the research and development costs, and achieve profit, as quickly as possible during a limited sales period.
- In recent times Garden Glory Ltd has not been producing at full capacity. Therefore, if the business has enough spare capacity to accept Summer Sun's proposal whilst fulfilling orders for other customers at £400, Garden Glory Ltd. should accept the order as this will increase contribution, leading towards higher profits.
- Summer Sun is one of Garden Glory Ltd's biggest customers. Therefore, Lucy should accept the order in order to maintain the relationship with Summer Sun.

Arguments against:

- If Lucy accepts the order, she will receive a contribution of £75 per summer house. This is significantly lower than the £250 which she would receive by selling the Suntrap at £400. As the economy is recovering, Lucy should reject the order as it is increasingly likely she will be able to sell the Suntrap to other customers for £400.
- With the Suntrap's unique selling points, Garden Glory Ltd. should be able to find enough customers willing to pay a price of £400. This would generate a higher contribution to cover fixed costs. Furthermore, this may provide Garden Glory Ltd with a profit to undertake research and development into other new innovative ideas in time for a product launch next summer.
- If other customers discover that Garden Glory Ltd has been offering discounted prices to competitors, this may cause them to seek the same discount therefore lowering Garden Glory Ltd's overall contribution. Should Garden Glory Ltd not accept, this may jeopardise future trade with Summer Sun.

Advice is reversible.

Credit any other valid point

<p>6 (a)</p>	<p>Calculate the value of (i) and (ii) in figure 1.</p> <p>Award 1 mark for calculating 2008 sales revenue as £66 000 AO2: 1 mark</p> <p>Award 1 mark for calculating 2011 three year moving average as £131 000 AO2: 1 mark</p> <table border="1" data-bbox="288 389 1369 629"> <thead> <tr> <th>Year</th> <th>2007</th> <th>2008</th> <th>2009</th> <th>2010</th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Sales revenue (£000s)</td> <td>56</td> <td>66</td> <td>79</td> <td>110</td> <td>129</td> <td>154</td> <td>173</td> <td>189</td> <td>202</td> <td>215</td> </tr> <tr> <td></td> <td></td> <td>67</td> <td>85</td> <td>106</td> <td>131</td> <td>152</td> <td>172</td> <td>188</td> <td>202</td> <td></td> </tr> </tbody> </table>	Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Sales revenue (£000s)	56	66	79	110	129	154	173	189	202	215			67	85	106	131	152	172	188	202		<p>2</p>
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<p>6 (b)</p>	<p>Plot all the three year averages on the graph below and draw a line of best fit.</p> <p>Award 1 mark for plotting the results. AO2: 1 mark 1</p> <p>Award 1 mark for drawing the line of best fit AO2: 1 mark 1</p> <div data-bbox="296 801 1086 1350"> <table border="1" data-bbox="296 801 1086 1350"> <caption>Data points for the line graph</caption> <thead> <tr> <th>Year</th> <th>Sales revenue (£000s)</th> </tr> </thead> <tbody> <tr><td>2007</td><td>56</td></tr> <tr><td>2008</td><td>66</td></tr> <tr><td>2009</td><td>79</td></tr> <tr><td>2010</td><td>110</td></tr> <tr><td>2011</td><td>129</td></tr> <tr><td>2012</td><td>154</td></tr> <tr><td>2013</td><td>173</td></tr> <tr><td>2014</td><td>189</td></tr> <tr><td>2015</td><td>202</td></tr> <tr><td>2016</td><td>215</td></tr> </tbody> </table> </div>	Year	Sales revenue (£000s)	2007	56	2008	66	2009	79	2010	110	2011	129	2012	154	2013	173	2014	189	2015	202	2016	215	<p>2</p>											
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<p>6 (c)</p>	<p>Use the line of best fit to predict the sales revenue for 2018. Indicate the predicted sales for 2018 in the box provided under the table.</p> <p>Award 1 mark for reading the graph to predict sales. AO2: 1 mark</p> <p>Allow anywhere in the range £255 000 – £285 000. OFR applies.</p>	<p>1</p>																																	

6 (d)	Evaluate the usefulness of both quantitative and qualitative methods of forecasting to small manufacturing companies such as Daisy's Dresses Ltd. [7]			
Band	AO1	AO2	AO3	AO4
	1 mark	2 marks	2 marks	2 marks
2		<p>2 marks</p> <p>Good application to small businesses or Daisy's Dresses Ltd.</p> <p>The candidate response is clearly linked to the case study scenario or small businesses.</p>	<p>2 marks</p> <p>Good analysis of the use of quantitative and qualitative forecasting techniques.</p> <p>Both the negative and positive impacts of quantitative and qualitative forecasting techniques are examined.</p> <p>The candidate will develop arguments and a logical chain of reasoning to make use of theory and the context.</p>	<p>2 marks</p> <p>Well-reasoned evaluation of quantitative and qualitative forecasting techniques.</p> <p>Clear reference to the data to support the argument.</p> <p>Relevant judgements are made with qualifying statements that build the argument.</p>
	1	<p>1 mark</p> <p>Understanding of quantitative and qualitative methods of forecasting demonstrated.</p>	<p>1 mark</p> <p>Limited application to the case study or small businesses.</p> <p>The candidate response is mainly theoretical with limited use of the case study scenario.</p>	<p>1 mark</p> <p>Limited analysis of the use of quantitative and/or qualitative forecasting techniques.</p> <p>Points made are in general terms and quantitative or qualitative forecasting techniques are considered.</p>
0	<p>0 marks</p> <p>No understanding of quantitative or qualitative methods of forecasting.</p>	<p>0 marks</p> <p>No application to the case study or small businesses.</p>	<p>0 marks</p> <p>No analysis of quantitative and qualitative forecasting techniques.</p>	<p>0 marks</p> <p>No evaluation of quantitative and qualitative forecasting techniques.</p>

Indicative content:

According to the chart, sales revenue seems to be a relatively steady increase with little deviation from the line of best fit. Therefore, it appears likely that sales will continue in this same manner for the next two years. Therefore, quantitative forecasting appears very useful to Daisy's Dresses Ltd.

Equally, the sales forecast is relatively short term. Therefore, a significant variation from the line of best fit is not likely if the company continues with their present rate of growth. This again makes this quantitative forecast very useful.

However, the fashion market may change fairly quickly. If Daisy's Dresses Ltd attracts a large contract due to developing popular designs the forecast may quickly become outdated and therefore, not useful as a prediction of future labour or equipment needs.

Qualitative methods such as intuition may be useful in this case as the fashion industry needs trend setters. Therefore, the use of new cutting edge styles or fabrics may be more in the hands of designers than as a result of market research.

The Delphi technique makes use of a panel of experts in developing solutions and coming to a consensus. This may be useful when considering the direction in which the fashion market is going and increase the likelihood of sales in this ever changing market. However, as a relatively small group of individuals are involved this may lead to inaccurate results. For a small business such as this, producing goods which do not sell may be disastrous in terms of lost revenue.

Overall, it appears that the short-term nature of this quantitative sales forecast with fairly consistent positive growth is likely to be useful when working out the future labour needs of the company as it grows. However, as the market changes from season to season as fashion changes, it will also be useful for Daisy's Dresses to consult industry experts in working out the changing trends in this market.

Credit any other valid point.

7	Discuss the impact that NHS Wales's mission statement and values may have on its stakeholders. [12]			
Band	AO1	AO2	AO3	AO4
	2 marks	2 marks	4 marks	4 marks
3			3-4 marks Excellent analysis of NHS Wales vision and mission statements upon its stakeholders.	3-4 marks Excellent evaluation of NHS Wales vision and mission statements upon its stakeholders.
2	2 marks Good understanding of vision and mission statements.	2 marks Good application of NHS Wales vision and mission statements upon its stakeholders. The candidate makes effective use of the data throughout their answer.	2 marks Good analysis of NHS Wales vision and mission statements upon its stakeholders. The analysis is balanced, detailed and developed in context.	2 marks Good evaluation of NHS Wales vision and mission statements upon its stakeholders. The evaluation will include some of the key issues. The candidate makes partial judgements, with some attempt to support their evaluation.
1	1 mark Limited understanding of vision and/or mission statements.	1 mark Limited application of NHS Wales vision and mission statements upon its stakeholders. The candidate response is mainly theoretical with brief reference to the data.	1 mark Limited analysis of NHS Wales vision and mission statements upon its stakeholders. Superficial discussion.	1 mark Limited evaluation of NHS Wales vision and mission statements upon its stakeholders. Unsupported judgements are made.
0	0 marks No understanding of vision and/or mission statements.	0 marks No application of NHS Wales vision and mission statements upon its stakeholders.	0 marks No analysis of NHS Wales vision and mission statements upon its stakeholders.	0 marks No evaluation of NHS Wales vision and mission statements upon its stakeholders.

Indicative content:

In order to be 'world class' the management of NHS Wales will need to target areas of improvement, such as waiting list times, within the organisation and benchmark these against services in other countries. In doing so, the management will be able to identify areas of underperformance and seek methods to improve these areas.

By 'working together' employees are likely to be expected to work collaboratively within teams. For those working in NHS Wales this is likely to provide motivation and support. As with cell production, teams will be able to identify areas of strength and weakness flagging up training needs to develop further improvements. In this type of service industry it is vital that the teams work closely and effectively in order to achieve the organisation's goals.

It is clear that this organisation has a clear 'customer-focus'. As the focus is in providing the highest standard of customer care NHS Wales should deliver an excellent level of service to all customers. Therefore, as a result of the organisation's aims, customers should receive great benefit from the service.

Suppliers are likely to be under pressure to provide pharmaceutical products at reasonable prices. As this is a very large organisation it is likely that NHS Wales will be able to exert enough power over suppliers to command price reductions. This will cause suppliers to become more efficient in their operations. Therefore, it is likely that suppliers will come under financial pressure due to the objectives of NHS Wales.

Government plays a big part as they will essentially set the budget for NHS Wales. This will be a major factor in determining the level of care which can be offered. However, if the budget is used to its greatest effect this will lead to an increase in productivity for the working population who use the service. This will help to increase GDP in Wales so that the government has more income through corporation tax to provide further merit and public goods.

The local community will benefit greatly from this service. As discussed previously, if the objectives of NHS Wales leads to the provision of more merit and public goods, this may lead to the provision of activities supporting the Welsh cultural heritage. This may strengthen communities in Wales leading to a strong Welsh culture.

Overall, it appears that the mission statement and values of NHS Wales will impact greatly on all of the stakeholders. However, those such as suppliers may be negatively affected due to weak supplier power. On the other hand customers, government and local community may benefit significantly in non-financial terms. Overall, this may aid the overall health of the Welsh culture as well as its population.

Credit any other valid point.