



Examiners' Report June 2024

IAL Business WBS13 01

Introduction

The paper effectively differentiated candidate performance, with a wide range of marks reflecting the quality of responses. Candidates with a solid understanding of business concepts performed exceptionally well, particularly on the longer questions, demonstrating excellent and thoughtful answers. Conversely, some responses were notably weak, indicating a lack of understanding or familiarity with the specification content. The primary reasons for underperformance were common issues such as failing to follow command words and not reading questions carefully. A significant number of candidates ignored instructions to "assess" and "evaluate,". This issue was particularly evident in Q01(c), Q01(e), Q02 and Q03, where misinterpreting the question wording resulted in substantial mark deductions. Future candidates should be reminded of the importance of applying context to all responses. Repeating generic answers or merely copying extracts will not achieve higher marks according to the mark scheme.

Marking levels – a holistic approach

The IAL specification continues to employ marking descriptors for all levels-based questions. It is crucial for centres to familiarise themselves with these descriptors and understand how they differ from the legacy specification. The levels-based mark schemes are applied holistically, rather than focusing on individual Assessment Objectives. This approach means that a candidate attempting evaluation with some context will not automatically be placed in the top levels, as was the case with the legacy specification. If the evaluation is weak, the candidate may only achieve a maximum of level 2. Too many candidates are merely copying large sections of the extracts with limited evaluation, which will only result in lower level marks.

Question 1 (a)

This question proved to be a challenge for some candidates who did not know how to calculate ROCE. Some candidates did not give their answer to two decimal places or did not include the percentage sign. Correct answers which do not include the percentage sign can only achieve a maximum of 3 marks so it is essential the correct units are always used. It is advisable to show all workings including the formula. Marks can still be awarded for showing the correct ROCE formula and correct workings with an incorrect answer.

- 1 (a) Using Extract B, calculate to two decimal places, the return on capital employed (ROCE) for Bosch in 2022. You are advised to show your working.

(4)

$$\begin{aligned}\text{ROCE} &= \frac{\text{Operating Profit}}{\text{non-current liabilities} + \text{total equity}} \times 100 \\ &= \frac{3.4 \text{ €bn}}{24.4 \text{ €bn} + 46.7 \text{ €bn}} \times 100 \\ &= \frac{3.4 \text{ €bn}}{71.1 \text{ €bn}} \times 100 \\ &= 4.78 \text{ bn.}\end{aligned}$$



ResultsPlus
Examiner Comments

This response scores 3 marks. Unfortunately, the candidate does not use the correct units in the final answer and instead of a percentage sign expresses the answer as a monetary value. Marks are awarded for the correct formula for ROCE and the workings.



ResultsPlus
Examiner Tip

Check you have given your response to the correct decimal places (if applicable) and have used the correct units. Often examiners see incorrect units used and this results in only 3 marks rather than 4 marks being awarded.

- 1 (a) Using Extract B, calculate to two decimal places, the return on capital employed (ROCE) for Bosch in 2022. You are advised to show your working.

(4)

$$\text{Return on capital employed} = \frac{\text{operating profit}}{\text{capital employed}} \times 100$$

$$\text{capital employed} = \text{Total equities} + \text{Non-current liabilities}$$

$$46.7 + 24.4 = 71.1$$

$$\frac{3.4}{71.1} \times 100 = 4.781\%$$



ResultsPlus
Examiner Comments

This response scores 3 marks. The final answer is not given to 2 decimal places. Marks are awarded for the correct formula for ROCE and the correct workings.



ResultsPlus
Examiner Tip

Always check that your final answer is given to two decimal places. If this is not the case, then marks can be awarded for showing the correct formula and workings. If the formula is missing (or is incorrect) then a maximum of 2 marks can only be awarded for the workings so it is essential to include the correct formula in calculation questions.

- 1 (a) Using Extract B, calculate to two decimal places, the return on capital employed (ROCE) for Bosch in 2022. You are advised to show your working.

(4)

$$\text{ROCE} = \frac{\text{Operating Profit}}{\text{capital employed}} \times 100$$

$$\text{capital employed} = \text{non current liabilities} + \text{total equity}$$

$$24.4 + 46.7 = 71.1$$

$$\text{ROCE} = \frac{3.4}{71.1} \times 100 = \frac{3400}{711} \rightarrow 4.78\%$$



ResultsPlus
Examiner Comments

This response scores full marks:

- It shows each step of the calculation (always advised).
- Is to two decimal places.
- Has used the correct units.



ResultsPlus
Examiner Tip

Always include $\times 100$ in the formula otherwise the Knowledge mark for the formula cannot be awarded.

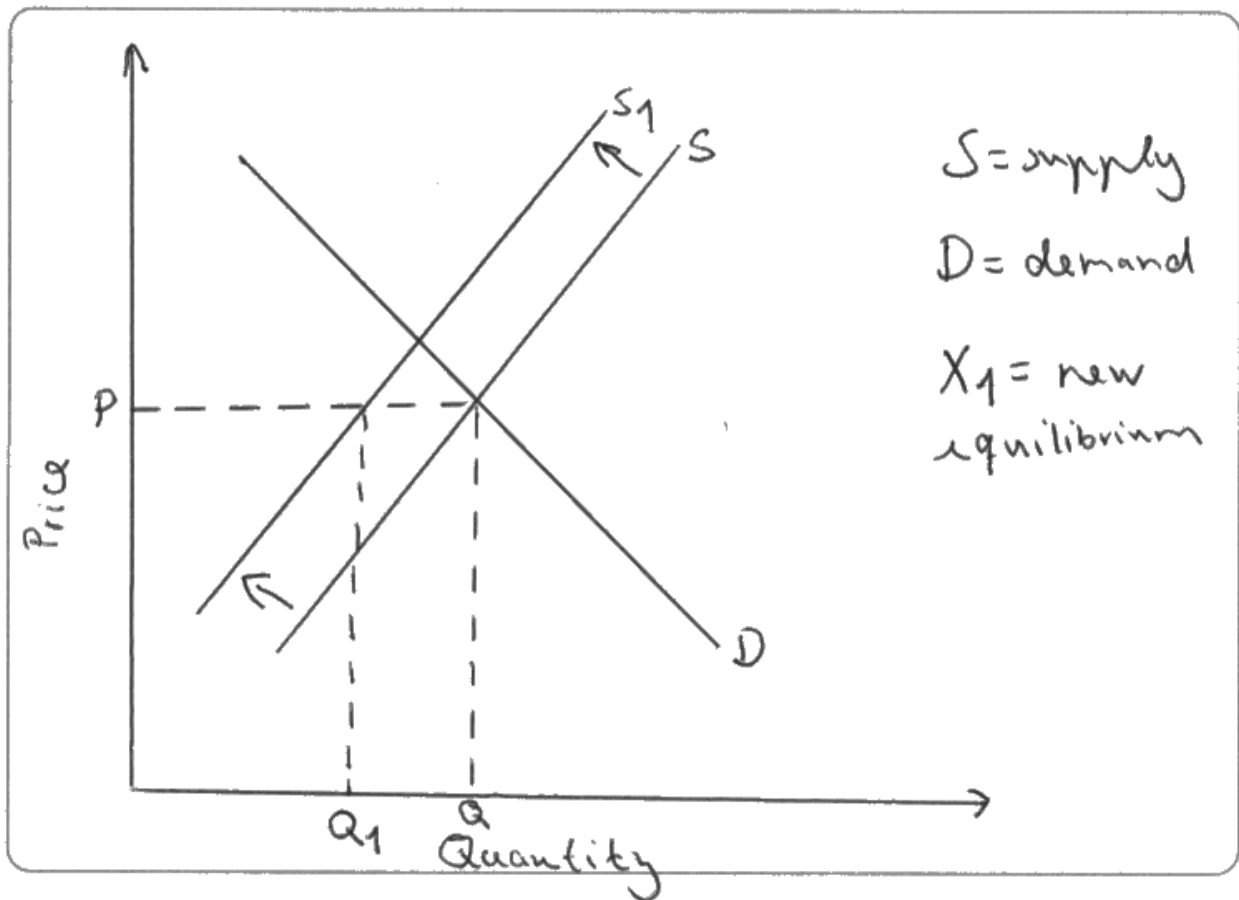
Question 1 (b)

Many candidates struggled with this question and were unable to draw an accurate supply and demand diagram to the likely impact on the market for consumer goods from an increase in the cost of raw materials. This examination paper is synoptic in nature and can therefore examine subject content from units 1 and 2, so candidates should be prepared to answer questions from all three units.

This question was marked in the same way as on WBS11 examination paper and 1 mark was awarded for drawing the axes and labelling these 'Price' and 'Quantity' (P and Q was accepted). Marks will not be awarded for 'Quantity Demanded' or 'QD' and it must be labelled 'Quantity' or 'Q'. The second mark was awarded for an accurately labelled supply curve, demand curve and labelling the initial price and quantity on the axes. Many candidates did not label the initial price and quantity, so could not gain this mark. The third mark was awarded for the correct left shift of the supply curve. The fourth mark was awarded for the labelling of the new higher equilibrium price and the new lower equilibrium quantity on the Price and Quantity axes.

- (b) Construct a supply and demand diagram to show the likely impact on the market for consumer goods from an increase in the cost of raw materials.

(4)



ResultsPlus
Examiner Comments

This response scores 3 marks. The new equilibrium price and quantity (analysis) is not shown on the diagram despite a correct shift in the supply curve.



ResultsPlus
Examiner Tip

Always redraw the new equilibrium and make sure you label this on the axes and not at the market clearing point.

- (b) Construct a supply and demand diagram to show the likely impact on the market for consumer goods from an increase in the cost of raw materials.

(4)



ResultsPlus
Examiner Comments

This response scores 2 marks. The candidate has shifted the supply curve to the left but has not shown the initial or new equilibrium points on the diagram so can only be awarded 1 mark for labelling the axes Price and Quantity (Knowledge) and 1 mark for shifting the supply curve (Application).



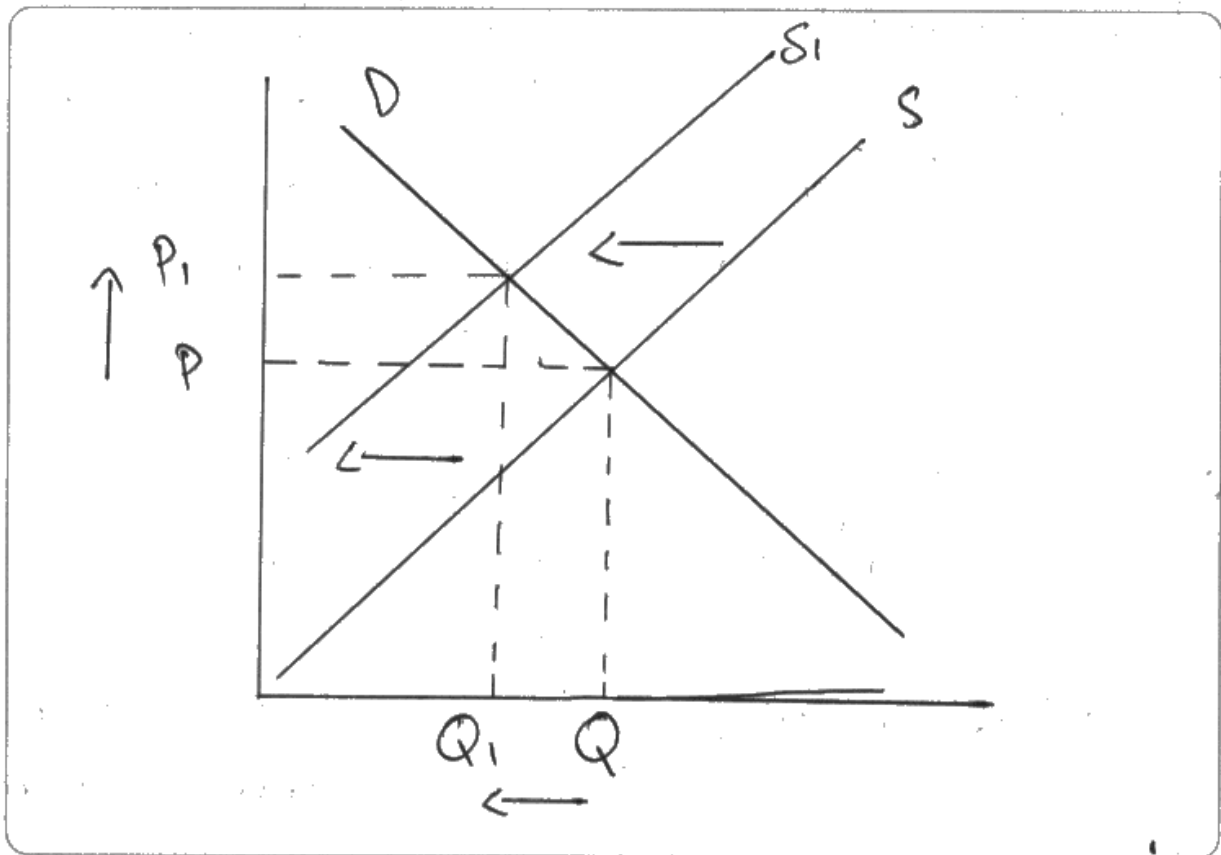
ResultsPlus
Examiner Tip

It would be helpful if rulers were used to draw the diagram rather than freehand.

The consumer goods division manufactures household goods such as refrigerators, dishwashers and vacuum cleaners.

- (b) Construct a supply and demand diagram to show the likely impact on the market for consumer goods from an increase in the cost of raw materials.

(4)



ResultsPlus
Examiner Comments

This response scores 3 marks because it does not have the correct labels for the axes.

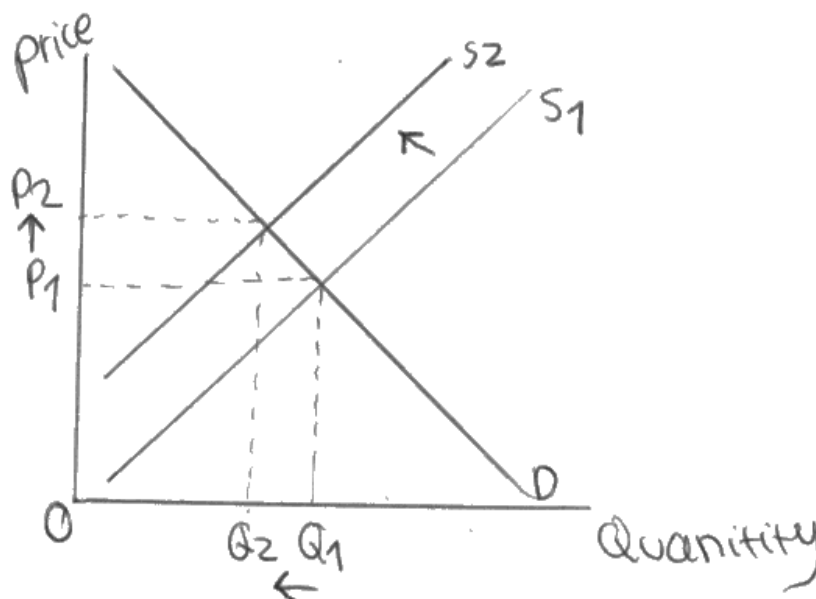


ResultsPlus
Examiner Tip

For a supply and demand diagram, the axes should always be labelled 'Price and Quantity' or 'P and Q'. Do not use 'Quantity Demanded' or 'QD' or 'QS' as these are incorrect.

- (b) Construct a supply and demand diagram to show the likely impact on the market for consumer goods from an increase in the cost of raw materials.

(4)



ResultsPlus
Examiner Comments

This response scores 4 marks and shows the correct shift of the supply curve.



ResultsPlus
Examiner Tip

This response is a perfect example of what your supply and demand diagram should look like in terms of labelling.

Question 1 (c)

This was a popular question with many candidates able to give some reasons as to why Bosch might see some internal economies of scale from the expansion into China.

Candidates did not have to cover all the different economies of scale to access the higher levels and candidates can score all 8 marks with just a discussion of one type of economy of scale. The most popular ones seen were purchasing or managerial economies of scale with links to how these could result in lower average unit costs for Bosch. For the counter argument, many candidates stated how there could be diseconomies of scale linked to communication issues and then how the size of the business could result in average costs rising rather than falling.

Better responses did tend to have more developed chains of reasoning on both sides of the argument. As with all levels-based questions, marks are awarded holistically for the quality of the evaluation rather than the number of individual points being made and a conclusion is not required for this question.

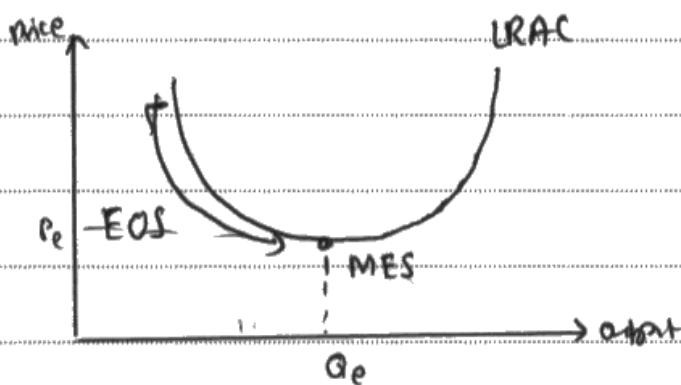
(c) Discuss if this expansion programme is likely to result in internal economies of scale for Bosch.

(8)

Internal economies of scale refers to fall in the long run average costs as output increases within the organization.

Since Bosch is a market leader in the supply of car parts and software systems, expanding their business by investing in an engineering and manufacturing factory in China will allow them to achieve purchasing economies of scale. This could be achieved by Bosch bulk buying raw materials such as metals and batteries that are used in the production of its electric car, allowing them to receive discounted rates for their raw materials. This will reduce their long run average costs as they are aiming to increase output of electric cars and software systems.

Another type of internal economies of scale that Bosch can achieve is technical economies of scale.



Since Bosch is a heavily technological based company, supplying parts and services to the automotive market, they will be able to employ high tech machinery to increase the efficiency of

the production of electric car parts and software systems. As a result of productive efficiency by producing at the minimum efficient scale of the LRAC, they will benefit from lower cost of production, increasing their sales and profit margins through the expansion program.

However, there is a likelihood that Bosch may lead into dis-economies of scale as since they are employing 420,000 employees worldwide, including factory workers in China, Bosch may face coordination and communication problems due to the large pool of workers.

Ineffective communication could lead to higher mistakes when producing the electric car parts, which ~~could~~ ^{reduce} the quality of the car parts and in return tarnish the brand image of Bosch being the market leader. Therefore, these inefficiencies caused by dis-economies could lead to a rise in LRAC as output of car parts increases.



ResultsPlus
Examiner Comments

This response scores full marks. The candidate clearly understands economies of scale and gives two examples with great use of context on both sides of the argument. Although this is unbalanced in terms of the main argument compared to the counter argument, there just needs to be reasonable balance. It matches everything in the level descriptor for level 3 so is awarded all 8 marks.



"Discuss" questions always require a two-sided argument. Many candidates still only provide one-sided responses for this question. A conclusion is not required.

(c) Discuss if this expansion programme is likely to result in internal economies of scale for Bosch.

(8)

Economies of scale is when a business minimises costs due to increase in size ~~to benefit from them~~. Internal economies of scale (EoS) include: financial, ~~man~~ managerial, marketing, purchasing, technical, risk-bearing. Expansion can result in internal EoS as the new factory will create new jobs which can allow Bosch to benefit from managerial economies as Bosch can employ specialised managers to oversee operations to ~~ensure~~ increase efficiency and reduce average costs to manufacture electric cars. In addition, expansion could result in technical economies as Bosch can maximise their machinery efficiency and increase output, thus decreasing average costs. However, it could result in diseconomies of scale if the expansion of Bosch results in miscommunication between factories and their 420,000 employees. This could result in decreased efficiency and could result in a fault in production which can increase costs for Bosch to fix those errors.



This scores 4 marks. The response does evaluate with some relevant evidence on both sides of the argument. The chains of reasoning are incomplete because the candidate is not really developing why or how there would be a reduction in average costs. This is more assertive and is awarded at the midpoint of level 2 because of this.



You do not need to start off with a definition and you can still gain full marks without providing a definition for the levels-based questions.

Question 1 (d)

Many candidates successfully applied a SWOT analysis to Bosch, demonstrating relevant evidence and systematically addressing each component. However, it was not necessary to cover all four aspects of SWOT to achieve level 4.

Some candidates did not carefully read the question and merely produced a SWOT analysis for Bosch, neglecting to discuss the benefits of using this tool for developing Bosch's business strategy. Such responses were typically placed in the lower levels of the mark scheme. For higher level marks, examiners are seeking an analysis of how Bosch could utilise a SWOT analysis to develop its business strategy and accept any valid benefits. Typically, the main argument was well contextualised and effectively utilised relevant evidence. The counter argument tended to be more generic, often addressing points such as the time and cost involved in producing a SWOT analysis and the complexity due to Bosch's size and dynamic product range. Any valid counter arguments were accepted and these were sometimes more robust (if not generic) than the main analysis of the benefits. Many candidates mentioned that SWOT should be used in conjunction with other business tools such as Ansoff's Matrix. However, these remarks were often underdeveloped or relegated to the conclusion.

(d) Assess the likely benefits for Bosch of using a SWOT analysis when developing its business strategy.

(12)

SWOT analysis is a strategic plan that shows the strengths, weaknesses, opportunities and threats of a business.

Firstly, this could act as a motivation and help the business know that they are on the right track. As mentioned one of the biggest strengths is its employees with their expertise, ideas, creativity and commitment. This leads to increased sales as in 2020, it employed 76000 employees and spent €6bn developing new products and so it also helps the business to plan ahead.

Moreover, SWOT analysis, can help Bosch overcome its weaknesses as stated over the last few years, Bosch has faced some challenges like supply chain problems. This can help the business make future decisions for example by looking for new suppliers. It also stated that it has increasing costs for raw materials. Therefore, a SWOT analysis can help the Bosch overcome its problems and increase revenue as it has already increased by €9.5bn.

However, it can be very complex and time consuming to prepare a SWOT analysis because as mentioned Bosch is a German engineering and technological business that ~~work~~ operates worldwide and has several divisions and operational stores worldwide and so it can be difficult to gather all the information and create a SWOT analysis.

In addition, this leads to opportunity cost as they could focus on other objectives of the business than creating a SWOT analysis.

To conclude, the business can use other strategic tools like Porter's five Forces or Ansoff's matrix when developing its business strategy.



This response scores 8 marks. It is applied to Bosch and suggests how SWOT analysis can be used in terms of planning and future decisions regarding suppliers. The counter argument explains why this might be difficult to do with use of relevant evidence from the extracts. It does suggest alternative methods but these are not developed. It matches the level 3 descriptor but the evaluation is not developed enough for level 4.



Make sure the chains of reasoning are developed rather than assertive. If you can ask why or how after a sentence, then this is likely to mean the statement is not fully developed.

(d) Assess the likely benefits for Bosch of using a SWOT analysis when developing its business strategy.

(12)

SWOT involves looking at (S) Strengths and (W) Weaknesses of a business and the (O) Opportunities and (T) Threats it faces.

Bosch using SWOT analysis when developing its business strategy will be good as it can identify its strengths as its biggest strength is its employees with their expertise, ideas ... This is good as the business efficiency and production will increase as its employees are creative and have expertise knowledge and so they will perform better in their tasks and so this will increase sales and profits and the products will be of good quality increasing customer satisfaction.

Bosch using SWOT analysis will be good as it will help identify the business its threats as it has experienced challenges such as supply chain problems. This may affect the business performance as the products (dishwasher) may be delayed for the business to release them to the market and so this may slow down the business efficiency and will lead to less sales, profitability and customer satisfaction.

Bosch using SWOT analysis will help the business identify its opportunity as the factory will create new jobs to make parts for electric cars. This is good as the business can gain skilled employees that will increase efficiency and productivity as they have the skills to perform their tasks and so will increase reduce the time taken to make the products of good quality and

this will increase sales, profits and improve the business reputation.

However, SWOT analysis may not be as beneficial to Bosch when developing its business strategy as it is a fairly large business as it has a wide product ^{portfolio} ~~port~~ and ~~has~~ ^{it is} over a market leader in the supply of car parts and software systems and so it may not be able to identify all its weaknesses and threats that can affect its performance as well as sales and profits.

SWOT analysis may not be as beneficial to Bosch as it may not identify that there are other factors that can affect its business strategy such as social factors such that there are ^{social} challenges such as global health crisis that can affect the business especially since it ~~is~~ has numerous manufacturing and engineering factors around the world if it is not social conscious it can affect the business reputation and lead to lower sales and profits.

In conclusion SWOT analysis will be beneficial to Bosch as it will help identify its strengths, weaknesses, threats and opportunities to ensure its success although this depends on whether it can also use PESTLE as a complement to ensure better outcomes to help the business succeed further.



This response scores 10 marks. The initial part of the response focuses on applying the SWOT analysis specifically to Bosch, rather than discussing how SWOT analysis can be used in general or outlining its benefits for business strategy. The counter argument is stronger and effectively explains why SWOT analysis might not be beneficial. The main argument makes good use of relevant evidence. However, the overall mark is slightly lowered due to the insufficient analysis in the main argument.



You are not required to define key terms for any questions on this paper in order to score full marks so do not waste time doing this and instead get straight to the point in your response.

Question 1 (e)

This question was poorly done in comparison to Q01(d) with many candidates merely listing the benefits or characteristics of a Ltd without attempting to address the question in terms of the impact on growth.

There were some confused responses where candidates mixed up public limited companies with the public sector, resulting in answers that did not address the question. Another recurring issue was the misinterpretation of Bosch having a charitable foundation with candidates incorrectly arguing that this would benefit Bosch in terms of customer preference. The order in which candidates evaluated did not matter; some started with the benefits of being a Ltd in terms of control, decision-making and reinvesting profits, while others began with the disadvantages of being a Ltd and then explained the benefits. To access the higher levels, responses need to focus on growth and how the organisational structure could affect Bosch's ability to grow and expand. A conclusion is required for 12 mark questions and often this did not add anything and was a repeat of earlier points.

(e) Assess the possible impact of remaining a private limited company on the growth of Bosch.

(12)

Private limited Company is a type of ownership where the shares can only be bought by family or friends. They are ~~are~~ smaller than public limited company. Bosch is private limited and shares ownership between the Bosch Family and a charitable foundation, however they do not have voting rights in the firm. Bosch has the ability to grow as most of the retained earning is invested back into the business for growth or is given to charitable cause which can give a strong brand image that they donate money to charity for a good cause. Moreover, Being a private Ltd can help Bosch control the business and not dilute ownership in Public Ltd where anyone who own more than 50% share can own and make decisions in the business. Being Private limited Company can help Bosch maintain its good reputation that aims to develop products that are 'invented for life' to improve

the quality of life for its customers. Being private limited, Bosch can still grow its business and grow its product portfolio.

However, Bosch can grow its business quickly by being a public limited, as shares can be bought by anyone and market value of shares can increase. The shareholders would get higher dividends. The revenue of Bosch rose from £78.7bn to £88.2bn by £9.5bn. Public Limited could help Bosch invest more money into the firm.



ResultsPlus
Examiner Comments

This response scores 4 marks. There is a stronger main argument compared to the counter argument, particularly in terms of the clarity and depth of reasoning. However, the response is somewhat unbalanced. There is some use of relevant evidence from the extracts and it fully matches the level 2 descriptor.



ResultsPlus
Examiner Tip

Read the question carefully and remember that this examination paper can ask questions on the previous units in the qualification and not just concepts from unit 3.

(e) Assess the possible impact of remaining a private limited company on the growth of Bosch.

(12)

A private limited company is a company that sell shares ~~is~~ among friendly and families. Bosch using this unique form of ownership although being ~~such a large engineering~~ as the market leader, could face positive impacts and negative impacts.

One positive impact of Bosch remaining a private limited company is that since ~~its~~ its ~~share~~ ownership is shared between the Bosch family and the charitable foundation, Bosch will be able to maintain majority of the control in the business without the interference of external shareholders in the stock exchange. Since Bosch does not give the charitable foundation a voting rights in the business, this may allow them to make quicker decisions which may be vital as they are operating in a volatile market that requires quick decision making to be innovative and meet the growing demand for its wide portfolio.

Therefore, Bosch may have more control allowing them to make decisions faster and expand faster, ~~positively impacting its growth~~ ~~thereby~~ increase revenue, positively influencing growth.

Another positive impact of Bosch remaining in this unique ownership is that since Bosch reinvests its profits back into the business which can build on future growth in terms of its expansion programs, it can also gain a favorable impression from the general community if it donates some of its profits to charitable causes. This is considering social changes in the PESTLE analysis of ~~Bosch~~ consumers are likely

to be encouraged to purchase from a ~~the~~ company that ~~not~~ considers social welfare like charitable donations. This will increase customer loyalty for Bosch leading to repeat purchases of its vacuum cleaners, garden tools and dishwashers, increasing revenue figures, leading to increased growth.

However, the negative impact of Bosch remaining as a private ltd company is that it ~~will~~ be limiting the amount of share capital it can raise ~~to~~ if it was to ~~be~~ change ownership to a public limited company. Therefore, this could reduce the financial funds it could collect from only selling to the Bosch family and a charitable foundation. Thus, Bosch might lack the finance to expand into new projects ~~due to be~~ such as developing and innovating new products and expanding into new regions like China. This could also result in them having to obtain large loans from banks to fund the €950m investment in engineering and manufacturing in China, along with the €6bn spent on developing new products, which could increase its non-current liabilities, negatively affecting growth levels on the long-run as they may face high rates of interest and a difficulty in obtaining finance.

In conclusion, ~~even~~ although this unique ownership may seem unusual for ~~an~~ such a large business like Bosch, it has still been able to become the market leader in the supply of car parts and software systems and has been able to locate factories around the world, which has allowed them to successfully expand and grow ~~even~~ by ~~being~~ ~~under~~ private remaining as a private limited company.



This response scores full marks. It effectively evaluates the impact of Bosch being a Ltd company, including aspects of control, investment and how growth may be limited compared to being a plc. The conclusion is strong and acknowledges Bosch's success in achieving growth as a Ltd. Given the constraints of a 12 minute timeframe, the evaluation is commendable.



There are many ways to evaluate and some candidates prefer to write the advantages and then consider the disadvantages with a final conclusion. Others prefer to integrate their advantages and disadvantages and the mark scheme is applied holistically, so it does not matter how you evaluate or structure your answer.

Question 2

Many candidates simply copied large portions of the extracts to describe Wells Fargo's CSR activities without incorporating any business theory or relevant concepts. When business theory was minimally present, responses were placed in level 1 or low level 2 if there was some development or weak evaluation.

The question requires an analysis of how Wells Fargo's CSR programme affected its success. To reach higher levels, candidates need to link the CSR programme to improvements in sales, profits, customer satisfaction, employee motivation and productivity—essentially any factor benefiting Wells Fargo—along with well-developed chains of reasoning and business concepts. While many candidates discussed multiple stakeholders, the evaluation did not depend on the number of stakeholders or examples from the CSR programme. Candidates could focus solely on the financial impact on the business's success. Often, the main arguments were much stronger than the counter arguments and included plenty of relevant evidence. For counter arguments, it was important to consider how the CSR programme might not benefit Wells Fargo or how customers might prioritise interest rates over the company's ethical practices. Some candidates noted that Wells Fargo still lagged behind its rivals and that the costs of the CSR programme could have been better invested in other areas to enhance the business's success.

- 2 Evaluate the extent to which Wells Fargo's corporate social responsibility (CSR) programme is likely to affect its success as a business.

(20)

Social responsibility is where by a business operate ethically.

The CSR programme may allow wells fargos to be ethical. The bank encourages employees to contribute to the community where they live and work as said in extract E. This may act as a mission statement in wells fargos which may give employees a purpose to work apart of money and also it may create a strong culture in the bank. This may lead to employees being more committed which may increase productivity. As a result sales may be increased which may contribute to the success of the bank.

The CSR can be used by wells fargo when marketing and promoting their product. This may attract customers. This may also lead to wells getting a good brand image because they are being ethical. As a result to this increase in customers and brand image wells may be get a higher market share. This may have contributed

to the fact that they are the 3rd in the top 5 banks with the highest value deposit made by customers and ~~still~~ ~~increased~~ is predicted to increase as shown in extract F. This may greatly impact the success of wells and it is in a positive way because ~~the~~ it may allow them to grow more.

However the CSR may be too costly. Extract E shows that \$390m help address ~~for~~ housing, \$50m for the environment \$1.5 for women where donated recently by the bank. Wells fargo also donate 1.5% of its revenue to charitable goods. This may reduce the revenue of the bank and therefore lead to lower profit. This may affect negatively the success of the business.

In conclusion the CSR may be costly but the benefit wells fargo get from it is worth the drawback. Only 1.5% of the revenue is given to charitable causes which may not really impact the overall revenue of wells fargo.



This response scores 7 marks. The evaluation uses relevant evidence from the extracts but features simplistic and incomplete chains of reasoning. It primarily focuses on the increase in sales and brand image with a counter argument addressing the associated costs of the CSR programme. The evaluation is placed at the midpoint due to its limited depth and balance.



Try to incorporate as many business concepts as possible rather than answer from a common sense approach. Often, the responses for the 20 mark questions lack business theories and are largely descriptive in nature. Show the examiner your knowledge and understanding of business theories and concepts rather than just copying out large chunks of the extracts.

- 2 Evaluate the extent to which Wells Fargo's corporate social responsibility (CSR) programme is likely to affect its success as a business.

(20)

Corporate social responsibility is when ~~the~~ the business focuses more on an ethical stance by aligning its objectives and policies towards ~~an~~ achieving social objectives by conducting its business operations in an ethical way.

One way in which CSR could affect the ~~business~~ success of Wells Fargo's is that by committing to efficiency and renewable energy in its operations to reduce its environmental impact, it will be satisfying social ~~the~~ factors in the PESTLE analysis of consumers ~~to~~ are now more aware of ~~the~~ threats to the environment and therefore are becoming more concerned. This would benefit Wells Fargo as they will be able to attract ethical consumers to invest their money into the bank, ~~money~~ and even ~~help to contribute to the~~ allowing Wells Fargo to become number 3 in the top US banks and has had a consistent bank deposits in the 1400+ range over the three years, contributing to its success.

Another way in which the CSR could affect the company's success is through attracting ethically concerned employees who believe in improving ~~their community~~ the communities that they ~~are~~ live, encouraging them to donate to charities like the \$330m donation to help address the housing affordability crisis to support affordable rentals and home ownership. This will also make the employees

feel like they are accepted and belong to the ~~business~~ since bank since Wells Fargo is funding such a large donation to improve the communities they live in, satisfying the social needs in Maslow's hierarchy of motivation. This will increase labour productivity as employees are now motivated by the CSR of their workplace, contributing to the efficiency and productivity of Wells Fargo, positively affecting ~~their~~ their success.

Moreover, Wells Fargo will also be able to build a ~~brand~~ strong reputation over other banks like Citibank and US Bank. National association as they have been awarded a prize in 2020 for its commitment to efficiency and renewable energy in its operations to reduce its environmental impact by donating \$50m to help economic, social and environmental needs, satisfying 3 aspects of the PESTLE analysis. This ~~will~~ brand reputation will gain the trust and worthiness from its employees and customers who may continue to increase bank deposits. This will allow Wells Fargo to become more successful in the long run.

~~How~~

However, the drawback of CSR for Wells Fargo is that ~~since~~ they may face high costs and possible losses by funding a total of \$441.5m toward its 3 donations. This could reduce its profitability levels.

Moreover, there may be a chance that other banks like JP Morgan and Bank of America may ~~also~~ also ~~exploited~~ ~~at~~ began their journey in the CSR program which means that Wells Fargo does not have a competitive advantage over the

other banks and therefore may not face an increase in their customers as they may be loyal to other banks who are also in the CSR program.

Furthermore, since the customer bank deposits have not increased by so much and have been consistent in the 1400 range over the 3 years, this shows that ~~there may not be so much of~~ the CSR ~~program~~ has not had a significant impact in increasing consumer bank deposits over the year, and hence has not contributed significantly to Well Fargo's success.

In conclusion, since Well Fargo is a world-renowned for its CSR programme it may have some what of a competitive advantage over other banks that are yet to adapt to these vital environmental and social changes. Thus, helping customers build ~~business~~ businesses and manage a money in a rapidly changing world will contribute to their success in the ~~long~~ long run as ~~they~~ these changes become more important and acknowledged by stakeholders like consumers and employees. Furthermore, since the donation account for only 1.5% of its revenue, this may not have ~~much~~ a costly impact on their success.



This response scores 18 marks. The evaluation is thorough and it effectively uses evidence to support the analysis. The main argument is potentially stronger than the counter argument, with well-developed chains of reasoning and a more sophisticated application of business concepts, such as Maslow's Hierarchy, rather than relying solely on common sense. The conclusion is solid and the overall evaluation is placed at the midpoint of the level.



The information in the extracts is there for a reason so use this to contextualise your response rather than just copying out large chunks of it. Data can be used in a variety of ways and often can be used as evidence on both sides of an argument.

Question 3

This question requires candidates to use the data in Extracts G and H and appropriate CPA calculations to evaluate the benefits of CPA.

Some candidates were able to accurately calculate that the project would take 11 weeks from start to finish and could use this figure to demonstrate their knowledge and understanding of CPA. Many candidates were able to identify the benefits of Burger King using this business tool to ensure the timely completion of the renovation programme launch going as far as to calculate the critical activities and the float available on the activities. Disadvantages were often lacking context, or were generic in nature, but there were some very good evaluations of the use of CPA specifically applied to Burger King which was very pleasing to see. Some candidates were unable to use the data to calculate the project time and only gave an evaluation of CPA. Better candidates could do both and were able to access the higher levels.

The quality of the evaluation is key to accessing the higher levels on the 20 mark questions. Some of the better responses were much more selective in their approach, focusing on the depth of evaluation rather than breadth. Better candidates used the information in the extracts to help contextualise responses rather than copy out large chunks. Many of the responses in level 4 were able to provide an effective conclusion that suggested a solution and/or recommendation.

3 Using critical path analysis (CPA) calculations and the data in Extracts G and H, evaluate the benefits to Burger King of using CPA for its renovation programme.

(20)

Critical path analysis's help business ~~better allocate~~ know ~~the~~ the time that they need on each steps and the time they need ~~for all the way to finish it~~ to doing their works.

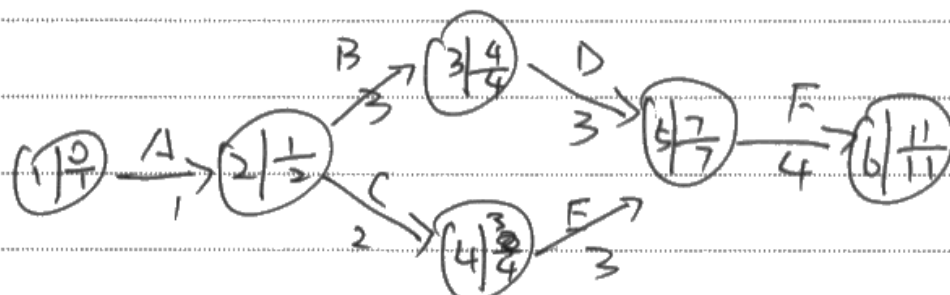
First, Critical path analysis's can help Burger King ~~under~~ understand ~~to~~ the ~~time~~ time they need to spend on each works, it can help them better allocate their time, and will not have the situation ~~the~~ that they can not provide the goods to the customers on time.

Second, it can let the business know the earliest start time and the ~~latest~~ ^{latest} finish time, which can let them decide which job they do first and which job they can do next.

However, if the data is not accurate, then all the analyse will become ~~useful~~ useless, ~~even~~ if the business make decision by the wrong CPA. then they may get a big loss and have a bad brand image.

Also, the data may be update, so if the situation change quickly, the data may be useless.

The market research may be more useful than the CPA. It can know the ~~red~~ customers like, such as the type of packaging, then Burger King can attract more customers, and have a higher competitiveness, and have higher sales and get more profit.



ResultsPlus
Examiner Comments

This response scores 7 marks. It correctly calculates the CPA (11 weeks) but provides a simplistic evaluation of CPA as a business tool. The evaluation is generic, lacking relevant evidence and does not specifically apply to Burger King. Consequently, it is placed at the midpoint of level 2.



ResultsPlus
Examiner Tip

For calculate questions, make sure you do use the answer from your calculations to support your evaluation. Many candidates ignore the calculation part of the question and simply give an evaluation of the business concept. In order to access the higher levels, candidates need to evaluate the business concept and use these calculations as part of the quantitative aspect of the evaluation.

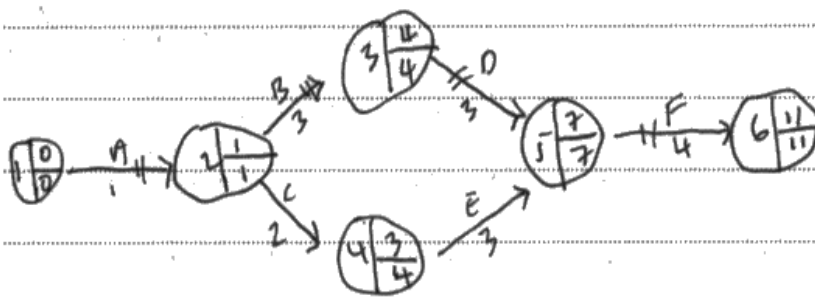
Write your answer in the space provided.

- 3 Using critical path analysis (CPA) calculations and the data in Extracts G and H, evaluate the benefits to *Burger King* of using CPA for its renovation programme.

(20)

Critical path Analysis is a project management tool that uses network diagrams to assess the tasks of a project.

Burger King may use critical path analysis to know the shortest duration of the renovation project.



In this case, the shortest path is A → B → D → F. before project is delayed.

This can help Burger King in reducing the total time taken to finish the project. They can immediately start with the tasks on the critical path, before they complete the tasks on the other paths. Thus, time wastage are minimised. Faster completion of the renovation project may allow Burger King to get the sales increase of 12% in the first year much faster. Also, the duration of the franchises that are closed reduces. Thus, the customers lost from lack of services can fall. This can lead to a rise in total revenue for Burger King. Moreover, the quicker completion of new kitchens, furniture, etc may lead to them getting a

competitive advantage over McDonalds. The furniture, faster ~~we~~ serving times and updated technology may lead to customers choosing to buy food from Burger King rather than McDonalds. Thus, they will be better able compete with McDonalds, their main competitor, better.

In addition, it can save costs. Resources ~~of~~ ^{some} workers ~~for~~ ~~the~~ ~~completing~~ ~~the~~ ~~building~~ ~~work~~ ~~may~~ ~~be~~ ~~reallocated~~ Resources ~~not~~ can be transferred from activities with the float times to the critical path. For instance, workers and equipment for preparation of installation of new technology may be reallocated to completing the building work. Thus, the money spent on completing the building ~~at~~ work may reduce. Cost savings are essential to Burger King since they are planning to spend \$1000 million, which is a huge amount. If they go beyond this figure, their liquidity and cashflow may be hurt. ~~This too leads~~ Besides, the reallocation of resources may save time since completion of building work will take a shorter period.

However, there may be factors limiting the effectiveness of CPA. For instance, rains may delay the completion, installing and testing new technology may take longer due to failures, etc. So, CPA doesn't consider external factors. Thus, the management of the project may become more complex. It may lead to inaccuracies, which may lead to inefficient decision-making.

Additionally, it depends on whether Burger King has experience in similar renovation projects. If they have experience, they may use past data to better predict the durations, thereby improving the accuracy. This makes for a high quality of CPA which increases its effectiveness. The opposite is true if they lack experience.

Lastly, preparing and analysing a network diagram may be time-consuming and expensive. This is because the data and tasks of all the franchisees must be considered. This may have opportunity cost. For example, resources used in CPA may have been used for better marketing activities, which may have helped them compete against McDonalds better.

Overall, CPA ~~is~~ should be used in conjunction with other project management tools, like decision trees since that shows expected monetary outcomes, which can be crucial as they are investing a significant amount ~~is~~ of \$400m in the renovation project.



This response scores 18 marks. It correctly calculates CPA using a network diagram and applies it to Burger King, demonstrating how CPA can enhance the effectiveness of renovations. The counter argument provides a comprehensive analysis of potential disadvantages, including external factors, Burger King's experience with similar projects and the typical time and cost associated with CPA. However, the conclusion does not contribute significantly to the evaluation, resulting in an overall midpoint mark being awarded.



For the 20 mark questions, an effective conclusion should provide a clear solution or set of recommendations. Often, conclusions either are missing or merely repeat earlier points without adding value. To make your conclusion impactful, directly address the question asked—in this case, assess whether the benefits of CPA outweigh the disadvantages for Burger King. While there is no definitive 'right' answer, the goal is to demonstrate your ability to form a well-reasoned judgment based on the evidence presented.

Paper Summary

Based on their performance on this paper, candidates are offered the following advice:

- Carefully read and answer the question that is set.
- Ensure units and decimal places are correct in calculation questions.
- Avoid providing one-sided answers for "discuss" questions.
- Pay attention to command words such as "assess" and "evaluate."
- Use examples to illustrate arguments.
- Use subject-specific language and avoid general or common-sense responses.
- Manage time effectively and avoid spending too long on one question.
- Write concisely and neatly.
- Include a relevant conclusion in longer questions.
- Refrain from using additional sheets as there is sufficient space to answer each question; marks are awarded for quality, not quantity.