**Exam Technique**

**2 mark – ‘What is meant by…’ questions:**

2 marks for an accurate definition, try to make 2 points

**Examples:**

*‘What is meant by the term revenue?’(2)* – Revenue is the total money made from sales. It is calculated by price x sales.

*‘What is meant be a salary?’ (2)*- A salary is a method of paying employees. The amount for the year is split into 12 equal monthly payments. It is not based on hours worked.

**2 mark ‘Outline’ questions:**

* Identification of answer
* 1 development point (in context if required)

**Examples:**

*‘Outline one way a business could improve cash flow’ (2) -* Getting debtors to pay sooner would improve cash flow as inflows would increase.

*‘Outline one way a business could increase revenue’ (2)* – Improving quality would increase sales and so revenue.

**3 mark – ‘Explain one’ questions:**

* Identification of a correct answer
* Explanation of this answer – at least two linked strands
* With context if required by the question

**Examples:**

*‘Explain one impact of a business motivating employees’ (3) -* Motivated employees are less likely to leave the business. This means the business does not have to recruit and train new workers to replace the worker than have left. This reduces costs.

*‘Explain one reason why branding is so important to Tyrell’s Crisps’ (3)* – The crisp market is very competitive with big competitors such as Walkers. Branding helps Tyrell’s to make themselves stand out and be seen as different to these competitors as they show the unusual flavours Tyrells do. This increases sales for Tyrells.

*‘Explain one benefit to EasyJet of increasing its productivity’ (3)* – Easy yet will be able to fly more planes in a shorter space of time. This means they could offer more regular flights and reduce prices. This would make them more competitive than other competitors such as Ryanair. This would lead to increased sales.

**4 mark- ‘Describe’ questions:**

* 4 different points
* OR 2 points, with explanation of each
* With context if required

**Example:**

*‘Describe the possible effects a pressure group could have on Ryanair’ (4)* – People are more aware of the environmental effects of flying. Less people want to fly. There may be damage to Ryanair’s brand. The government may restrict airport expansion.

**6/8 mark - decision between 2 options questions:**

1. Reason for option 1 – with explanation and context
2. Reason against option 1 – with explanation and context
3. Reason for option 2 – with explanation and context
4. Reason against option 2 – with explanation and context
5. A decision with a reason why this is best
6. It depends on…

**Example:**

***‘****The Lego Group wants to remain competitive again others such as COBI and Mega Blocks. To do this they are considering two options. Option 1: Linking more of its sets to news released movies. Option2: Increasing advertising. Which of these options would be more effective in helping to improve competitiveness and why?’ (6)*

If Lego link sets to new movies they will be kept up-to-date and will attract new customers and young children who like these movies. This will increase sales. This may benefit Lego in the long-term as children may continue to buy Lego products as they grow up. However, this method may be very expensive as it is likely that Lego will have to pay large sums to the owners of the movies to use their characters. This will increase costs and Lego may have to increase prices. This may make them more expensive than competitors such as COBI and Mega Blocks and so customers may prefer to go to the cheaper competitors instead. This may lead to fewer sales for Lego.

Increasing advertising will strengthen Lego’s brand and attract new customers. This may increase the popularity of all products, not just one. This will then increase the sales of all Lego products. However, advertising is very expensive and may not impact Lego very much as they are already a well-known brand. This would mean an increase in costs without a large increase in sales.

Linking set to new Movies will be more effective in helping Lego to remain competitive because it will attract new customers and help Lego to enter new markets. It is likely to have a bigger impact on sales. However, this depends on the popularity of the movies that Lego link sets to. The more popular the movies are, the more of an impact this option will have.

**8/10 mark ‘assess’ questions:**

1. Positive points (2 for 10 mark)– with explanation and context
2. Negative points – with explanation and context
3. A decision on the most likely or important point with a reason for this
4. It depends on…
5. Can discuss other possible options/factors

**Examples:**

*‘The Toy Box is a small, independent toy retailer located in Cornwall. It cannot compete on price with larger toy retailers such as Toys R Us, but instead focused on customer service and allowing children to play with toys, in store, before parents buy them. Despite its efforts to compete, however, sales at the store remained low. The owner decided to change the focus of the business. In 2010, the Toy Box closed its only retail store and instead decided to focus on catalogues and its website as a way of making sales. This has reduced costs at the Toy Box by 25%. Assess the effect of the change of focus on the competitiveness of the Toy Box’ (8)*

This has reduced costs by 25%. This means that The Toy Box could lower prices. This may make them able to compete on price with competitor such as *Toys R Us*, which they were not able to do before. This may increase competitiveness and sales. However, even if costs have been reduced by 25% it is still not likely that The Toy Box will be able to compete on price with Toys R Us because they cannot buy in bulk and get discounts. In the same way as Toys R Us do.

Not having a shop also means that The Toy Box will lose their USP of children being allowed to play with the toys before they buy them. This may mean that people are less willing to shop with them than before and sales fall.

The effect that this has on competitiveness depends on how much The Toy Box can reduce their prices by and if they cannot compete on price with other competitors. If they can still not compete on price it is not likely that this will have improved competitiveness by very much.

*‘Affinity is a small publishing company which produces guide books for walks. The company started out in Devon and published several guide books for the local market. The company decided to expand. Affinity employed new staff based in different parts of the country to produce guide books covering walks in other areas of the UK. However, with expansion came problems; as more people were employed, communication became difficult and mistakes were made. This reduced the quality of some of the guide books, complaints increased and sales fell.*

*There was also the problem of how to remunerate and motivate staff. Some of the new employees were paid a salary and others were paid by the hour and these employees seemed only interested in the amount of money they could earn. Affinity’s owners wanted to find other ways of improving their motivation. Using your knowledge of business, assess the importance of good communication to a company such as Affinity.’ (10)*

Improved communication is important because it reduces the chances of mistakes. This would increase the accuracy and quality of the books and therefore, fewer complaints would be received. This would improve Affinity’s image and they would be more likely to get both repeat purchase from satisfied customers, and new customers due to recommendations and word or mouth. This is very important to Affinity because the guidebook being accurate is going to be the most important aspect to Affinity’s customers.

Furthermore, if fewer mistakes were made this may reduce the number of defects and books having to be re-printed. This would reduce costs and so improve profits. Affinity could lower prices, making them more competitive. This may be less important because Affinity’s customers may be willing to pay a higher price for a book which is higher quality.

However, it may be that improving motivation of employees is more important than improving communication. Some of Affinity’s workers are demotivated and do not seem to care about their work. This may cause them to be careless and make mistakes, more than poor communication. Improving motivation may help to prevent this and so improve quality.

Good communication is very important to Affinity because their product has to be accurate and poor communication can stop this. However, this depends on the cause of the mistakes being made. This may be due to other reasons such as demotivated staff. This would make improving communication less important.