

Oxford Revise | Edexcel GCSE Business | Answers

Chapter 7 Business aims and objectives

7.1 Award 1 mark for the correct answer: **A** Used to form a long-term strategy.

B, C and **D** are not correct because they all describe an objective.

7.2 Award 1 mark for each correct answer. The correct answers are: **B** Market share and **E** Profit.

A, C and **D** are not correct because they are all the focus of non-financial aims and objectives.

7.3 Award 1 mark for identifying one market segment, plus up to 2 further marks for explaining this market segment. Here is an example of a 3-mark answer:

One market segment an entrepreneur might target is lifestyle (1). People can be grouped by how they choose to live their lives, including factors such as their activities, interests and opinions (1). Segmenting the market by lifestyle can help a business customise its marketing to appeal to specific customer needs, making its products more attractive to the target audience (1).

7.4 Award up to 6 marks. First identify the correct level, and then decide whether the answer falls towards the bottom of the level or towards the top of the level and award marks accordingly.

Level	Marks	Explanation
1	1–2	<ul style="list-style-type: none"> The answer demonstrates elements of knowledge and understanding of business concepts and issues. It contains limited business terminology. The answer attempts to explore business information and/or issues. It contains limited connections between points.
2	3–4	<ul style="list-style-type: none"> The answer demonstrates mostly accurate knowledge and understanding of business concepts and issues. It includes appropriate use of business terminology in places. The answer explores business information and/or issues. It contains interconnected points with chains of reasoning, although some of the logic may be inconsistent.
3	5–6	<ul style="list-style-type: none"> The answer demonstrates accurate knowledge and understanding of business concepts and issues throughout. It includes appropriate use of business terminology. The answer explores business information and/or issues. It contains detailed interconnected points with logical chains of reasoning.

Relevant points that could be included

- Financial aims and objectives are influenced by the size of a business. Smaller businesses are more likely to profit satisfice, and larger businesses are more likely to try to grow market share.
 - Size is not the only factor that businesses consider when setting aims and objectives. Level of competition, type of business and business culture are also important.
- 7.5** Award 1 mark for one from: survival / profit / sales / market share / financial security / social / personal satisfaction / challenge / independence / control, or something similar.
- 7.6** Award 2 marks for linked points that apply to the case study. Award 1 mark if the points are not linked or do not apply to the case study. Here is an example of a 2-mark answer:
- Questionnaires can be administered online (1).*
 - This allows Bubble Tea Ltd to gather feedback from potential customers in smaller cities, where it does not currently have cafes, without Joe needing to visit each city in person (1).*
- 7.7** Award 2 marks for linked points that apply to the case study. Award 1 mark if the points are not linked or do not apply to the case study. Here is an example of a 2-mark answer:
- Low competition means there will not be other bubble tea businesses competing for customers (1).*
 - This means that if there is a market for bubble tea in smaller cities, then Bubble Tea Ltd should be able to achieve its aim of growth (1).*
- 7.8** Award up to 9 marks. First identify the correct level, and then decide whether the answer falls towards the bottom of the level or towards the top of the level and award marks accordingly.

Level	Marks	Explanation
1	1–3	<ul style="list-style-type: none"> The answer contains limited application of knowledge and understanding of business concepts and issues to the case study. The answer attempts to explore business information and/or issues. It contains limited connections between points. The answer contains a judgement, providing a simple justification based on limited evaluation of business information and issues relevant to the choice made.
2	4–6	<ul style="list-style-type: none"> The answer contains sound application of knowledge and understanding of business concepts and issues to the case study, although there may be some inconsistencies. The answer explores business information and/or issues. It contains interconnected points with chains of reasoning, although some of the logic may be inconsistent. The answer contains a judgement, providing a justification based on sound evaluation of business information and issues relevant to the choice made.

3	7–9	<ul style="list-style-type: none"> • The answer contains detailed application of knowledge and understanding of business concepts and issues to the case study throughout. • The answer explores business information and/or issues. It contains detailed interconnected points with logical chains of reasoning. • The answer contains a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made.
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Relevant points that could be included

- Joe has built a successful business, achieving his initial financial aims and objectives, and now needs to develop a new long-term strategy. The financial aim of growth is at the heart of the strategy to target smaller cities, but there are also non-financial aims: Joe wants the challenge of becoming the number one brand in the UK.
- Bubble Tea Ltd is well placed to grow by targeting smaller cities, but only if there is a market for bubble tea in those smaller cities. Joe needs to ask himself if there is little or no competition because there is no market or because no other businesses have thought to open cafes.
- Bubble Tea Ltd should choose to continue to pursue its aim of growth by targeting smaller cities, but it should carry out extensive market research to ensure there is a market for bubble tea in smaller cities before opening new cafes.