AQA
Questions matter

GCSE
Business

8132/2 Influences of marketing and finance on business activity

Report on the examination

Version: 1.0
June 2025

Overview

Students have accessed the data provided in Section B and C and have used it reasonably well to support their answers. There was an improvement is using the context to support the line of argument in the longer questions but there are still students who just add in points from the context or simply copy information from the item. Students need to work on applying their knowledge and understanding to the context and analyse the situation for the business to achieve higher levels.

In the extended response questions, students demonstrated good knowledge and understanding of the subject content. However, detailed analysis relating to the context was lacking. Students can describe the advantages and disadvantages, but their answers lacked specific focus on how these affect the business described in the case study. It is important for students to spend time planning their answers so that they can include the depth required for the higher levels.

The quality of handwriting was generally good with all questions being attempted by most students. However, there is still issues with a small number of responses where illegible handwriting which makes it difficult or impossible to read. It is important for students to try their upmost to ensure their responses are legible. The majority of students did manage to stay within the allocated space for their answers. Students must make sure that they label any additional responses on extra pages with the correct question number as there were a number of responses that were incorrectly labelled.

There continues to be a large amount of information provided in the stems both in Section A and B that the students need to read and then decided what to include in their answers. Students do not need to include all the points in their answers and to access the higher levels they need to focus on points that relate to the question being asked and fully analyse the impact they will have on the case study business.

There is an increase in responses that have fulfilled the criteria for Level 3 in the 9-mark questions, but it is still rare to see an extended response fulfilling the criteria for Level 4 in the final question. Students seem to struggle due to limited development of analysis and focus on generic lines of argument around the increase of sales that leads to an increase in profit.

In questions that required a judgement to be made students often made a simple judgement or decision but failed to support this with any valid argument.

Section A

Questions 1.1 to 1.6

The six multiple choice questions enabled students to demonstrate their knowledge and understanding across the range of the GCSE Business subject content. Question 1.4, on following employment law recorded the most correct responses. The most challenging question proved to be question 1.1, with almost half of the students incorrectly answering this question and not knowing which method was a sales promotion. More than a third of students were not able to correctly answer 1.6 which shows that they did not know what was included in the formula for the average rate of return (ARR).

Question 1.7

This question was well answered, and students were able to identify ways a business might solve its cash flow problems. However, a number of students chose two options from the same bullet point limiting their marks and there were a few responses suggesting long term solutions such as redundancy and selling shares which could not be awarded.

Question 1.8

Many students gave answers that were generic and could apply to any advertising method and so did not achieve any marks. This question out of the whole of Section A had the highest number of students who gained no marks. Those responses that were able to identify specific benefits of newspapers for advertising focused on the target market of older people and reaching local audiences.

Question 1.9

This question was answered well and students showed good knowledge of extension strategies, with more than 50% achieving the full two marks. The most common responses were updating packaging and adding new features. Explanations were developed and it was pleasing to see many students have moved away from simply stating it will increase sales by adding reasons why it will increase sales. A minority of students opted for growth strategies such as opening a new store or franchising rather than extension strategies, which were not awardable.

Question 1.10

This question was answered well and students showed good knowledge of retained profits and its key features, with a majority of the students giving 'no interest payable' as the advantage. Most students were able to gain full marks by explaining the advantage.

Question 1.11

Over two thirds of students did not gain any marks for this question, they either did not attempt it or completed the wrong calculation. Most students seemed to know what breakeven was and how to calculate it on a graph, but many were unable to calculate the margin of safety. Students who did not include 'units' after their answer could not be awarded full marks.

Question 1.12

This question was well answered with a variety of responses from across the mark scheme. A few students confused this question with pricing strategies. Quality was a popular answer, but students did not explain why quality would affect price (simply saying high quality means a high price), with no link to increased costs of production or brand image. Some students missed out on marks by opting for two elements from nature of the market.

Section B

Question 2.1

Students showed good knowledge and understanding regarding the factors affecting location with the most popular answers relating to accessibility to raw materials, levels of competition and proximity to market. Some students did not add any value with their development and only repeated their original point. The development needs to build on how or why the factor influences location.

Question 2.2

A majority of students showed a good understanding of interest rates, but some just stated an impact without saying how/why interest rates would have caused this. Students were writing that the business will have to charge higher prices, or their costs will increase but did not say why interest rates would potentially lead to this. This limited marks. Students used the context well with most considering the impact of interest rates on the overdraft for GCC. Fewer students were able to provide detailed analysis by recognising that GCC use this to allow customers to hire the tents and pay later.

Question 2.3

Knowledge of a questionnaire was strong, and students were able to identify this as primary research and that it would give GCC specific feedback. Lots of students talked about alternative methods of research such as focus groups or online survey without recommending whether GCC should or should not use the questionnaire. The better responses were where students argued in detail the limitations of using half the workforce to complete the questionnaire and/or about people being less wiling to complete the questionnaire at a festival. Less successful responses focused on the general benefits of market research and lacked application. The conclusions often repeated points already made and did not add anything new, and the analysis often remained as a generic line of reasoning of it would increase sales and profit.

Question 2.4

Many students struggled with this question topic with a lack of knowledge and understanding demonstrated over what cash is in business terms. Some student confused cash (working capital) with methods of payment for customers and wrote about paying by card vs paying with cash. The students that did understand the role of cash in a business were able to identify how it could be used e.g. paying suppliers, but often did not develop the explanation or consequence to access the second mark.

Question 2.5

Students were able calculate the average number of tents. However, many did not realise that the summer season does not include May and added this in, this highlights the importance of reading the text carefully. This meant they could only be awarded one mark.

Question 2.6

Some students were able to calculate the original net cash flow of £18,100 but then did not add in the £4,000 sales from September. Other students lost marks by not giving their answer in thousands. Students need to read the stem of the question carefully to ensure details are not omitted.

Question 2.7

The topic of this 9-mark question proved accessible to a large number of students with over half of students being able to achieve at least a sound line of argument. Students clearly understand sales promotion and the benefits of offering it to festival goers and so this question was accessible to the majority of students. Context was generally well used, and students were able to make links such as that social media would allow the promotion to be shared or that GCC's tents are expensive so a discount would be appealing. However, there was some confusion and misunderstanding that the special offer was only available on bookings made outside of the summer season. Students are not developing their analysis and missing links/chains so are not able to achieve detailed analysis and to get into Level 3.

Section C

Question 3.1

Generally answered well and proved accessible as over two thirds of students gained full marks. Good knowledge shown by students on environmental impacts that businesses can have. Most students were also able to explain how the business activity caused it and so received full marks. We saw varied answers from students using the range listed on the mark scheme.

Question 3.2

This question highlighted that a number of students had little or no understanding of telesales and confused it with television advertising or e-commerce. Students did not develop their explanation to include why the advantage would be a benefit to SS Ltd so were only awarded 2 marks. The better answers focused on the fact that SS Ltd did not have stores to visit so direct distribution via telesales saved cost.

Question 3.3

This question provided lots of figures for the students to use in their answer. Many students completed calculations to show the difference in revenue and profits for the market and SS Ltd. Students being awarded Level 3 were able to explain why growth and profits are important to investors because of dividends. However due to the subject being assessed some students found it more challenging to analyse how the information in an income statement would help potential investors.

Question 3.4

A majority of students were able to show that they understood market segmentation but were not able to give or explain a benefit of using it. Students who gained full marks linked the ability of the business to tailor their product to meet the needs of the customer to the benefit of increasing customer satisfaction or increasing brand loyalty.

Question 3.5

This question was well answered with a majority of students being able to calculate the cost of the order. Those that did not achieve full marks often got one mark for calculating the discount.

Question 3.6

A variety of calculations were seen in this question, but most students were able to access some marks by recognising the need to divide by £860 and multiply by 100.

Question 3.7

Some students did not nave any understanding of diseconomies of scale and did not access any marks. Other students were able to provide a simple definition but were unable to identify the causes of diseconomies of scale. Students who were able to access Level 3 linked multiple pieces of context in their arguments, such as ineffective communication through monthly meetings, not having up to date information and new developments in the industry.

Question 3.8

Most students understood the two strategic options and were able to apply some of the context from the case study. However, few fully answered the question which was expecting them to explain which option would have the biggest impact on the ability of SS Ltd to be competitive in the business segment of the market.

Generally, students understood the use of a grant and were able to discuss the non repayment and low start up costs. However they did not link this to lower start up and running costs that Karl could pass to his customers by charging lower prices for the solar panels.

Most picked up on the advantages of merging with a China manufacturer as they had been producing solar panels for 10 years. Stronger responses considered the implications of skilled labour shortages, reputational risks and benefits of owning a UK based factory.

There were a number of reasons why answers lacked depth or failed to gain detailed analysis:

- Students often repeated facts from the case study, such as delivery taking eight weeks or the grant not needing repayment without explaining the impact of SS Ltd.'s ability to be competitive in the market.
- Some answers referred to the advantage of either option being less cost but did not develop their response to focus on how this would impact on the competitiveness of SS Ltd.
- A large number of responses listed many points and failed to develop any and copying from the case study without analysis remains a common issue. Students who focused on writing a list of points that are linked to the case study but focus just on the benefits and drawbacks of each option limits their level to basic or sound at best.

There are a number of reasons why answers lacked evaluation:

- The final decision about what option would have the biggest impact was poorly attempted with many simply repeating points already made in their answer.

- Most students were able to identify the saving of costs by using a government grant and positives of merging with an experience manufacturing business. Less were able to identify the issues with delivery times and being able to manufacture to the same standard if Karl set up in the UK.
- Conclusions were often repeated information that had already been discussed.

General points to note:

- Relating the analysis and evaluation to the last sentence of the question which here was competitiveness, is key to achieve higher levels in the mark scheme.
- In the main, answers are overly long, using extra pages, with little analysis shown. As in previous years a large number of students using extra pages are not improving their levels as the demonstration of skills stays the same.
- Students should be encouraged to build developed chains of argument using fewer, more focused points. A justified final judgement that fully considers context and answers the question set is the key to accessing the top marks. A better approach to achieve this would be to analyse the benefits of both options and then build their reservations/drawback of the bullets into an evaluative third paragraph. This can also save student's time.

Mark Ranges and Award of Grades

Grade boundaries and cumulative percentage grades are available on the Results Statistics page of the AQA Website.