



GCE A LEVEL MARKING SCHEME

SUMMER 2024

**A LEVEL
BUSINESS – UNIT 3
1510U30-1**

About this marking scheme

The purpose of this marking scheme is to provide teachers, learners, and other interested parties, with an understanding of the assessment criteria used to assess this specific assessment.

This marking scheme reflects the criteria by which this assessment was marked in a live series and was finalised following detailed discussion at an examiners' conference. A team of qualified examiners were trained specifically in the application of this marking scheme. The aim of the conference was to ensure that the marking scheme was interpreted and applied in the same way by all examiners. It may not be possible, or appropriate, to capture every variation that a candidate may present in their responses within this marking scheme. However, during the training conference, examiners were guided in using their professional judgement to credit alternative valid responses as instructed by the document, and through reviewing exemplar responses.

Without the benefit of participation in the examiners' conference, teachers, learners and other users, may have different views on certain matters of detail or interpretation. Therefore, it is strongly recommended that this marking scheme is used alongside other guidance, such as published exemplar materials or Guidance for Teaching. This marking scheme is final and will not be changed, unless in the event that a clear error is identified, as it reflects the criteria used to assess candidate responses during the live series.

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.

WJEC GCE A LEVEL BUSINESS - UNIT 3

SUMMER 2024 MARK SCHEME

1. (a)	<p>Calculate the price elasticity of demand for Waves Watersports Ltd Jet Ski's if the company decides to lower its price from £12 00 to £10 000. (Show your workings.) [4]</p>
	<p>AO1: 1 mark</p> <p>Award 1 mark for correct price elasticity of demand (PED) formula</p> <p>PED= % change in quantity / % change in price</p> <p>AO2: 3 marks</p> <p>Award 1 mark for correct calculation of % change in quantity</p> $\frac{130-100}{100} \times 100 = 30\%$ <p>Award 1 mark for correct calculation of % change in price</p> $\frac{£10\,000-£12\,000}{£12\,000} \times 100 = -16.67\%$ <p>Award 1 mark for correct calculation of PED = 30% / -16.67% = -1.80 -1.79964007</p> <p>Award 4 marks for the correct answer = -1.80 Award 3 marks if no minus sign = 1.80</p> <p>OFR applies</p>

1. (b)	Using both quantitative and qualitative data, assess the impact of the estimated changes in price on the sales revenue of Waves Watersports Ltd.			[6]
Band	AO2	AO3	AO4	
	2 marks	2 marks	2 marks	
2	<p>2 marks</p> <p>Good application of the impact of the changes in price to the revenue of Waves Watersports 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 the changing price on the sales revenue.</p> <p>Arguments are developed with good lines of reasoning.</p> <p>Both quantitative and qualitative data are used.</p>	<p>2 marks</p> <p>Good evaluation of the changes in price on the sales revenue.</p> <p>Both quantitative and qualitative data are used to create balanced arguments.</p> <p>The candidate makes partial judgements, with some attempt to support their evaluation.</p>	
1	<p>1 mark</p> <p>Limited application of the impact of the changes in price to the revenue of Waves Watersports 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 the changing price on sales revenue.</p> <p>Arguments are brief and underdeveloped.</p> <p>Quantitative and/or qualitative data is used.</p>	<p>1 mark</p> <p>Limited evaluation of the changes in price on the sales revenue.</p> <p>Quantitative and/or qualitative data is used.</p> <p>Arguments may be unbalanced or unsupported judgements are made.</p>	
0	<p>0 marks</p> <p>No valid application.</p>	<p>0 marks</p> <p>No valid analysis.</p>	<p>0 marks</p> <p>No valid evaluation.</p>	

Indicative content:

A fall in price from £12 000 to £10 000 appears to be a good strategy because income levels are rising therefore they may see an increase in demand as disposable income has increased. **As a result**, the business will increase its number of customers by 30%. **In addition**, the price reduction will lead to an increase in the revenue from £1 200 000 to £1 300 000). **Therefore**, quantitatively, it would make sense to reduce the price.

However, it must be noted that a 16.67% fall in price to £10 000 (causing a 30% increase in demand) for a luxury good may be too much of a decrease. If the product was reduced by just 8.33% to £11 000 then there would be a 20% increase in the number of customers and an increase in revenue (£1 200 000 to £1 320 000), this is £20 000 more revenue than the price falling to £10 000.

Nevertheless, the predicted rise in sales of jet skis may be incorrect. As stated, there is competition within the market and it could trigger a price war. Rivals may simply lower their prices even further to keep their customers and attract new ones.

In conclusion, the sale of jet skis is likely to be a niche market. Therefore, a fall in price may not achieve the objective of an increase in sales volume. In a niche market, customers are often willing to pay higher prices for good quality products. It may also be that the reduction in price will not attract customers due to factors other than price including income, competition and seasonality.

Credit any other valid point.

2. (a)	Outline what is meant by Corporate Strategy. [2]
	<p>AO1: 2 marks</p> <p>Award 1 mark for limited outline</p> <p>Award 2 marks for detailed outline</p> <p>Indicative content:</p> <p>Corporate strategy is concerned with the strategic decisions a business makes that affect the entire business. (1)</p> <p>At the corporate level, strategy is concerned with setting plans for overall financial performance, proposed mergers or acquisitions, long term human resource planning and the allocation of resources to different business divisions. (1)</p> <p>Decided upon by senior management/leaders. (1)</p> <p>Decisions on how to achieve a business's mission/vision/aims/objectives. (1)</p> <p>A medium to long-term plan. (1)</p> <p>Credit any other valid point.</p>

2. (b) Using Porter's Five Forces framework, analyse and evaluate the position of Dyson within the vacuum cleaner industry. [12]				
Band	AO1	AO2	AO3	AO4
	2 marks	3 marks	3 marks	4 marks
3		<p>3 marks</p> <p>Excellent application of Porter's Five Forces framework to Dyson.</p> <p>There is consistently direct and clear reference to Dyson.</p> <p>Information in the data is used in development.</p>	<p>3 marks</p> <p>Excellent analysis using Porter's Five Forces framework.</p> <p>The analysis is detailed and includes well-reasoned developments that give a good explanation of how Dyson is likely to be affected by the forces.</p> <p>Logical chains of reasoning are used.</p> <p>At least 3 forces have been explained in detail.</p>	<p>4 marks</p> <p>Excellent, well-balanced evaluation of the relevance of Porter's Five Forces framework to Dyson.</p> <p>Judgement is made on Dyson's position for at least 3 of the forces.</p> <p>Clear reference to the context is given to support judgement.</p> <p>Relevant judgements are made with qualifying statements used to build an argument.</p> <p>A clear judgement on the overall position is made.</p>
2	<p>2 marks</p> <p>Good understanding of the Porter's Five Forces framework.</p> <p>The candidate accurately outlines at least 2 of the forces.</p> <p>Award marks for a correctly drawn diagram.</p>	<p>2 marks</p> <p>Good application of Porter's Five Forces framework to Dyson.</p> <p>There are some direct references to how Dyson will be affected by at least 2 of the five forces.</p>	<p>2 marks</p> <p>Good analysis using Porter's Five Forces framework.</p> <p>The analysis explains how Dyson is likely to be affected by the forces.</p> <p>At least 2 forces have been explained.</p>	<p>2-3 marks</p> <p>Good evaluation of the relevance of Porter's Five Forces framework to Dyson.</p> <p>Judgement is made on Dyson's position for at least 2 of the forces.</p> <p>The candidate makes partial judgements with some attempt to support their evaluation.</p> <p>There is some reference to the context used to support their judgement.</p> <p>It is likely there will be an overall conclusion.</p>

1	1 mark Limited understanding of the Porter's five forces framework. The candidate accurately outlines at least 1 of the forces.	1 mark Limited application of Porter's Five Forces framework to Dyson. The candidate response is mainly theoretical with limited use of examples from the data.	1 mark Limited analysis using Porter's Five Forces framework. The arguments are likely to be undeveloped. The explanation will be brief with at least 1 force explained.	1 mark Limited evaluation of the relevance of Porter's Five Forces framework to Dyson. Judgement is made on Dyson's position for at least 1 force. Unsupported and limited judgements are made, often likely to be superficial.
0	0 marks No valid understanding.	0 marks No valid application.	0 marks No valid analysis.	0 marks No valid evaluation.

Indicative content:

Competition:

- There is likely to be quite intense rivalry in the market for vacuum cleaners with companies competing on price and with innovation. Dyson is the market leader and is some way ahead of its nearest rivals.

The threat of new entrants:

- It is clear that Dyson was once new to the market, so it is possible for new business to enter the market. **However**, there are specific barriers to entry with high costs required to both develop products in a technological market and build a strong brand.
- Dyson use patents to protect themselves from imitation restricting the level of direct competition

The threat of substitute products:

- There are substitutes with competition such as Hoover producing alternative models of vacuum cleaners, with some such as the Henry being significantly cheaper than Dyson cleaners. **However**, the price/performance trade-off is large with the performance of vacuum cleaner with a bag low in comparison to Dysons bag less cleaner with cyclone technology.

The bargaining power of customers:

- Customers have quite a large choice of vacuum cleaners and no switching costs. This means that the customer is quite powerful and that Dyson will have to constantly tempt them with new products or features and possibly special offers, as well as maintaining the quality of their product and value for money.

The bargaining power of suppliers:

- Since Dyson is such a large company it will be able to negotiate favourable terms with its suppliers. With over 260 000 machines produced per week the business is likely to benefit from economies of scale. This puts it in a strong position to keep costs as low as possible and improve profitability.
- In addition, there are a lot of suppliers in the market. Therefore, if costs are not favourable then Dyson could choose to switch suppliers.

Possible themes for evaluation:

By analysing all of these forces, Dyson will be in a better position to face the future. It will know that it faces strong competition from established businesses and that its customers have plenty of other choices. By taking these factors into consideration Dyson should be in a better position to maintain and increase its market share.

Credit any other valid point.

3. (a)	State what is meant by net assets. [1]
	<p>AO1: 1 mark</p> <p>Award 1 mark for correct definition</p> <p>Indicative content:</p> <p>Net assets are the difference between fixed and current assets together and current liabilities and long-term liabilities.</p> <p>Net assets = (FA+CA) – (CL+LTL).</p> <p>Net assets = Total Assets – Total Liabilities</p>
(b)	State what is meant by working capital. [1]
	<p>AO1: 1 mark</p> <p>Award 1 mark for correct definition</p> <p>Indicative content:</p> <p>Working capital is the difference between current assets and current liabilities.</p> <p>It represents the money that is used in the day-to-day running of the business.</p>
(c)	Calculate the percentage change in turnover between 2022 and 2023. (Show your workings and present your answer to 2 decimal places). [2]
	<p>AO2: 2 marks</p> <p>Award 1 mark for the Difference Difference: £877.7 – £901.9 = -£24.2</p> <p>Award 1 mark for correct answer -2.68% Difference / Original x100 = -£24.2 / £901.9 x100</p> <p>Award 2 marks if just the correct answer is shown</p> <p>Do not accept -2%, -2.6% etc. and award only 1 mark if no reference to a fall in % turnover.</p> <p>Only award 1 mark if correct answer but no % sign</p>

(d)	Calculate the working capital for both 2022 and 2023. (Show your workings). [3]
	<p>AO1: 1 mark</p> <p>Award 1 mark for correct formula / knowledge of correct formula</p> <p>CA-CL</p> <p>AO2: 2 marks</p> <p>Award 1 mark for each correct calculation</p> <p>2022 Total current assets = £632.0million Total current liabilities = £139.7million CA – CL = £492.3million</p> <p>2023 Total current assets = £399.5million Total current liabilities = £142.8million CA – CL = £256.7million</p> <p>If correct answer with no £ sign and / or million, award 2 marks</p>

3. (e)	Using the data and calculations, assess the financial performance of the UK national fashion retail business. [12]		
Band	AO2	AO3	AO4
	5 marks	3 marks	4 marks
3	<p>4-5 marks</p> <p>Excellent application of the data and calculations.</p> <p>There is consistently direct and clear reference to how the data impacts on the fashion retail industry.</p> <p>Other calculations have been used to assess financial performance e.g. profitability ratios, liquidity ratios and/or gearing.</p> <p>Information in the data is used in development.</p>	<p>3 marks</p> <p>Excellent analysis of the financial performance of the UK national fashion retail business.</p> <p>The analysis is detailed and includes well-reasoned development.</p>	<p>4 marks</p> <p>An excellent level of evaluation of the financial performance.</p> <p>The evaluation is well balanced and will focus on the key issues.</p> <p>Relevant judgements are made with qualifying statements used to build an argument.</p> <p>A conclusion may be included</p>
2	<p>2-3 marks</p> <p>Good application of the data and calculations.</p> <p>There is some reference to the data and it is used to outline the impact on a fashion retailer.</p>	<p>2 marks</p> <p>Good analysis of the data.</p> <p>The candidate develops their argument with supporting analysis from the data.</p>	<p>3 marks</p> <p>Good evaluation of the financial performance data.</p> <p>The evaluation is well balanced.</p> <p>Partial judgement will be made with an attempt to support the evaluation.</p>
1	<p>1 mark</p> <p>Limited application of the data or calculations.</p> <p>The learner response is mainly theoretical with limited use of the data</p>	<p>1 mark</p> <p>Limited analysis of the data.</p> <p>Superficial or generic discussion.</p>	<p>1-2 marks</p> <p>Limited evaluation of the data.</p> <p>Unsupported judgements are made.</p>
0	<p>0 marks</p> <p>No valid application.</p>	<p>0 marks</p> <p>No valid analysis.</p>	<p>0 marks</p> <p>No valid evaluation.</p>

Indicative content:

- The data from question (a) shows that turnover is falling. Therefore, it appears as though the retail business may be experiencing a fall in customers. This could be due to competition and may indicate falling market share. **However**, the % decrease is insignificant and turnover is still high.
- The data from question (c) (ii) shows that working capital has fallen by almost 50%. This is a significant decrease in working capital which could have seriously negative consequences on the ability of the business to pay day to day expenses. It may cause problems between the business and their suppliers which could impact on delivery of stock and trade credit agreements in the future. **However**, it may have been that the business was holding too much cash in the first place because £256.7 million is still a lot of available cash for the day to day running of the company.
- Credit analysis of key changes in net profit, shareholder capital, long term liabilities etc.
- Credit analysis and evaluation of

	2023	2022	Comment
Current Ratio	2.8	4.52	Both good but falling
Working Capital	£256.7m	£492.3m	Nearly halved
GPM%	12.20%	15.91%	Has gone down
NPM%	4.8%	9.72%	Nearly halved
ROCE	11.63%	14.73%	Down but better than the bank
Gearing	5.87%	2.33%	Both good but increasing
Capital Employed	£362.8m	£595.5m	

OFR applies.

Credit any other valid point.

4.	Discuss the ways in which the Ansoff matrix might be useful to the Levi Roots brand. [10]			
Band	AO1	AO2	AO3	AO4
	2 marks	2 marks	3 marks	3 marks
3			<p>3 marks</p> <p>Excellent analysis of the usefulness of the Ansoff matrix to Levi Roots.</p> <p>The analysis is detailed and includes well-reasoned development.</p> <p>Logical chains of reasoning are used to explain how different categories of the Ansoff Matrix can be used by Levi Roots.</p>	<p>3 marks</p> <p>Excellent evaluation of the usefulness of the Ansoff matrix to Levi Roots.</p> <p>The evaluation is well balanced and will focus on the key issues.</p> <p>Clear reference to the context is given to support judgements.</p> <p>Relevant judgements are made with qualifying statements used to build an argument.</p>
2	<p>2 marks</p> <p>Good understanding of the Ansoff matrix.</p> <p>May construct a correct and accurate diagram.</p>	<p>2 marks</p> <p>Good application to Levi Roots throughout the answer.</p> <p>The learner makes effective use of the data.</p>	<p>2 marks</p> <p>Good analysis of the usefulness of the Ansoff matrix.</p> <p>The candidate attempts to explain the usefulness of the Ansoff Matrix.</p> <p>Likely that not all categories are analysed.</p>	<p>2 marks</p> <p>Good evaluation of the usefulness of the Ansoff matrix to Levi Roots.</p> <p>The candidate makes partial judgements, with some attempt to support their evaluation.</p>
1	<p>1 mark</p> <p>Limited understanding of the Ansoff matrix.</p> <p>May construct a diagram which will have some key labels missing / incorrect.</p>	<p>1 mark</p> <p>Limited application of the Ansoff matrix to Levi Roots.</p> <p>The candidate response is mainly theoretical with limited reference to the data.</p>	<p>1 mark</p> <p>Limited analysis of the usefulness of the Ansoff matrix.</p> <p>Not all categories are analysed</p> <p>Arguments are brief and underdeveloped.</p>	<p>1 mark</p> <p>Limited evaluation of the usefulness of the Ansoff matrix.</p> <p>Unsupported judgements are made.</p>
0	<p>0 marks</p> <p>No valid understanding.</p>	<p>0 marks</p> <p>No valid application.</p>	<p>0 marks</p> <p>No valid analysis.</p>	<p>0 marks</p> <p>No valid evaluation.</p>

Indicative content:

An explanation of the Ansoff matrix, possibly with the use of the diagram

M A R K E T	PRODUCT	
	Existing	New
	Existing	Market Penetration
New	Market Development	Diversification

Levi Roots has clearly used **market penetration** by selling more of its existing products to its existing customers. For example, the Caribbean Sauce was initially distributed exclusively through Sainsbury's but is now sold through all major supermarkets. This is the least risky strategy but there may be a problem if the existing market is or becomes saturated.

It may be better to use a strategy of **product development**. By bringing out new designs to sell to their existing customers they are likely to meet with success as they build on brand loyalty. There is clear evidence that they have done this by expanding their product portfolio to include snacks and frozen foods etc. This allows the company to spread risk if other markets have become saturated.

There is also evidence that Levi Roots has pursued a **market development** strategy by linking with well-known restaurant chains to use the sauces and produce in certain menus such as JD Weatherspoon's. Levi Roots is about to pursue a further market development strategy as the brand is about to go international. They could pursue this further although there are risks that its products will not be acceptable in all markets.

Levi Roots might also try **diversifying**. He has already shown this by producing cookbooks but he could go on to develop a range of cooking equipment or complementary products and selling them in new markets. This is a risky strategy and one that is not guaranteed to succeed. The company would need to do a lot of market research before embarking on such a strategy. Nevertheless, it could prove to be profitable and if its existing products lost their popularity it would give them another source of income and help to further spread risk.

Any other valid point, such as the merits and drawbacks of Levi Roots using the Ansoff's matrix.

Credit any other valid point.

5. (a) (i)	State what is meant by vertical integration.	[1]
	<p>AO1: 1 mark</p> <p>Award 1 mark for correct definition</p> <p>Indicative content:</p> <p>Vertical integration is when a business merges with or takes over another business at either the previous or next stage of the production process within the same industry.</p> <p>Credit any other valid point.</p>	
(ii)	Explain one advantage of vertical integration to Starbucks.	[3]
	<p>AO1: 1 mark</p> <p>Award 1 mark for accurately stating one advantage of vertical integration</p> <p>Indicative content:</p> <p>Control quality / improve standards Ensure consistent supplies / not dependent on intermediaries Reduce costs</p> <p>AO2: 1 mark</p> <p>Award 1 mark for application to the data in the case study.</p> <p>Reference to using their own coffee bean farm or roasting bean plants</p> <p>AO3: 1 mark</p> <p>Award 1 mark for explanation of the advantage.</p> <p>Indicative content:</p> <p>Improve quality or avoid stock shortages – result in greater customer satisfaction and greater sales. Reduce costs as no middleman to pay – increased profit margins.</p> <p>Credit any other valid point.</p>	

5. (b)	Evaluate Costa Coffee's growth through the use of franchising.				[8]
Band	AO1	AO2	AO3	AO4	
	2 marks	2 marks	2 marks	2 marks	
2	<p>2 marks</p> <p>Good understanding of franchising as a form of growth.</p> <p>The candidate shows clear knowledge of the key features of franchising.</p> <p>A definition may be provided.</p>	<p>2 marks</p> <p>Good application to the models of growth pursued by Costa.</p> <p>There is clear reference to the data in the case study.</p>	<p>2 marks</p> <p>Good analysis of the issues related to growth through franchising.</p> <p>Points made are developed and well explained.</p>	<p>2 marks</p> <p>A good level of evaluation of issues related to growth through franchising.</p> <p>Partial judgements are made to support the arguments.</p>	
1	<p>1 mark</p> <p>Limited understanding of franchising.</p> <p>The candidate shows limited knowledge of the key features of franchising.</p>	<p>1 mark</p> <p>Limited application to the models of growth pursued by Costa.</p> <p>The candidate response is mainly theoretical with limited reference to the data.</p>	<p>1 mark</p> <p>Limited analysis of the issues relating to growth through franchising.</p> <p>Points made are in general.</p>	<p>1 mark</p> <p>Limited evaluation of the issues related to growth through franchising.</p> <p>Unclear judgements are made.</p>	
0	<p>0 marks</p> <p>No valid understanding.</p>	<p>0 marks</p> <p>No valid application.</p>	<p>0 marks</p> <p>No valid analysis.</p>	<p>0 marks</p> <p>No valid evaluation.</p>	

Indicative content:

Franchising is a form of growth whereby franchisees pay for the right to use the business name and model of another business.

Answers might include the following:

- Growth through franchising is useful as the business can limit its financial risk. As franchisees pay for the franchise and will continue to pay for raw materials this leaves the franchisor in a situation of having a steady income without having to carry the work out themselves. For example, Costa receive a minimum of £250 000 to help with start-up costs. If the business grew organically by opening its own stores this would carry a heavier investment risk.
- Franchising represents a quick way of expanding a business. For a business such as Costa Coffee this may be important if they need to open a store quickly in a new location, for example, because there is the threat of another entrant and they wish to get in first. This has helped Costa Coffee to expand quickly with far more stores than Starbucks.
- Economies of scale can happen quickly as the franchisor now is involved in bulk buying for more franchises.
- Organic growth involves business using its own resources to expand. If the franchisor grew by organic growth, it would mean a higher profit for the franchisor. The franchise arrangement means that the franchisor does not receive the full revenue from sales. The effect of this is reduced profits for the franchisor.
- It can be the case that franchisees may place a risk upon the franchisor. Franchisees may not follow correct procedures. This may result in quality being poor or unacceptable. As the franchisee presents themselves as the franchisor this may result in bad press for the franchisor resulting in a loss of trade and damage to brand image. Starbucks are able to control every aspect of their business from growing the coffee beans, to roasting the beans and then serving the coffee to the final customer. Therefore, quality is likely to be higher than that of Costa Coffee.
- Overall, it appears that the franchise arrangement is effective in achieving growth whilst avoiding some of the financial difficulties of investing in new outlets during organic growth or buying out other businesses during external growth. However, long-term Costa Coffee will lose revenue to the franchisee. Therefore, it can be concluded that the loss of revenue by choosing a franchising arrangement is only worthwhile if the risks which the franchisee takes on would pose an issue for the franchisor.

Any other valid point.

6. (a) (i)	<p>Complete the network diagram below, including the time required for each task, the earliest start times and the latest finishing times. [5]</p>
	<p>AO2: 5 marks</p> <p>Award 1 mark for correct labelling for each task. (allow for 1 omission or error)</p> <p>Award 2 marks for all EST completed correctly. (allow for 1 error) Award 1 mark for all EST with 2 or 3 errors. Award 0 marks for more than 3 errors</p> <p>Award 2 marks for all LFT completed correctly. (allow for 1 error) Award 1 mark for all LFT with 2 or 3 errors. Award 0 marks for more than 3 errors</p> <p>If the LFT for final node is incorrect but all other LFT are then correctly calculated – award 1 mark.</p> <p>CRITICAL PATH →</p>
(ii)	<p>Mark on the diagram the critical path. [1]</p>
	<p>AO2: 1 mark</p> <p>Award 1 mark for correctly indicating the critical path.</p> <p>Highlighted in the diagram above</p> <p>CP = A – E – F – G – J – L – N</p> <p>OFR</p>

6. (b)	With reference to your completed critical path analysis diagram, evaluate its usefulness to Lewis Construction Ltd.				[9]
Band	AO1	AO2	AO3	AO4	
	2 marks	2 marks	2 marks	3 marks	
3				<p>3 marks</p> <p>Excellent evaluation of the usefulness of critical path analysis to Lewis Construction Ltd.</p> <p>The evaluation is fully balanced considering both the reasons for and against the use of CPA.</p> <p>Judgements are made to support the evaluation.</p>	
2	<p>2 marks</p> <p>Good understanding of the use of CPA.</p>	<p>2 marks</p> <p>Good application of the usefulness of critical path analysis to Lewis Construction Ltd.</p> <p>There is direct and clear reference to Lewis Construction Ltd.</p>	<p>2 marks</p> <p>Good analysis of the usefulness of critical path analysis to Lewis Construction Ltd.</p> <p>The candidate will develop arguments making use of theory and the context.</p> <p>A clear chain of argument is present</p>	<p>2 marks</p> <p>Good evaluation of the usefulness of critical path analysis to Lewis Construction Ltd.</p> <p>The evaluation may be unbalanced.</p> <p>The candidate makes partial judgements to support their evaluation.</p>	
1	<p>1 mark</p> <p>Limited understanding of the use of CPA.</p>	<p>1 mark</p> <p>Limited application of the usefulness of critical path analysis to Lewis Construction Ltd.</p> <p>The response is mainly theoretical with limited use of the data</p>	<p>1 mark</p> <p>Limited analysis of the usefulness of critical path analysis to Lewis Construction Ltd.</p> <p>Superficial discussion with limited development of arguments</p>	<p>1 mark</p> <p>Limited evaluation of the usefulness of critical path analysis to Lewis Construction Ltd.</p> <p>The evaluation is unbalanced.</p> <p>Unclear judgements are made.</p>	
0	<p>0 marks</p> <p>No valid understanding.</p>	<p>0 marks</p> <p>No valid application.</p>	<p>0 marks</p> <p>No valid analysis.</p>	<p>0 marks</p> <p>No valid evaluation.</p>	

Indicative content:

Reasons for using CPA:

- CPA will have a number of benefits for Lewis Construction Ltd. Producing a network diagram will help the business to become more efficient by saving time and possibly, materials. It can ensure that Lewis Construction Ltd meets critical deadlines and so does not let its customers down.
- Lewis Construction Ltd will have strict deadlines to meet to ensure the retail outlet is ready, and so with the use of CPA, problems can be highlighted early to ensure the project is not delayed.
- Lewis Construction Ltd will have to think clearly about the time that each task takes and the best sequence in which to work. It will speed up the overall time that it takes to build the retail outlet as many processes can be carried out simultaneously and there should be less waiting time involved.
- CPA allows for the effective management of resources such as knowing where to effectively allocate labour, or where materials and equipment might be needed. Lewis Construction Ltd can also identify activities where there is float time, such as activity J to ensure CP activities do not get delayed.

Reasons against using CPA:

- CPA may have limited use and does not guarantee success since time estimates may be wrong, or unexpected events, such as bad weather, delayed supplies or sub-contractors missing deadlines, may occur which mean that the original plan needs to be adapted. For example, constructing a property in such a short space of time is likely to rely on fine weather and reliable delivery of supplies. If supplies are late, then building the property in 5 weeks is highly unlikely and unrealistic. Also, labourers and skilled construction workers would need to be reliable and present every day to complete the tasks.
- Credit any other valid point.

Possible themes for evaluation:

- When used appropriately, CPA can have significant benefit for a business, and help make the management of a project run more smoothly and be more time effective.
- Depends on the experience of those preparing the CPA, to ensure accurate estimation of timings.
- CPA does not ensure quality, the focus is only on time and meeting deadlines. If the construction is rushed simply to win the contract, it could lead to a bad reputation for the business and result in fewer contracts in the future.

Credit any other valid point.