3.6 SWOT Analysis and Choosing a Strategic Option: Test Pack

Total Marks

AQA 7132 · Calculators not allowed · about 15 minutes

Name: _____ Date: ____ / ____ / _____

Answer ALL questions in the spaces provided. Full sentences are required for all explain, analyse and recommend questions. Show your working for any calculation.

1 Which one of the following best explains why SWOT groups factors into internal and external categories for strategic choice?

- ☐ A) To separate short-term from long-term issues
- ☐ B) To distinguish issues the business can control from those it cannot
- ☐ C) To show financial ratios next to marketing data
- ☐ D) To rank employees by performance

(Total for Question 1 is 1 mark)

2 Explain one way Riverbend Bikes could turn the identified strength 'in-house battery design team' into a strategic advantage when competing against cheap imports.

(Total for Question 2 is 3 marks)

3 Riverbend sold 1,200 units when the total UK e-bike market was 6,000 units. Calculate Riverbend's market share as a percentage. Show your working.

(Total for Question 3 is 2 marks)

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4 Explain one strategic implication for Riverbend Bikes of holding a 20% market share in the UK e-bike market, using SWOT terms.

(Total for Question 4 is 3 marks)

5 Using the SWOT points you constructed earlier and the cost figures for each option (Option A £250,000, Option B £120,000), give one evaluative judgement comparing the options in terms of risk and speed of impact. Use one short paragraph.

(Total for Question 5 is 2 marks)

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Mark scheme · 3.6 SWOT Analysis and Choosing a Strategic Option: Test Pack

Question 1

B cao **B1**

Answer: B

Question 2

identifies a use of the strength, e.g. improving battery performance or creating a longer warranty **B1**

develops how this affects customers, e.g. better range or reliability compared with cheap imports **B1**

links to an outcome, e.g. supports premium pricing, brand differentiation and customer loyalty **B1**

Answer: Use the in-house team to develop higher-performance, longer-lasting batteries so Riverbend offers greater range and reliability than cheap imports, allowing premium pricing and stronger customer loyalty.

Question 3

method seen: 1,200 / 6,000 **M1**

20% cao **A1**

Answer: 20%.

Question 4

identifies an implication, e.g. reasonably strong market position that can be leveraged **B1**

develops the point in SWOT terms, e.g. as a strength it supports negotiating with distributors or attracting partners **B1**

links to a strategic outcome, e.g. suggests focus on scaling distribution to convert share into higher profits before imports erode it **B1**

Answer: A 20% share is a solid position that can be treated as a strength to negotiate with distributors and partners; strategically Riverbend should scale distribution to convert market share into profit and protect it from import competition.

Question 5

evaluative point on risk, e.g. Option A is higher cost and higher financial risk while Option B is lower cost and less risky **B1**

evaluative point on speed, e.g. Option B likely gives faster product differentiation benefits while Option A may take longer to deliver sales increases through distribution **B1**

Answer: Option A carries higher financial risk because of the £250,000 cost and will take longer to scale distribution, whereas Option B is cheaper at £120,000, lower risk and likely to show faster benefits through product differentiation and higher margins.

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