3.3 Corporate Objectives, Mission and Ansoff's Matrix: 10-minute Pack

Total Marks

AQA 7132 · Calculators not allowed · about 10 minutes

Name: _____ Date: ____ / ____ / _____

Answer ALL questions in the spaces provided. Give full sentences for questions worth 3 marks or more. Show any working. The fictional business GroveTech is used in the Ansoff questions.

1 State briefly how corporate objectives differ from functional objectives within a large business.

(Total for Question 1 is 2 marks)

2 Which one of the following actions is an example of a corporate objective rather than a functional objective?

- ☐ A) Increase website conversion rate by 5% this quarter
- ☐ B) Reduce overall company overheads by 10% this year
- ☐ C) Hire two new social media specialists for the marketing team
- ☐ D) Improve customer service response time in the support team

(Total for Question 2 is 1 mark)

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3 Explain one reason why a business might publish a mission statement, referring to stakeholder perceptions.

(Total for Question 3 is 3 marks)

4 Explain one reason why product development is generally considered riskier than market penetration in Ansoff's Matrix.

(Total for Question 4 is 3 marks)

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Mark scheme · 3.3 Corporate Objectives, Mission and Ansoff's Matrix: 10-minute Pack

Question 1

corporate objectives are overall goals for the whole business **B1**

functional objectives are specific to a department, e.g. marketing or HR **B1**

Answer: Corporate objectives set overall goals for the whole business, while functional objectives are department level targets such as those for marketing or operations.

Question 2

B cao **B1**

Answer: B

Question 3

identifies a reason, e.g. to communicate the firm's purpose to stakeholders **B1**

develops the point, e.g. stakeholders can understand what the business stands for and expects **B1**

links to an outcome, e.g. this can improve trust, attract customers or motivate employees **B1**

Answer: To communicate the firm's purpose to stakeholders, so they understand what the business stands for and what it aims to achieve, which can improve trust, attract customers and motivate employees.

Question 4

identifies a reason, e.g. product development requires creating or modifying products **B1**

develops the point, e.g. development involves R and D, design and testing costs **B1**

links to outcome, e.g. this increases uncertainty about customer acceptance and raises investment and time before revenue is earned **B1**

Answer: Product development requires creating or modifying products which involves R and D, design and testing costs; this increases uncertainty about customer acceptance and raises investment and time before revenue is earned, making it riskier than market penetration.

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