1.3 Business aims and objectives: 10-minute Pack

AQA 8132 · Calculator allowed · about 10 minutes

Total Marks

Name: _____ Date: ____ / ____ / _____

Answer ALL questions in the spaces provided. Show your working for any calculation: method marks are available even if your final answer is wrong. Cinder & Sail Outdoor Gear, used throughout this pack, is a fictional business.

1 Which one of the following is a non-financial objective?

- ☐ A) To provide a friendly and safe working environment for all staff
- ☐ B) To earn a profit of £25,000
- ☐ C) To raise revenue by 12%
- ☐ D) To reduce costs by 5%

(Total for Question 1 is 1 mark)

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2 Cinder & Sail Outdoor Gear, a fictional outdoor-clothing and equipment brand, sets itself the following target: 'increase the number of retail stores stocking our products from 40 to 100 within three years'. Which type of objective is this?

- ☐ A) Survival
- ☐ B) Growth
- ☐ C) Cost minimisation
- ☐ D) Social responsibility

(Total for Question 2 is 1 mark)

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3 Which one of the following is an aim rather than an objective?

- ☐ A) To become the best-loved family bakery in the town
- ☐ B) To increase sales by 8% by 31 December
- ☐ C) To open two new shops by the end of Year 4
- ☐ D) To reduce food waste by 15% within six months

(Total for Question 3 is 1 mark)

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4 Elm Street Toys, a fictional shop, has annual revenue of £240,000 and sets an objective of a 15% profit margin.
Calculate the profit it needs to make to meet this objective. Show your working.

(Total for Question 4 is 2 marks)

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5 Explain one reason why a business's objectives are likely to change as it grows from a new start-up into an established business like Cinder & Sail Outdoor Gear.

(Total for Question 5 is 3 marks)

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Mark scheme · 1.3 Business aims and objectives: 10-minute Pack

Question 1

A cao	**B1**

Answer: A

Question 2

B cao	**B1**

Answer: B

Question 3

A cao	**B1**

Answer: A

Question 4

240,000 x 0.15, or 15/100 x 240,000, seen	**M1**
£36,000 cao	**A1**

Answer: £36,000.

Question 5

identifies a reason, e.g. a start-up's finances and customer base are uncertain, so survival is the priority	**B1**
develops the point, e.g. once a business becomes established and reliably profitable, that immediate pressure eases	**B1**
links clearly to an outcome, e.g. this frees the business to pursue longer-term objectives such as growth, market share or social objectives instead	**B1**

Answer: A start-up prioritises survival because its finances and customer base are uncertain; once established and reliably profitable, that pressure eases, freeing the business to pursue longer-term objectives such as growth or social objectives.

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