1.3 Business aims and objectives: 30-minute Pack

AQA 8132 · Calculator allowed · about 30 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 The objective 'Increase sales to 4,000 units by 30 June' is time-related. Which part of the objective makes it time-related?

- ☐ A) 'Increase'
- ☐ B) 'sales'
- ☐ C) '4,000 units'
- ☐ D) 'by 30 June'

(Total for Question 1 is 1 mark)

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2 A business's objective was to sell 2,500 units in a month. It sold 2,000 units. What percentage of its objective did it achieve?

- ☐ A) 20%
- ☐ B) 25%
- ☐ C) 125%
- ☐ D) 80%

(Total for Question 2 is 1 mark)

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3 The market for children's books in one town is worth £500,000 a year. A bookshop sets an objective of a 6% share of this market.
Calculate the revenue the bookshop needs to achieve this objective. Show your working.

(Total for Question 3 is 2 marks)

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4 A cafe sets a revenue objective of £84,000 for the year. The average customer spends £35 in a year.
Calculate the number of customers the cafe needs to meet the objective. Show your working.

(Total for Question 4 is 2 marks)

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5 Explain one reason why the objectives of a sole trader may be different from the objectives of a large company.

(Total for Question 5 is 3 marks)

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6 Cinder & Sail Outdoor Gear was founded five years ago by Owen Vasquez and is now an established, profitable business. Explain one reason why Owen might now prioritise growth rather than survival as the business's main objective.

(Total for Question 6 is 3 marks)

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7 Marlow & Reid, a fictional family firm with three furniture shops, sets an objective to double its number of shops within one year.
Analyse one benefit and one risk of the firm setting this objective.

(Total for Question 7 is 6 marks)

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Mark scheme · 1.3 Business aims and objectives: 30-minute Pack

Question 1

D cao **B1**

Answer: D

Question 2

D cao **B1**

Answer: D

Question 3

500,000 x 0.06, or 6/100 x 500,000, seen **M1**

£30,000 cao **A1**

Answer: £30,000.

Question 4

84,000 / 35 seen **M1**

2,400 customers cao **A1**

Answer: 2,400 customers.

Question 5

identifies a reason, e.g. a sole trader may value independence, flexible hours or job satisfaction more than growth **B1**

develops the point, e.g. a sole trader may be happy to stay small and earn enough to live on, whereas a large company has shareholders who expect rising profit **B1**

links to an outcome, e.g. the sole trader may set personal objectives, while the company sets growth or profit targets to satisfy its owners **B1**

Answer: A sole trader may put independence and a comfortable living ahead of growth, while a large company's shareholders expect growth and rising profit.

Question 6

identifies a reason, e.g. the business is now established and consistently profitable, so its survival is much more secure than it was as a start-up **B1**

develops the point, e.g. this means Owen can afford to invest profit into expanding the business, such as new products or stores, rather than only covering costs **B1**

links clearly to an outcome, e.g. pursuing growth now can increase future profit and market share, building on the stability the business has already achieved **B1**

Answer: Cinder & Sail Outdoor Gear is now established and consistently profitable, so Owen can afford to invest in expansion rather than just covering costs, and pursuing growth can increase future profit and market share.

Question 7

Level 1 Makes simple or undeveloped points about a benefit or a risk, with little link to the firm and no judgement. **1-3**

Level 2 Analyses a benefit and a risk in a developed way, linked to the firm's situation, and makes a judgement about whether the objective is sensible. **4-6**

Indicative content:

- Benefit: doubling the shops would raise revenue and market share, and buying stock in larger amounts could lower the cost of each item.
- Risk: opening three new shops in a year needs a lot of money for premises, stock and staff, which could strain cash flow or mean borrowing that must be repaid whatever the sales.
- Risk: the family may not be able to manage six shops as well as three, so standards could fall.
- Judgement: the objective is ambitious and the time-limit is short; a smaller target, or a longer period, would be more realistic under the SMART criteria.

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