1.7 The dynamic nature of business: 10-minute Pack

AQA 8132 · Calculators not allowed · about 10 minutes

Total Marks

Name: _____ Date: ____ / ____ / _____

Answer ALL questions in the spaces provided. In your longer answers, use relevant business terminology and apply your points clearly to the scenario given.

1 State two examples of a change in technology that could create a new business opportunity.

(Total for Question 1 is 2 marks)

2 Which one of the following is most likely to be a reward of taking a business risk that succeeds?

- ☐ A) Loss of personal savings
- ☐ B) Higher profit than before
- ☐ C) Legal action from customers
- ☐ D) Reduced market share

(Total for Question 2 is 1 mark)

3 Yusuf is weighing up whether his bakery idea will work.

(a) Explain one reason why Yusuf's business idea might succeed. **(3)**

(b) Explain one reason why Yusuf's business idea might fail. **(3)**

(Total for Question 3 is 6 marks)

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Mark scheme · 1.7 The dynamic nature of business: 10-minute Pack

Question 1

one acceptable change in technology linked to a new opportunity, e.g. the growth of smartphone apps creating demand for app-development businesses **B1**

a second acceptable change in technology linked to a new opportunity, e.g. wider availability of 3D printing creating demand for custom-printed goods, or faster home broadband creating demand for streaming/delivery services **B1**

Answer: Any two, e.g. growth of smartphone apps; wider availability of 3D printing; faster/wider broadband enabling streaming or online delivery services.

Question 2

B cao **B1**

Answer: B

Question 3

(a) identifies a reason linked to the scenario, e.g. there is already unmet customer demand for gluten-free cakes **B1**

(a) develops the point, e.g. by meeting this demand Yusuf can attract customers who currently have nowhere local to buy gluten-free products **B1**

(a) links clearly to a likely business outcome, e.g. this should generate steady sales and revenue for the new bakery **B1**

(a) Answer: Yusuf has identified a genuine gap in the market (customers already asking for gluten-free cakes), so meeting that demand should attract customers and generate steady sales.

(b) identifies a reason linked to the scenario, e.g. a larger, established business (such as a supermarket) could start selling its own gluten-free cakes at a lower price **B1**

(b) develops the point, e.g. Yusuf's bakery would then struggle to compete on price with a much bigger rival **B1**

(b) links clearly to a likely business outcome, e.g. this could reduce Yusuf's sales and threaten the survival of the bakery **B1**

(b) Answer: A larger, established rival (e.g. a supermarket) could undercut Yusuf's prices with its own gluten-free range, reducing his sales and threatening the bakery's survival.

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