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CAMBRIDGE
International Education

Cambridge International AS & A Level

BUSINESS **9609/42**

Paper 4 Business Strategy **October/November 2025**

MARK SCHEME

Maximum Mark: 40

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the October/November 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

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Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

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GENERIC MARKING PRINCIPLE 5: Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).
GENERIC MARKING PRINCIPLE 6: Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

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Social Science-Specific Marking Principles
(for point-based marking)

1 Components using point-based marking:

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

a DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
b DO credit alternative answers/examples which are not written in the mark scheme if they are correct
c DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons …).
d DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
e DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
f DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
g DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

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3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

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Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standard isation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
	For objective points that are correct.
	For objective points that are wrong.
 and TV	When the candidate has attempted something, but the mark/skill has not been awarded.
Highlighter	To highlight a point or section of an answer that justifies the mark/annotation.
BOD	When the candidate has attempted something, and the mark/skill has been awarded.
NUT	When the context has not been used.
SEEN	To show a page/section has been seen/read.
NAQ	When the response is not focused on answering the question.
REP	The repetition of a previous point in a response **or** candidate is copying the case study/data.

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Annotation	Meaning
OFR	The own figure rule applies – acts as a mark/tick.
K	When limited knowledge (AO1) has been awarded.
DEV	When developed knowledge (AO1) has been awarded.
APP	When AO2 has been awarded. Number of APPs should match the mark awarded.
A1	When AO3 at Level 1 has been awarded.
A2	When AO3 at Level 2 has been awarded.
A3	When AO3 at Level 3 has been awarded.
N1	When AO4 at Level 1 has been awarded.
N2	When AO4 at Level 2 has been awarded.
N3	When AO4 at Level 3 has been awarded.

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Guidance on using levels-based marking

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding
Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application
Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis
Analyse business problems, issues and situations by:
- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation
Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

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PREPARATION FOR MARKING

1 Make sure that you have completed the relevant training and have access to the *RM Assessor Guide*.
2 Make sure that you have read and understand the question paper, which you can download from https://ca.assessor.rm.com/
3 Log in to RM Assessor then mark and submit the required number of practice and standardisation scripts. You will need to mark the standardisation scripts to the required accuracy in order to be approved for marking live scripts. You may be asked to re-mark them, or to mark a second sample, if you do not meet the required accuracy on your first attempt.

MARKING PROCESS

1 Mark strictly to the FINAL mark scheme, applying the criteria consistently and the general marking principles outlined on the previous page.
2 If you are in doubt about applying the mark scheme, consult your Team Leader.
3 Mark at a steady rate through the marking period. Do not rush, and do not leave too much until the end. If you anticipate a problem in meeting the deadline, contact your Team Leader immediately and the Examiners' Helpdesk.
4 Examiners will prepare a brief report on the performance of candidates to send to their Team Leader via email by the end of the marking period. The Examiner should note strengths seen in answers and common errors or weaknesses. Constructive comments on the question paper, mark scheme or procedures are also appreciated.

MARKING SPECIFICS

Crossed out work

1 All of a candidate's answers, *crossed out* or not, *optional* or not, must be marked.
2 The only response not to be marked is one that has been crossed out and replaced by another response for that exact same question.
3 Consequently, if a candidate has crossed out their response to an optional question and gone on to answer a different optional question then both attempts must be marked. The higher mark will be awarded by the system according to the rubric.

0 (zero) marks or NR (no response)

1 Award **NR** if there is nothing at all written in answer to that question (often the case for optional questions).
2 Award **NR** if there is a comment which is not an attempt at the question (e.g. 'can't do it' or 'don't know' etc.)
3 Award **NR** if there is a symbol which is not an attempt at the question, such as a dash or question mark.
4 Award **0** (zero) if there is any attempt at the question which does not score marks. This includes copying the question onto an Answer Booklet.

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Please refer to this grid for BOTH questions.

Level	AO1 Knowledge and understanding 3 marks	AO2 Application 2 marks	AO3 Analysis 8 marks	AO4 Evaluation 7 marks
	Description	**Description**	**Description**	**Description**
3			**7–8 marks** **Developed analysis of the overall strategy** that identifies connections between causes, impacts and/or consequences.	**6–7 marks** **Effective evaluation** A developed judgement/conclusion is made in the business context that draws together developed evaluative comments which balance some key arguments in the business context.
2	**2–3 marks** **Developed knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**2 marks** **Developed application** of relevant point(s) to the business context.	**4–6 marks** **Developed analysis of individual strategic element(s)** that identifies connections between causes, impacts and/or consequences.	**3–5 marks** **Developed evaluation** • A developed judgement/conclusion is made. • Developed evaluative comments which balance some key arguments.
1	**1 mark** **Limited knowledge** of relevant key term(s) and/or factor(s) is used to answer the question.	**1 mark** **Limited application** of relevant point(s) to the business context.	**1–3 marks** **Limited analysis** that identifies connections between causes, impacts and/or consequences.	**1–2 marks** **Limited evaluation** • A judgement/conclusion is made with limited supporting comment/evidence. • An attempt is made to balance the arguments.
0	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.	**0 marks** No creditable response.

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Question	Answer	Marks
1	**Evaluate the effectiveness of KK's operations strategy between 2020 and 2024.** Responses may include: **AO1 Knowledge and understanding of operational strategy** Knowledge K (max 1 mark) can be awarded for **knowledge about operations strategy**; DEV can be awarded for understanding of the operations strategy up to two marks including: • Operational decisions – Influence of other functional areas – HRM, marketing and finance on operations strategy. – The changing role of IT and AI – use in planning and delivering operational strategy. • Flexibility and innovation – Need for flexibility in terms of volume, delivery and lead times and specification of products. – Process innovation in terms of changing current processes or adopting new ways of producing products. • ERP – Main features of an ERP programme, including: integration in current and new processes, automation and the use of IT and AI, analysis of data to support ERP, reporting of data, tracking of data and inventory, embedding accounting processes and financial management of ERP. – Improvements from ERP; efficiency, inventory control, costing and pricing, capacity utilisation, change management, workforce planning and flexibility and data control. • Lean production – Kaizen - a concept referring to continuous improvement of a business and involves all employees. Kaizen can be applied to all aspects of a business and looks to make incremental changes. – Quality circles- groups/teams of workers who do the same or similar work, who meet regularly to identify, analyse and solve work-related problems. – (Simultaneous engineering) - a work process where tasks can be run in parallel to one another. (Award K only – no DEV) – Cell production – making a team or 'cell' of workers responsible for the production of a product. – (JIT manufacturing – just in time production,) is the opposite of producing goods and supplying customers from stock, JIT processes focus on producing exactly the amount you need at exactly the time your customer needs it. (Award K only – no DEV) – Waste management – reducing any unnecessary steps in a manufacturing process that does not benefit the customer, therefore, the customer does not want to pay for it. The elimination of waste from a manufacturing process. – Lean production - a production method aimed primarily at reducing waste within the production system as well as response times from suppliers and to customers.	**20**

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1</td><td>

- Operations planning
  - The need for planning operations within the business – quantitative and qualitative.
  - (Network diagrams) (Award K only – no DEV) and critical path analysis interpreting and understanding network diagrams, identifying the critical path, minimum project time, total and free float, change within a network diagram.
  - The benefits of CPA, including; improved project management, identification of critical tasks in project management, communication inside and external to a business, determination of project length to allow better planning and functional decision making, scheduling, control of costs, improved allocation of human resources, minimised downtime.

<table>
<tr><td>Operations strategy involves lean productio K .</td><td>Some basic knowledge about operations strategy, so only K.</td></tr>
<tr><td>Operations strategy involves lean productior K . This could include Kaizen DEV .</td><td>1 K for identification and 1 DEV for a point of explanation</td></tr>
<tr><td>Operations strategy involves lean productior K . This could include Kaizen DEV . Which is involving everyone in making continuous improvement in their jobs DEV .</td><td>1 K for identification and 2 DEVs for two points of explanation</td></tr>
</table>

Note: *Candidates can gain full marks for AO1 from one term that is explained (K + DEV + DEV) or from two terms partially explained (K + DEV and K + DEV)*

No other AO2, AO3 OR AO4 marks can be awarded without AO1.

AO2 Application

Application APP (max 2 marks) can be awarded for **applying knowledge, analysis or evaluation of operations strategy** to KK, including:

- Primary sector business
- Kelp farming has a low environmental impact.
- KK has been trading for five years prior to 2020
- KK is labour intensive
- KK is a social enterprise
- Kelp refinery creating a pulp used in biodegradable plastic – starts in 2020

</td><td></td></tr>
</table>

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Question	Answer	Marks
1	• 2020 – use of Appendix 1 – critical path analysis • 2021 – use of Appendix 2 – just in time • 2021 – worker representatives meet with management – poor motivation at farm • 2021 – Exterior construction is one month early • 2022 – refinery training starts six months late • 2022 – skills shortages in country W • 2022 – use of Appendix 3 – interview with MD • 2022 – sales of kelp increase by 200% • 2022 – lead time for customer orders increases from one week to one month • 2023 – new refinery opened • 2023 – kelp farm production now processed in refinery • 2023 – refinery operating at 40% capacity • 2024 – KK imports kelp for use in refinery **AO3 Analysis** Analysis is likely to be based on how effective elements of KK's operations strategy has bee A1 ar A2 a A3) , including: • Operational decisions – improve decision making within the business reducing the time needed for decision making and avoiding poor decision making, reducing costs – increasing profitability. • Flexibility and innovation – dynamic environment so the business can adapt to changes and is more likely to retain and increase customer base – increasing sales and profit. • ERP – improving efficiency and reducing costs – increased profitability. • Kaizen – the ability to make continuous changes and improvement to efficiency could lead to lower costs for KK – leading to improved profitability. • Quality circles- by working in teams, workers can become more experienced and proficient at their given tasks, which may increase productivity – decreasing costs. • Simultaneous engineering – the ability to reduce the time needed to complete a project may allow the business to complete the project quicker – able to operate sooner and make sales. • Cell production – workers can support each other and reduce the time needed to produce – increase profitability. • JIT manufacturing – reduce stock holding costs – however may increase lead times. • Waste management – reduce costs from excess time and wasted inventory – increase profitability. • Operations planning – better resource control allowing for reduced costs – increased profitability.	

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Question	Answer	Marks
1	*Candidates' analysis **must** be business facing. They may identify an element of operations strategy and provide developed analysis to get to L2, this then needs to be counterbalanced to get to L3. If a candidate does this twice, they will gain 8 marks*. **AO4 Evaluation** Evaluation (N1 and N2 and N3) .Evaluation will largely depend on the points raised in the analysis. *Candidates MUST answer the question – how effective was KK's operations strategy between 2020 and 2024. The development and support of this judgement will help them to move through L2 and L3.* *To award L3 the answer must be in context and draw upon the previous analysis.* • A judgement over the effectiveness of each element of the operations strategy. • A judgement over the most/least effective element of KK's operations strategy between 2020 and 2024. • A judgement over the other elements KK could have used in its operations strategy between 2020 and 2024. • What the judgement(s) may depend upon; the actions of competitors, the external environment (social, legal, economic, political, technological), the objectives of stakeholders, etc. • Weighing up of the overall effectiveness of the operations strategy used by KK between 2020 and 2024.	

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>1</td><td>
<table>
<tr><td>No credit</td><td>L1 N1 including: (limited supporting evidence)</td><td>L2 N2 including: (developed supporting evidence)</td><td>L3 N3 (developed supporting evidence with context)</td></tr>
<tr><td>JIT has helped KK’s operations strategy.</td><td>JIT has helped KK’s operation’s strategy as costs are lower.</td><td>JIT has helped KK’s operation’s strategy as costs are lower because of the need for less processing.</td><td>JIT has helped KK’s operation’s strategy as costs are lower because of the need for less processing. This will help with the overall aim of having zero waste.</td></tr>
<tr><td>The operations have not improved</td><td>KK’s operations have not improved as they are not working at full capacity.</td><td>KK’s operations have not improved as they are not working at full capacity. And customers are now waiting longer for their orders</td><td>KK’s operations have not improved as they are not working at full capacity. Only 40% of the capacity is being used. And customers are now waiting longer for their orders, increasing from a week to a month</td></tr>
</table>
Accept all valid responses.
</td><td></td></tr>
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Question	Answer	Marks
2	**Advise KK on the likely impact of the new government's policies on its future business strategies.** **AO1 Knowledge and understanding of government policies and strategic management** Knowledge K (max 1 mark) can be awarded for any **relevant business knowledge about government policy or how it works OR knowledge of business strategy,** including: • Government policies are rules and regulations K that affect how businesses are run in the economy. DEV • Government policies help the government to meets its objective K in running the economy. DEV • (Any policy) will help to increase demand in the economy (Award K only) • (Any policy) will help to increase productivity in the business (Award K only) • (Grants/trade barriers) will help reduce costs to the business (Award K only) • (Min Wage/University educated workforce) will increase the costs of the business. (Awar K only) • Definition of inflation – General rise in price. • Definition of government grant (Award K only) • (Monetary policy to stabilise inflation *no K mark for this see below*) – the use of interest rates by a central bank to affect the money supply and aggregate demand. • Fiscal policy - the use of government revenue collection and expenditure (taxation) to influence a country's economy. If successful will change aggregate demand (AD) in the economy. • Supply side policy - attempts to increase productivity and increase efficiency in the economy. If successful, they will shift aggregate supply (AS) to the right and enable higher economic growth in the long-run. • Exchange rate policy - how a country manages its currency in respect to foreign currencies and the foreign exchange market. The exchange rate is the rate at which the domestic currency can be converted into a foreign currency. • Strategic management – the process of strategic analysis, strategic choice and strategic implementation to achieve the objectives of the business. Award DEV for any explanation of a policy that affects a business' strategy, up to a max of 2 marks.	**20**

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2</td><td>

<table>
<tr><td>Fiscal policy [K].</td><td>Some basic knowledge about government policy, so only K.</td></tr>
<tr><td>Fiscal policy [K], is collecting and using taxes in the economy.[DEV] .</td><td>1 K for identification and 1 DEV for a point of explanation</td></tr>
<tr><td>Fiscal policy [K], is collecting and using taxes in the economy[DEV] , this may change the level of aggregate demand in the economy.[DEV] .</td><td>1 K for identification and 2 DEVs for two points of explanation</td></tr>
</table>

Note: *Candidates can gain full marks for AO1 from one term that is explained ([K] + [DEV] + [DEV]) or from two terms partially explained ([K] + [DEV] and [K] + [DEV]).*

Monetary policy cannot be awarded for knowledge as it is stated in the case study but knowledge of how monetary policy works can be awarded.

No other AO2, AO3 OR AO4 marks can be awarded without AO1.

AO2 Application

Application [APP] (max 2 marks) can be awarded for **applying knowledge, analysis or evaluation of a government policy and its impact on KK between 2020 and 2024**.
Candidates MUST apply this to KK's business model – a lot of this will come from the appendices

- Use of monetary policy to stabilise inflation
- Government grants to support carbon efficient businesses
- Minimum wage to be increased by 40% by 2028
- Reform of country W's education system, including government funded university tuition
- Elimination of trade barriers for primary sector businesses
- Primary sector business
- Kelp has a low impact on the environment
- KK has been trading for five years prior to 2020
- KK is labour intensive
- KK is a social enterprise
- Kelp refinery creating a pulp used in biodegradable plastic – starts in 2020

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Question	Answer	Marks
2	• 2025 – new government in country W • Any element of the case study • Any element of the appendices **AO3 Analysis** Analysis is likely to be based on the impact of the policies on KK's strategy (A1 an A2 ar A3) , including: • Monetary policy – if interest rates fall then this may mean any borrowings that KK have are at a lower cost – increasing profitability. May also have an effect on customers (B2B) costs and their ability to afford KK's prices. • Fiscal policy – government grants may decrease costs – leading to higher profitability. Alternatively increased costs from higher taxation rates may increase costs and reduce profitability. • Supply side policy – likely to reduce the skills gaps in country W – however likely to take time which may not help KK soon. • Exchange rate policy – may decrease cost of importing raw materials – reducing costs and increasing profitability. *Candidates may choose to contrast two or more of these policies, but they must analyse the policy in the context of its impact on KK's strategy, and not just be an analysis of the policy on its own.* *Candidates need to identify a policy and provide developed analysis to get to L2, this then needs to be counterbalanced to get to L3. If a candidate does this twice, they will gain 8 marks.* **AO4 Evaluation** Evaluation (N1 and N2 and N3) including: Evaluation will largely depend on the points raised in the analysis. *Candidates MUST answer the question – what is the likely impact on the KK's strategy? The development and support of this judgement will help them to move through L2 and L3.*	

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th></tr>
<tr><td>2</td><td>

To award L3 the answer must be in context and draw upon the previous analysis.

- A judgement over the impact of individual government policies on KK.
- A judgement over the overall impact of the combined government policies on KK.
- A judgement over the most positive/negative impacts of the government policies on KK.
- What the judgement(s) may depend upon; the dynamism of the external environment, competition in the market, the international economic outlook, the reactions of customers to KK's refined products etc.
- Weighing up of the likely ability of KK to survive in light of the government policies.

<table>
<tr><th>No credit</th><th>L1 N1 including: (limited supporting evidence)</th><th>L2 N2 including: (developed supporting evidence)</th><th>L3 N3 (developed supporting evidence with context)</th></tr>
<tr><td>Supply side policies will help KK.</td><td>Supply side policies will help KK's business as they may receive grants from the government.</td><td>Supply side policies will help KK's business as they may receive grants from the government. This will reduce the costs and help increase production level unlike increases in interest rates.</td><td>Supply side policies will help KK's business as they may receive grants from the government. This is more likely with the new processing factory and its new technology. Therefore, costs will reduce and this helps increase production levels unlike increases in interest rates.</td></tr>
</table>

Accept all valid responses.

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