

# Command words

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## Analyse

Separate information into components and identify their characteristics.

### Example question:

A small business that competes in a market where demand is price elastic is introducing a system of quality assurance. Analyse how quality assurance might improve its competitiveness. (Specimen A Level Paper 1 Q19)

### Example (full marks) answer:

Quality assurance may lead to fewer errors in the productive process or service which could lower costs and enable price to be lowered – important in a price competitive market. A better quality of product or service may retain more customers even though rival firms are lowering their price to attract them.

A small business will be unlikely to benefit from economies of scale from which to compete on price so quality may be important to keep and attract customers.

*This answer would be marked on a Levels Mark Scheme and to earn the full 9 marks, students would have to develop a good understanding of the demands of the question, showing sound knowledge and understanding of business concepts and principles and ability to analyse these in the context of the question.*

## Guidance

In order to analyse the impact of quality assurance, it helps to explain the meaning of ‘a market where demand is price elastic’ and explain what ‘a system of quality assurance’ means.

## Calculate

Work out the value of something.

### Example question:

Based on the data in Table 2, calculate the contribution per unit. Show your workings. (Specimen A Level Paper 1 Q16.2)

### Example (full marks) answer:

Number of units = Total revenue / Selling price = £22 500 / £7.50 = 3 000 units

Contribution per unit = Total contribution / Number of units £15 900 / 3 000 = £5.30

## Guidance

A correct final answer, to the required degree of accuracy and with the correct units, will score the full 4 marks here.

## Describe

Set out characteristics.

### Example question:

Describe the trend in sales of luxury goods in China as shown in the data shown in Figure 1. (Specimen AL Paper 2 Q01.1)

### Example (full marks) answer:

Some characteristics of the trend include: sales growth is always positive or sales are always rising, the particular peaks or troughs in the rate of growth.

### Guidance

Three characteristics of sales growth are required for the full 3 marks, usually possible in short simple sentences.

## Evaluate

Judge from available evidence.

### Example question:

From 2011 to 2013, Sainsbury's gearing rose from 35.9% to 40.1% and its current ratio increased from 0.55 to 0.61. Evaluate the possible implications of these changes for Sainsbury's during a period of "difficult market conditions" (line 73) and low interest rates. (Specimen A Level Paper 3 Q03)

### Example of a key point in the answer:

Although rising, gearing is still relatively low being below 50%. During difficult market conditions when profits may be low, having lower gearing carries less risk as there may be lower commitment to high fixed repayments on borrowing.

However interest rates are low which lowers the cost of borrowing to finance large-scale investment projects.

Evaluation may require a weighing up of different implications like those above to give an overall judgement.

*This answer would be marked on a Levels Mark Scheme and to earn the full 16 marks, it would have to contain sound, focused analysis and well-supported evaluation. There would need to be good application of relevant business principles and clear, logical chains of reasoning, supported by good use of the data provided.*

### Guidance

In order to evaluate the implications, counter arguments and consideration of circumstances need to be considered. These points must be analysed and evaluated in order to reach a final judgement on the question from the available evidence at the end.

## Explain

Set out purposes or reasons.

### Example question:

Explain the factors that might influence the price at which Morgan sells its cars. (Specimen A Level Paper 2 Q02.1)

### Example of a key point in the answer:

One factor is the price of cars made by competitor rivals to Morgan. The answer could be developed to outline the impact of the pricing of a substitute car.

*This answer would be marked on a Levels Mark Scheme and to earn the full 6 marks, the student would have to develop a selection of the key issues relevant to the question, with sound knowledge and understanding of business terminology, concepts and principles.*

### Guidance

The factor is stated clearly and then developed to address the question posed. Relevant business concepts are incorporated.

## Justify

Support a case with evidence.

### Example question:

Under Justin King, Sainsbury's changed its strategy. Do you think that to be successful the strategy of a business needs to be determined mainly by what is happening in its external environment? Justify your answer. (Specimen A Level Paper 3 Q06)

### Example of a key point in the answer:

What is happening in the external environment is important as it creates Opportunities and Threats which will influence strategy. These may be considered using PEST, Porter or other models. However, strategy also may need to be linked to the internal environment eg it will be affected by finances, expertise of staff and vision of the managers etc.

Justification will argue which, if any, is the more important determinant of strategy.

*This answer would be marked on a Levels Mark Scheme and to earn the full 24 marks, it would have to contain sound, focused analysis and well-supported evaluation. There would need to be good application of relevant business principles and clear, logical chains of reasoning, supported by good use of the data provided*

### Guidance

To justify a recommendation, view or conclusion, key points must be presented in favour but their weaknesses and the case against should be considered as well. These points must be analysed and evaluated in order to reach a supported judgement on the question from the available evidence at the end.

## To what extent

By how much or by how many.

### Example question:

To what extent do you think the performance of Nissan's workforce has been the main factor influencing its decision to increase car production at the Sunderland factory in the UK?

(Specimen AS Paper 1 Q15.2)

### Example (full marks) answer:

The data provides some factors which relate to employee performance and from which arguments can be constructed for this as the main factor eg productivity, employee-employer relations etc. These factors should be set against others outside of workforce performance eg leadership, exchange rate etc to come to an overall judgement.

### Guidance

A good response must make a supported judgement on the extent to which the performance of the workforce has been the main factor influencing Nissan's decision. This involves a judgment of the significance of the workforce relative to other factors.