



Pearson
Edexcel

GCSE (9-1) Business

Model answers for the **12-mark 'Evaluate'** questions with examiner commentary.





12-mark 'Evaluate' exemplars

12-mark questions assess: **AO1b = 3; AO2 = 3; AO3a = 3; AO3b = 3**

Breakdown of Assessment Objectives

Assessment objective		Definitions
AO1 35%	Demonstrate knowledge and understanding of business concepts and issues	AO1a: Demonstrate knowledge of business concepts and issues. AO1b: Demonstrate understanding of business concepts and issues.
AO2 35%	Apply knowledge and understanding of business concepts and issues to a variety of contexts	AO2: Apply knowledge and understanding of business concepts and issues to a variety of contexts.
AO3 30%	Analyse and evaluate business information and issues to demonstrate understanding of business activity, make judgements and draw conclusions	AO3a: Analyse business information and issues to demonstrate understanding of business activity AO3b: Evaluate business information and issues to demonstrate understanding of business activity, make judgements and draw conclusions

Specimen Papers Set 2, Paper 2

Question 7e – Exemplar response 1

(e) Using your knowledge of business, evaluate the importance of function within GoPro's design mix.

(12)

Go Pro's **helmet and drone based cameras** are very high-quality since they both **waterproof and shock proof**. This is to be expected after **'very large amounts of capital had been invested in the products'** (Extract Paragraph 3). This would suggest that the 'function' element of the design mix is important in the **action camera** market that GoPro operate in.

The 'function' element of the design mix is critical to the success of the GoPro **camera** range. This is because the ability for the consumer to **record their successes whilst undertaking a range of extreme sports such as base-jumping** will be highly important since it is unlikely



that the consumer will do that particular **trick or activity** again in precisely the same way ever again (**explanation strand 1**). Therefore, the consumer needs to rely on a **camera and its image stabilisation software** to capture the activity precisely so that the end user can **show the video to friends and family or post the video on YouTube** (**explanation strand 2**). Therefore, the ability of the **camera** to operate or function well in an **extreme sports environment** is the primary USP of the camera (**explanation strand 3**). This USP allows GoPro to differentiate its **cameras from cheaper competitors such as Xiaomi** (**explanation strand 4**). As a result, GoPro can now charge a premium for its **technology-based products** (**explanation strand 5**) which allows the company to generate higher profit margins on the sale of each **drone-based image recorder**. If the company can maintain sales, despite the premium charged it should be able to generate higher profits to support the company's falling share price (**additional strands of explanation not required**).

However, with new competitors such as **Xiaomi** entering the market, the market is becoming more competitive. These new competitors are able to produce similar **cameras** to that of GoPro at a much lower price. This has caused GoPro to lose market share and profitability causing the **share price to fall to \$8.54**. Therefore, perhaps the critical element within the design mix is changing and now 'cost' is becoming a much more important factor relative to 'function'. With lower average total costs a **camera** manufacturer can charge lower prices and if the 'function' element of the design mix is reasonably comparable, the consumer will enjoy better value for money. Therefore, GoPro should not make as many sales as the market becomes less niche and starts to attract the **occasional sports enthusiast** in a broader market.

To conclude, the degree to which 'function' is important in the design mix ultimately depends on the way the market for **lifestyle cameras** is changing. If the market widens into more of a mass market with occasional users of **action cameras** purchasing, consumers will become more heavily focused on price. Therefore, 'cost' should become a much more important element within the design mix. This will be reinforced if lower-priced competitors such as **Xiaomi** continue to enter the market. As long as these new competitors have a product which is reasonably comparable to that of GoPro in terms of quality, but at a much lower price, GoPro will be forced to increasingly focus on 'cost' and 'function' will decline in importance.



Examiner Commentary:

This response was **awarded 12 marks**. The level of understanding was excellent and Level 3 was awarded for this skill (AO1b). There was evidence of application (AO2) throughout the answer (**highlighted in red**). In paragraph 2, there were at least 5 linked strands (**highlighted in green**) which explain why the 'function' element of the design mix could be important to GoPro. Thus, analysis (AO3a) can be awarded Level 3. The candidate provided more than 5 strands, which was unnecessary and has led to an overly long answer. In paragraph 3, there was also explanation as to why the 'cost' element of the design mix could be rising in importance following the arrival of competitors. Note how paragraph 3 starts with the word 'However...' This acted as a steer to the examiner, highlighting that evaluation (AO3b) is now being attempted by the candidate. The final paragraph starts with 'In conclusion...' and this section makes use of the 'it depends rule' and goes beyond just a simple para-phrasing of what has gone before, earlier on in the essay. The candidate was also awarded Level 4 for this skill area. With four strong Level 3s for each skill area – the candidate was awarded 12/12.



Question 7e – Exemplar response 2

Using your knowledge of business, evaluate the importance of function within GoPro's design mix.

(12)

The 'function' element of any camera is about how well the camera captures images that the user can enjoy and show their friends in order to show and demonstrate how cool they look whilst snowboarding. If the images are blurry or shaky they will not look professional when uploaded to social media sites such as Facebook and this in turn will make the extreme activity the consumer is involved in look less impressive (explanation strand 1). Therefore, the user cannot show off to the same level with a cheaper recording device (explanation strand 2). Therefore, the 'function' part of the design mix is the most important element because this is why the camera was purchased by the consumer in the first place (explanation strand 3). Without the quality of the recorded video being high, consumers will just resort to using their iPhone or some other mobile device and not purchase a GoPro (explanation strand 4). This is because nothing extra is added to the recording experience by purchasing a GoPro camera (explanation strand 5). Therefore, the consumer will view a GoPro as a waste of money and sales of the camera will be low. This would reduce the revenue of GoPro and highlights why the 'function' element of the camera is important (additional strands of explanation not required).

However, the importance of 'function' in the design mix is starting to decline. GoPro have said it wants to enhance its brand image through marketing campaigns and because of this - how good the camera looks could become much more important. Therefore, 'aesthetics' should start to become more important in GoPro's design mix.

To conclude, at the current moment in time, 'function' is still the most important part of GoPro's design mix but it is starting to fall in importance due to the existence of new cheaper competitors such as Xiaomi. They also need to think how good they look and what price they charge. Therefore, other elements of the design mix may start to become more important.



Examiner Commentary:

This response was good and was **awarded 9/12**. There was good use of terminology and understanding throughout. Level 3 was awarded for Understanding (AO1b). The candidate provides the five linked strands of development in paragraph 1 that are necessary to allow the candidate to reach Level 3 for Analysis (AO3a) (highlighted in green). Notice how the candidate unnecessarily adds more linked strands of analysis at the end of paragraph 1, leading to an overly long answer. The Application (AO2) (highlighted in red) was very heavy in paragraph 1 but started to decline in paragraphs 2 and 3. Nevertheless, there was still use of application throughout allowing Level 3 to be awarded. Evaluation (AO3b) is solid, but not fully developed in paragraph 2. The conclusion makes statements and does not bring in very much additional evaluative comment and feels to a degree like a repeat of paragraph 2. This skill was awarded Level 2.

Taking a line of best fit the response across all four skill areas the response was adjudged to be in Level 3 overall but at the bottom of the band.