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Cambridge Ordinary Level

COMMERCE **7100/22**

Paper 2 Written **May/June 2017**

MARK SCHEME

Maximum Mark: 80

Published

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Question	Answer	Marks	Guidance
1(a)	**Identify <u>one</u> type of transport that S Wholesalers might use to deliver goods to retailers.** • Road • Rail • Sea • Air	**1**	Any type of transport or example e.g. van, boat × 1 mark
1(b)(i)	**Describe <u>two</u> advantages <u>to a retailer</u> of purchasing high quality food products from S Wholesalers.** • Breaking bulk (1) S Wholesalers will split the bulk purchases into smaller quantities (1) • Variety of goods (1) from different manufacturers/saving the retailer contacting many different manufacturers (1) • Advice (1) as they will have knowledge of the market/trends (1) • Credit (1) so that the retailer may be able to sell the goods before payment is due to the wholesaler/thus improving the cash flow of the retailer (1) • Storage (1) saving space/warehouse costs for the retailer (1) • Trade discount (1) enabling the retailer to make a profit (1) • Prepare goods for sale (1) e.g. pre-packed or labelled (1) • Display (1) goods available for inspection (1) • Risk-bearing (1) pay for damaged goods (1) • Delivery (1) so that the retailer can receive goods when they run short / saves transport costs (1)	**4**	1 mark for any two advantages stated plus 1 further mark for each description.

Question	Answer	Marks	Guidance
1(b)(ii)	**S Wholesalers is considering opening its own retail shop. Do you think it should do this? Give reasons for your answer.** • S Wholesalers will not want to compete with their own retail customers (1) the retailer would probably use another wholesaler (1) may lose these customers (1) • Retail selling would need a different type of premises (1) S Wholesalers may not be able to afford/costly to do (1) • Different skills are needed to sell in bulk as a wholesaler, compared with selling single units as a retailer (1) S Wholesalers may need new skills such as customer service (1) • Increase costs (1) as they may need new staff (1) • Increased sales (1) as there are more outlets to sell (1) • Ability to sell surplus stock (1) e.g. promotions for seconds (1) • Many others doing it (1) stay competitive (1) • Bigger mark-up (1) selling direct to consumer (1)	**4**	1 mark for each reason stated plus 1 mark for each judgement made. Reasons can be either side.
1(c)(i)	**Calculate the total amount paid by M Retail if it pays the invoice within 30 days. Show your working.** 90 × 5 / 100 (1) = $4.5 (1) 90 – 4.5 = $85.5 (1)	**3**	OFR applies. Award full marks for the correct answer without working.
1(c)(ii)	**Should S Wholesalers offer this discount?** Yes (1) plus one mark for one point given: • Encourages purchaser to pay promptly • Improves cash flow of S Wholesalers • Reduces chance of bad debts • Encourages customer to buy again • Attract customers/increases sales **OR** No (1) plus one mark for each point given: • Less money received	**2**	

Question	Answer	Marks	Guidance
1(d)	**Discuss whether or not wholesalers, such as S Wholesalers, are likely to survive in the future.** • Many manufacturers are by-passing the wholesaler and delivering direct to the retailer • Logistics are becoming more available and efficient, and pre-packed branded goods are sold direct to retailers • On-line selling has meant some manufacturers can easily sell direct to the consumer, thus eliminating both the wholesaler and the retailer • Some retailers now manufacture goods for their own shops or contract manufacturers to produce own-brand goods • Large scale retailers, such as supermarket chains, have the financial resources to buy in bulk directly from the manufacturers • Wholesalers still provide a vital service to small-scale retailers but the volume of trade undertaken by these retailers is declining • The wholesaler may operate in a niche market • Adaptable wholesalers may change, e.g. to cash and carry • Strength of wholesaler's relationships will be important • Whatever happens the wholesale function has to be done by someone	6	**Level 2 (4–6 marks)** Has discussed whether or not S Wholesalers are likely to survive and given reasoning (if a candidate has presented a one-sided argument, award 4 marks max). **Level 1 (1–3 marks)** Has commented on the statement.

Question	Answer	Marks	Guidance
2(a)	**Identify the sector of production that O Ltd is concerned with.** • Secondary	**1**	
2(b)	**Explain what is meant by *added value*. Give an example relating to furniture.** • Added value is the difference between the value of the business output and the cost of materials and services used to create that output (2) • E.g. cutting wood, gluing wood, varnishing, packaging (1)	**3**	1 mark for a relevant example. Up to 2 marks for the explanation.
2(c)	**State <u>two</u> advantages and <u>two</u> disadvantages to O Ltd of using specialisation when manufacturing furniture.** Advantages: • Increases output • Enables greater use of technology/machinery • Reduces labour costs/reduces need for labour • Increases efficiency/saves time • Workers need less skills/easier to train/training/workers become more skilled • Can take advantage of economies of scale Disadvantages: • Boredom of workers/lead to mistakes • Industrial unrest/greater divide between managers and workers/strikes may occur • Workers become interdependent/depend on other parts of the process • Less job satisfaction for workers/demotivated workforce • Standardised products/lack of flexibility • Difficulties if machines break down	**4**	1 mark for each advantage stated to a maximum of two advantages. 1 mark for each disadvantage stated to a maximum of two disadvantages.

Question	Answer	Marks	Guidance
2(d)	**Should O Ltd open a new factory in a remote forested area? Give reasons for your answer.** • Close to supply of raw materials (1) reduces transport costs (1) • May be an attractive place to work (1) attracts labour force (1) • Availability of local cheap land (1) reduces costs (1) • Lack of infrastructure (1) such as roads/power (1) • As the forest is cut down, location becomes further than source (1) making the location less desirable (1) • Lack of skilled labour (1) cost of relocation (1) • Increased transport/distribution costs (1) of finished goods to consumers (1) • Destruction of the environment (1) loss of trees (1)	4	1 mark for each reason stated plus 1 mark for each judgement made. Reasons can be either side.
2(e)(i)	**Discuss these sources and recommend which one might be <u>better</u> for O Ltd. Give reasons for your answer.** • **Bank loan** – for good customers of the bank. Principal and interest repayable over term of loan which is usually linked to expected life of the machinery. A down payment of 25% of the cost of the machinery from O Ltd's resources would usually be needed. Collateral may be required • **Hire purchase** – business makes a small down payment and then rents or hires the machinery over a two or three year period, after which it owns the machinery The cheaper method would probably be a bank loan, but if the down payment causes cash flow problems then hire purchase would be the better option.	6	**Level 2 (4–6 marks)** Has discussed both sources of finance and has given a reasoned recommendation. (If a candidate has discussed only one option award 4 marks max). **Level 1 (1–3 marks)** Has commented on one or both options with/without recommendation. Accept any other relevant points.

Question	Answer	Marks	Guidance
2(e)(ii)	**Explain <u>one</u> reason why O Ltd is not using retained profits (retained earnings) to buy the new machine.** • No retained profits in the company (1) as used them to pay shareholders (1) • May want to keep retained profits (1) for emergencies (1) • May want to keep retained profits (1) because they're in a high risk situation (1) • Might be operating at a loss (1) therefore no profits to keep (1)	**2**	Up to 2 marks for an explanation.

Question	Answer	Marks	Guidance
3(a)(i)	**State <u>one</u> example of a long-term liability.** • Bank loan/loan • Debenture • Mortgage	**1**	
3(a)(ii)	**Explain what is meant by *working capital*.** • Working capital is the finance used for the day-to-day running of the business (1) e.g. to pay bills (1) • It is calculated as current assets minus current liabilities or net current assets (2)	**2**	Up to 2 marks for a full explanation.
3(a)(iii)	**Why is working capital important to any business?** • It is needed to pay bills (1) so as to maintain positive cash flow (1) and the ability to obtain credit (1) • For unforeseen expenses (1) e.g. repair to a machine (1) so it can continue production (1) • To allow for seasonal fluctuations (1) e.g. in agriculture (1) when some times of the year there are large cash inflows/less cash inflows (1) • To take advantage of discounts (1) by bulk buying (1) if prices are likely to rise (1) • Keep customers satisfied with stock (1) so that do not go elsewhere (1)	**3**	Up to 3 marks for a full explanation, or 3 × 1 mark.
3(b)	**Compare the financial position of Y Shops Ltd and C Retail Ltd. Which of these two businesses is in a better financial position? Give reasons for your answer.** • Y Shop's sales are twice those of C Retail but C Retail makes a greater net profit • Net profit margins are: Y Shop = 11.66%, C Retail = 30% • C Retail has more working capital • C Retail has fewer long-term liabilities • Y Shops has more share capital and reserves • C Retail appears to be in a better financial position with better liquidity and fewer long-term liabilities. Yang has greater sales and more reserves, so the situation could reverse if Y Shop's is able to improve its profitability and leave the improved profits in the business.	**6**	**Level 2 (4–6 marks)** Has discussed the statement and evaluated the financial position of both shops. **Level 1 (1–3 marks)** Has commented on the statement Note: No marks for simply restating figures given in Fig. 2.

Question	Answer	Marks	Guidance
3(c)	**Both businesses own and manage a number of retail shops. Describe <u>two</u> advantages of retailing on a large scale.** Any economics of scale (1), such as: • Can buy in bulk from manufacturers (1) and take advantage of discounts (1) • Can afford specialist employees (1) such as buyers/accountants (1) • Due to bulk buying may charge less to their customers (1) to increase sales/turnover (1) • Easier for larger companies to raise capital (1) as banks more willing to lend (1)	4	Up to 2 marks for each advantage described.
3(d)	**Y Shops Ltd and C Retail Ltd have shops in many towns where there are also small independent retailers. Describe <u>two</u> actions a single shop retailer can take to survive this competition.** • Offer a more personal service (1) they will know regular customers and their preferences (1) • May relocate to busier streets/shopping centres (1) where there is increased footfall (1) • Operate flexible hours (1) e.g. late night opening (1) • May offer special services (1) such as informal credit/delivery/act as agent for services such as dry cleaning (1) • May buy from cash and carry warehouses (1) where there are lower prices (1) • They can join a voluntary buying chain (1) enabling them to gain the price advantages from buying in bulk (1) • Develop online selling/website (1) increasing market (1) • Develop specialities (1) to cater for a niche market (1) • Sales promotion/advertising to persuade customers (1)	4	1 mark for each action given up to a maximum of two actions, plus 1 mark given for a description of each action.

Question	Answer	Marks	Guidance
4(a)	**Define *exports*.** Goods/services sold to other countries	**1**	
4(b)(i)	**List <u>three</u> difficulties likely to be faced by H Ltd when exporting its components.** • Distance/communication problems • Language • Different legal systems • Currency • Culture/different customs • Weights/measures • Non-payment/bad debts • Political changes • Exchange controls/tariffs/quotas • Cost of transport • Increased paperwork/documentation	**3**	1 mark for each difficulty listed.
4(b)(ii)	**Name <u>two</u> transport documents that H Ltd will have to use when exporting its components.** • Bill of lading • Air waybill • Certificate of origin • Charter party • Consular invoice • Certificate of insurance • Shipping note • Mate's receipt	**2**	1 mark for each document named.

Question	Answer	Marks	Guidance
4(b)(iii)	**Explain <u>two</u> methods of payment that H Ltd might accept from its export customers.** • Letters of credit/documentary credits (1) letters of undertaking to guarantee payment (1) • Electronic transfer (1) speedy computerised transfer of funds (1) • Bill of exchange (1) unconditional order signed by the person owed the money (1) • Credit card (1) relatively fast method of payment usually for smaller amounts (1) • Debit card (1) instant payment for goods (1) • International bank draft (1) cheque drawn on bank (1)	**4**	1 mark for each method up to 2 methods, plus 1 mark for explanation of each method.
4(c)	**Explain <u>two</u> reasons why it is important for H Ltd to have rapid and accurate methods of communication with its overseas customers.** • Transport services have speeded up (1) so fast, accurate communication is needed to arrange for the transport services that deliver the product to their export customers (1) • Customers can check prices and product information on the internet (1) and then order products on the internet or email (1) • Queries and complaints can be quickly answered (1) by telephone/email (1)	**4**	Up to two marks for each reason to a maximum of two reasons
4(d)	**Most of H Ltd's communication is verbal (oral). Discuss whether or not there are situations where written communication might be more suitable.** • Clarification of points following a discussion • Feedback can be immediate via email • It is often essential to have a record of an important point being made, e.g. disciplinary proceedings. • It is difficult to give complex instructions solely by oral communication • A measured response is difficult when communication is oral • There is less chance of misunderstanding when written methods used • Protection against fraud • Written evidence is needed as proof – for shareholders, tax, contracts	**6**	**Level 2 (4–6 marks)** Has discussed whether or not written communication is, or is not, more suitable in commercial situations than oral communication, and has given a reasoned opinion. **Level 1 (1–3 marks)** Has commented on written communication with/without an opinion.

Question	Answer	Marks	Guidance
5(a)(i)	**What is meant by *saleable quality*?** Goods should be as described / fit for purpose / work properly.	1	
5(a)(ii)	**A customer has returned an expensive vase because it is cracked. State four actions T Ltd should now take.** • Examine the vase • Check the receipt/ask for proof • Listen to the complaint • Apologise • Record the complaint • Offer a replacement • Offer a refund/credit note • Refer back to manufacturer	4	1 mark for each action, maximum 4 actions.
5(b)	**T Ltd belong to a trade association that has a Code of Practice. How will a Code of Practice help a consumer?** • Set of rules / standards • Facility for making complaint • Members must meet certain standards • Members must comply with investigative outcomes • Pay fines / provide compensation if complaint upheld	2	Up to 2 marks for one point.
5(c)	**T Ltd wants to insure itself against a fall in profits. Would T Ltd will be able to obtain this insurance? Give reasons for your answer.** No (1) it is a non-insurable risk (1) • Cannot be calculated • May be caused by owners/bad management • No past records • Probability cannot be assessed • Premium cannot be set	4	Up to a further 2 marks for valid reasons.

Question	Answer	Marks	Guidance
5(d)(i)	**T Ltd operates in a country that is part of a trading bloc. Explain what a trading bloc is and give an example.** A trading bloc is a group of countries (1) who have entered into a free trade agreement/agree on free trade (1) such that no duty is paid on trade between them (1) they also agree on a common external tariff to non-member countries (1) e.g. EU/ASEAN (1)	3	Up to 2 marks for the explanation. 1 mark for the example.
5(d)(ii)	**T Ltd trades with some countries that do not belong to a trading bloc. Discuss whether or not T Ltd should continue to export to these countries. Give reasons for your answer.** • If duties/tariffs are imposed goods become more expensive so sales may fall due to higher price • Could still be a market at higher price • May have to continue to sell to them if no other market available • Restrictions may be short term so wait for better times • If quotas are imposed then do T Ltd have a large enough quota to make exporting worthwhile • Is the demand in the export country still sufficiently high to make it worthwhile • T Ltd would have to ascertain demand at price with tariffs and/or look for other markets	6	**Level 2 (4–6 marks)** Has discussed whether or not T Ltd should continue to export to these countries and given reasoning (if a candidate has presented a one-sided argument on home trade, award 4 marks max.). **Level 1 (1–3 marks)** Has commented on the statement.

Question	Answer	Marks	Guidance
6(a)(i)	**State <u>three</u> functions of a warehouse.** • Storage for raw materials/components/goods • To prevent goods from deteriorating • To prevent goods being damaged • To protect goods from theft/weather • To store goods ahead of demand • To provide a place for packaging/sorting/bulk breaking • To provide a place for collection/distribution • To offer special facilities e.g. cold storage or bonded warehouses • To store seasonal goods	**3**	1 mark for each function
6(a)(ii)	**Explain <u>two</u> advantages of having two warehouses that are 250 km apart.** • They could act like regional distribution centres (1) supply local retailers (1) • The two warehouses will help to minimise transport costs (1) since local deliveries can be carried out by smaller trucks/vans (1) • The two warehouses can be stocked by larger trucks/or by rail (1) whichever is more convenient/cheaper (1) • The stock kept at each warehouse can be geared to the needs of the local market (1) and the needs of consumers (1) • If one warehouse is lacking in supply (1) the other warehouse can cover it (1)	**4**	Up to 2 marks for each advantage explained to a maximum of two advantages
6(b)(i)	**Explain why bonded warehouses are used when importing some goods.** • A bonded warehouse is a warehouse where goods that are subject to import/customs duties are stored (1) before the duty is paid (1) • The importer can store his goods in the bonded warehouse until he has a customer for them (1) This will help his cash flow (1) since he/she does not pay the import duty until the goods are sold (1) • The importer can also import in bulk (1) and then grade/blend/package the goods (1) • The goods may also be re-exported (1) from the bonded warehouse without the duty ever being paid (1) this is known as entrepôt trade (1)	**4**	Up to 4 marks for explaining why they are used

Question	Answer	Marks	Guidance
6(b)(ii)	**State <u>two</u> services offered at an airport for handling goods.** • security • lifting gear • transport/vans • trolleys • customs inspection • outside storage areas/warehousing • bonded warehouses	2	
6(c)(i)	**In which sector is the railway system of this country?** Public sector	1	
6(c)(ii)	**Discuss whether or not J Ltd should consider using the rail network to deliver some of its products. Give reasons for your opinion.** • It may be able to carry high volume bulk goods for long distances • Need for trans-shipment/distribution • Problems of damage/theft • What happens to the 6 trucks • What is its network range • Easy movement between warehouses and airport • Likely to stay as they but may use rail for one-off/long distance bulk • When is the modernization to happen	6	**Level 2 (4–6 marks)** Has discussed whether or not J Ltd should consider using the rail network to deliver some of its products and has given a reasoned opinion (if a candidate has presented a one-sided argument, award 4 marks max.). **Level 1 (1–3 marks)** Has commented on J Ltd using the rail network with/without an opinion

Question	Answer	Marks	Guidance
7(a)(i)	**X Ltd is a private limited company operating a chain of fifty bookshops throughout a country. The shareholders of X Ltd have limited liability. Explain what is meant by *limited liability.*** The owners are responsible for losses/debts (1) limited to the amount invested (1) if they fail to pay their debts (1) no personal possessions/assets can be taken (1) if the business goes into liquidation (1)	**3**	
7(a)(ii)	**Explain <u>two</u> <u>other</u> features, apart from limited liability, of a private limited company.** • Separate legal entity (1) legally a separate being (1) • Owned (1) by shareholders (1) • Minimum of 2 shareholders (1) no maximum (1) • Controlled/run (1) by directors (1) • No minimum share capital required (1) to start a company (1) • Often a family business (1) been in the same family for generations (1) • Regulated by Companies Acts (1) must register with the Registrar of Companies (1) • Continuity of existence (1) can be passed down to others/does not end on death (1) • Shares not transferrable (1) without consent of other shareholders (1) • Accounts must be published (1) and available on request (1) • Needs to apply for a trading certificate (1) before it can begin trading (1) • Need for an AGM (1) required by law (1)	**4**	1 mark for each method up to two methods plus 1 mark for explanation of each method
7(b)(i)	**State <u>two</u> reasons why advertising is necessary for X Ltd.** • To inform the public about the availability of books • To persuade customers to buy books/increase sales • To remind customers of existing stock • To maintain competitive edge/market share • To inform people about changes in range of stock/opening hours/job vacancies	**2**	

Question	Answer	Marks	Guidance
7(b)(ii)	**Several of X Ltd's shops are in towns with universities. Recommend the <u>two most</u> suitable types of advertising media to attract students into its shops. Give reasons for your recommendations.** • Television (1) reaches a wide audience (1) but is very expensive and would be difficult to aim specifically at students. • Radio (1) can target students/reaches a wide audience/cheaper that television (1) • Cinema (1) could be aimed more specifically at students (1) • Newspapers (1) are cheap (1) • Student magazines (1) would be an ideal way to advertise as there are many aimed at the correct age-group/would be cheap (1) • Leaflets (1) would again be ideal as they are cheap/easy to target students in halls of residence or on campus (1) • Posters (1) on university sites may also be successful if they are bright and informative (1) • Shop window (1) on campus (1) • Computer/Smartphone (1) text/email/apps as students use social media (1) • Facebook/Twitter (1) as students use social media (1)	**4**	1 mark for each advertising type plus 1 mark for each reason
7(b)(iii)	**Name <u>one</u> advertising device that X Ltd could use.** • Status • Colour • Ambition • Wealth • Music • Romance • Social acceptance • Love of a bargain • Hero worship • Humour	**1**	

Question	Answer	Marks	Guidance
7(c)	**The business is facing increased competition from online bookshops. Discuss the ways X Ltd can compete with the online bookshops. Recommend a suitable course of action.** • X Ltd could open their own online operation in order to compete with the online bookshops. However they will also be competing with their own chain of retail stores • One advantage of buying from a retail store is that the book can be examined before the final purchase decision is made • Personal service can be offered by X Ltd and it is essential that their staff is well-trained, knowledgeable and friendly. Online stores cannot compete in the personal service area • Delivery is always a problem for online stores and again X Ltd can offer instant delivery if the required book is in stock • Attractive displays in the shop will be essential so that potential customers can browse. This is particularly important at gift-giving seasons when customers have not got pre-conceived ideas of the books they want to purchase • Could introduce a loyalty points scheme and/or a coffee shop • Bookshops should try to attract customers to enter their premises by opening coffee shops, and making the whole environment of the shop a friendly place • The best ways would probably be to emphasise personal service and make sure that the bookshop is an attractive environment.	6	**Level 2 (4–6 marks)** Has discussed ways in which X Ltd can compete with online bookshops and given a reasoned recommendation. **Level 1 (1–3 marks)** Has commented on the way(s) of competing with/without a recommendation.

Question	Answer	Marks	Guidance
8(a)(i)	**What is meant by *public liability insurance*?** This is insurance taken out by a business that covers claims made by the public due to the negligence of the business/example such as a customer falling on a slippery floor (1)	1	
8(a)(ii)	**Tom has been advised to insure his business premises against the risk of fire. Explain how an insurance company uses *pooling of risks* when issuing fire insurance policies.** • The pooling of risk means that the fortunate, who do not have to make claims for compensation/not everybody suffers loss (1) help the unfortunate who do have to make claims (1) • The premiums paid by Tom (1) will be combined with premiums paid by other businesses (1) for similar fire risks (1) • The premiums are combined into a common fund or pool (1) from where the claims for those who have had a fire are paid out/compensation is given (1) • Administrative costs for the insurance company should also be paid from this pool (1) with • the remaining money left in the pool being the profit of the insurance company (1)	4	Up to 4 marks for explanation
8(b)(i)	**Explain <u>two</u> advantages to Tom of opening a current account.** • Current account means Tom could make deposits (1) of cash/cheques into his account (1) • He could withdraw without notice (1) cash/write cheques on his account (1) • He will receive regular bank statements (1) about his monthly transactions (1) • He can also make payments (1) such as standing orders/direct debits/credit transfer from his account (1) • He may be able to arrange an overdraft on his account (1) to pay bills/buy stock (1) • It gives access to other banking services (1) such as ATMs (1)	4	2 marks for each advantage explained

Question	Answer	Marks	Guidance
8(b)(ii)	**State <u>two</u> purposes of a bank statement.** • To see details of transactions or example • To check for errors/bank reconciliation • Know current financial situation/see if overdrawn/shows balance • Shows bank charges	**2**	1 mark for each purpose
8(c)	**Should Tom accept credit cards as a method of payment from customers? Give reasons for your answer.** Yes: • Payment is guaranteed (1) so no bad debts (1) • Sales should increase (1) as customers can use credit cards when they have no cash (1) • Chip and pin procedures have led to the automatic decline of bad cards (1) leading to greater security (1) • No cash on premises (1) reduces theft (1) **OR** No: • Tom will have to pay a commission (1) a percentage of each transaction (1) to the credit card company (1) • Needs to have necessary equipment (1) to process card payments (1) • Usually a delay in receiving payment from credit card company (1) so could cause cash flow problems (1) • Credit card fraud (1) bad debts (1)	**3**	Note: 0 marks for just stating Yes or No, but candidates can combine Yes or No reasons to achieve 3 marks,

Question	Answer	Marks	Guidance
8(d)	**Tom considered buying a franchise from a multinational car rental company. Discuss whether or not he was right to open his own independent business instead of a franchise. Justify your opinion.** A franchise is an agreement where a business (the franchisor) sells rights to other businesses (the franchisees) allowing them to sell products or services, developed by the franchisor, and use the company name. A conclusion will be based on analysis of possible points including: • Some loss of control • An initial payment to the franchisor and usually a continual payment based on turnover • The franchise cannot be sold without the agreement of the franchisor • Not able to use his own sources of supply • The name will already be well-known and a market established • Expert assistance from the franchisor • Reduces the risk of failure • Franchisor may pay for some advertising • Benefits from economies of scale associated with being part of a large organization	**6**	**Level 2 (4–6 marks)** Has discussed whether or not Tom was right to open up his own independent business instead of a franchise and has given a reasoned opinion (if a candidate has presented a one-sided argument, award 4 marks max.). **Level 1 (1–3 marks)** Has made some comments on own independent business and/or franchises with/without an opinion.