



5th Year Business November Exam Marking Scheme

Chapters 1,6,7,8

Using this Marking Scheme

This marking scheme has been created as an additional resource to support you in correcting the upcoming Christmas examination. It is intended as a flexible guide rather than a prescribed format, offering possible solutions and aligning student responses with the learning outcomes and action verbs in the specification.

No formal guidance has yet been issued on how marking schemes for this course should be structured beyond the outcome verbs in the specification, so please feel free to adapt, edit, or re-weight marks in whatever way best fits your class and teaching approach.

Send on any suggestions, feedback or errors to gavin@backinbusinesshub.com





Q1 Business In Our World

FíorFuel

FíorFuel is an Irish start-up founded by two friends, Maeve and Darragh, who wanted to create a superfood powder made entirely from Irish-grown ingredients. Their aim is to provide a daily health supplement rich in vitamins and minerals — a sustainable, locally sourced alternative to imported “super greens.”

They work closely with Irish farmers who grow kale, spinach, barley grass, and beetroot, which are then dried and blended into powdered sachets. The business also partners with a local packaging supplier that produces recyclable pouches. At first, suppliers required up-front payment, but as trust developed and orders became more consistent, FíorFuel began receiving bulk deliveries on credit terms.

Digital technology plays a major role in how the company operates. FíorFuel uses cloud-based stock-control software to track ingredient deliveries and finished goods, and manages all sales through its e-commerce website. They promote the brand through targeted social-media campaigns on Instagram and TikTok, and use analytics tools to identify which ads drive the most sales. The founders also hold regular Zoom meetings with app developers in Australia, who help manage their online store and develop new subscription features for repeat customers.

Innovation has been key to FíorFuel’s growth. The founders encourage all staff to share product ideas and customer feedback

through weekly brainstorming sessions. This culture of openness has helped generate new blends, such as a caffeine-free “morning boost” version. The business also invites health and fitness coaches to trial products and suggest improvements, ensuring continuous development of new ideas.

FíorFuel’s business model centres on providing convenient, Irish-sourced nutrition for health-conscious customers. Daily activities include ingredient sourcing, production, packaging, and online marketing. They work on building trust, education, and transparency about sourcing and nutrition with the customer. Its main customer type are young professionals and fitness enthusiasts, though a growing number of customers in their 40s and 50s have shown interest in the health benefits of Irish-grown supplements. The main costs include raw materials, packaging, technology, digital advertising, and delivery logistics.

Ethics are a cornerstone of the business. FíorFuel commits to fair pricing for farmers, transparent labelling, and responsible health claims that avoid exaggeration. Their marketing focuses on real-world benefits, diversity, and inclusion, ensuring messages appeal to a wide audience without unrealistic expectations. They also promote workplace wellbeing and fair conditions for staff as part of their company values, sharing free Friday videos where staff are free to take time off if they need to.





(a) (i) Outline the importance of suppliers for FíorFuel.

MS: 4m - (2+2) Importance explained (2), applied to FíorFuel (2)

Suppliers help a business manage its cash flow by offering credit terms.

They can help with FíorFuel's cashflow, they moved from up-front payments to buying ingredients on credit, helping the business manage costs as it grew.

Suppliers provide the materials that determine product quality.

Strong supplier relationships ensure access to reliable, high-quality, and ethically sourced ingredients, supporting a premium brand image.

FíorFuel relies on Irish farmers who produce quality kale, spinach, and beetroot, ensuring that its superfood powder meets high standards and supports its "Irish-grown" sustainability message.

(ii) Explain how the needs/wants of a supplier in a business may change at different stages of business development.

MS: 4m - (2+2) Importance explained (2), applied to FíorFuel (2)

At start-up stage, suppliers usually want payment up front because the business is new and unproven.

They need to reduce their risk of non-payment and ensure cash flow from early sales. As the business grows and proves reliable, suppliers become more confident and begin offering credit terms or delayed payments





**(b) Describe three ways digital transformation has impacted on FíorFuel's operations.
MS: 15m - 3 @ 5 (1+2+2) Technology names (1), explained (2), impact on FíorFuel (2)**

Cloud-based stock control software

This technology stores and updates stock information online in real time. It allows businesses to monitor inventory levels, deliveries, and sales instantly from any device. For FíorFuel, it ensures that ingredients and finished products are tracked accurately, reducing waste and improving speed of orders/means they won't run low on stock and miss orders.

E-commerce website

An e-commerce platform allows customers to browse, order, and pay for products online. It removes the need for physical retail space and enables direct-to-consumer sales. FíorFuel sells all of its superfood powders through its online store, increasing profit margins compared to selling through retailers, and allowing it to reach a global customer base beyond local outlets.

Social media analytics tools

These tools track engagement and performance data from digital marketing campaigns on platforms like Instagram and TikTok. They show which posts or ads lead to the most sales. FíorFuel uses analytics to refine its marketing strategy, focusing on the ads that attract the highest response and best return on investment.

Video-conferencing software (Zoom)

This technology enables live virtual meetings, file sharing, and collaboration across locations. FíorFuel's founders use Zoom to meet with Australian app developers, saving time and travel costs while supporting continuous improvement of their website.

Subscription app features

Subscription technology automates recurring payments and deliveries for repeat customers. It helps build predictable income and customer loyalty. FíorFuel's app developers created subscription options for customers who order regularly, creating a new revenue stream and improving repeat business.





(c) Determine the factors that have impacted on the development of business ideas in FíorFuel.

MS: 15m - 3 @ 5 (1+2+2) Factor (2), explained (1), impact on FíorFuel (2)

Organisational culture

A supportive and inclusive culture encourages employees to share ideas and feedback. When staff feel valued, they become active contributors to innovation.

At FíorFuel, weekly brainstorming sessions allow all staff to suggest new blends and improvements, which led to the caffeine-free “morning boost” product.

“The founders encourage all staff to share product ideas and customer feedback through weekly brainstorming sessions.”

Access to technology

Digital tools enable small firms to test, market, and refine ideas quickly.

FíorFuel’s use of analytics and online sales data helps identify which products and campaigns perform best, guiding decisions about new blends and packaging.

“They use analytics tools to identify which ads drive the most sales.”

Market trends / consumer behaviour / market research

Shifts in consumer values often drive business innovation. Rising demand for health, sustainability, and locally sourced products opens new opportunities.

FíorFuel recognised this trend and developed Irish-grown superfood powders that match consumer interest in traceable, environmentally responsible nutrition / data from the site / fitness coach feedback.

“Their aim is to provide a daily health supplement rich in vitamins and minerals — a sustainable, locally sourced alternative to imported ‘super greens.’”

“A growing number of customers in their 40s and 50s have shown interest in the health benefits of Irish-grown supplements.”

Availability of resources

Businesses need time, skilled people, and finance to turn ideas into products. Without investment in these areas, idea development can slow down.

FíorFuel allocates resources to work with app developers in Australia and pays fitness coaches to trial new products, ensuring continuous product development.

“The founders also hold regular Zoom meetings with app developers in Australia, who help manage their online store and develop new subscription features.”





(d) Identify the key elements of the business model canvas that are missing for **FíorFuel**, and complete their business model canvas.

MS: 16m - 4 @ 4 (2+2) Correct element (2) One point identified for FíorFuel (2)

Business Model Canvas				
Key Partners <ul style="list-style-type: none"> Irish farmers supplying kale, spinach, beetroot, and barley grass. Local packaging company producing recyclable pouches. Overseas tech developers (Australia) maintaining the e-commerce platform and subscription app. 	1.	Value Propositions <ul style="list-style-type: none"> A premium, Irish-grown superfood supplement offering natural nutrition and transparency. Sustainable and Irish alternative to imported "super greens." Builds consumer trust through traceability and authentic Irish sourcing. 	2.	3.
	Key Resources <ul style="list-style-type: none"> Skilled staff with expertise in nutrition, production, and marketing. Brand recognition of "100% Irish-grown" ingredients. Digital systems (site) 		Channel <ul style="list-style-type: none"> E-commerce website as the main sales channel. Social media (Instagram, TikTok) for marketing and engagement. 	
4.	Revenue Stream <ul style="list-style-type: none"> Direct online sales through the FíorFuel website. Monthly subscription model for regular users. Wholesale supply to selected Irish health stores or gyms. 			

1. Key Activities

- Sourcing Irish-grown kale, spinach, barley grass, and beetroot from local farmers.
- Manufacturing / stock control / distribution of superfood pouches.
- Managing e-commerce sales, returns, social media marketing, and subscriptions/app/site

2. Customer Relationships

- Building trust through transparent labelling and fair, accurate health claims.
- Engaging customers via Instagram and TikTok campaigns focused on education and wellbeing.
- Encouraging loyalty through online subscriptions and responsive digital support.

3. Customer Segments

- Young professionals and fitness enthusiasts seeking convenient, healthy nutrition.
- Growing segment of 40–50-year-olds interested in Irish-sourced supplements.
- Health-conscious consumers who value sustainability and local production.

4. Costs

- Ingredient/raw materials sourcing from Irish farmers and local packaging suppliers.
- Technology, digital marketing, and website/app development costs.
- Delivery, logistics, and staff costs to support production and fulfilment.





FíorFuel has recently decided to expand its production capacity by leasing a new facility outside Galway to meet growing demand. The move will allow them to increase output and reduce delivery times, but it also means hiring new staff and investing in automated blending equipment.

The expansion will require temporary disruption to current operations while machinery is installed. It will also involve renegotiating supply agreements with local farmers and seeking additional funding from investors to support the move. The company plans to begin production in the new facility within six months.

(e) (i) Conduct stakeholder mapping to identify and prioritise four stakeholders affected by this decision.

MS: 16m – 4 x 4 marks for each stakeholder

Named stakeholder (1), graded (0,1,2,3m) based on appropriate reference to level of interest/power for the stakeholder – suggested solutions below are a guide, but accept relevant answers.

Local farmers (suppliers)

High power – they control the supply of Irish-grown ingredients and can impact production if contracts or deliveries change.

High interest – the expansion directly affects their sales volumes and long-term relationships with FíorFuel.

Investors

High power – they provide the funding needed for the new facility and can influence how and when the expansion happens.

High interest – their financial returns depend on FíorFuel's growth and the success of the new operation.

Employees

Low power – they have little say in major investment or location decisions.

High interest – the move affects their daily work, job security, and adaptation to new technology and equipment.

Customers

Low power – they cannot influence FíorFuel's operational decisions.

High interest – they rely on consistent product availability and quality, which could be disrupted during the expansion.

Local community (Galway area)

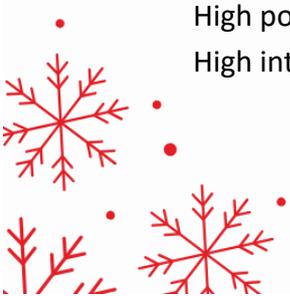
Low power – they have little direct influence over FíorFuel's business decisions.

High interest – the new facility affects local employment, traffic, and environmental impact in their area.

Lenders / Financial institutions

High power – they control access to loans or credit needed for equipment and setup.

High interest – they depend on FíorFuel's ability to repay financing linked to the expansion.





(e) (ii) Explain the importance of prioritising different stakeholder interests when making decisions in a business.

MS: 5 marks – Importance (2), relevant explanation for stakeholders/decisions...

Prioritising stakeholder interests helps a business make balanced, **informed decisions** that support long-term success.

When a company understands which stakeholders have the most power and influence, it can manage relationships more effectively and **reduce potential conflict**.

Accept explanation using FíorFuel e.g.

For FíorFuel, stakeholder mapping helps the founders decide **who to focus on most during expansion**. By identifying investors and suppliers as high-power stakeholders, they can prioritise securing funding and supply agreements first, while still communicating with employees and customers to maintain motivation and loyalty.





Question 2 – 50 marks

(a) “A business owner and investor may have different priorities in how the business operates”

(i) Discuss one conflict that might arise between these two stakeholders

MS: 6m (0/2/4/6)

A conflict usually occurs when stakeholders are competing for different outcomes (a win-lose relationship).

A conflict may arise over how profits are used in the business.

An investor may want profits paid out as dividends to get a quick return on their investment, while the owner might prefer to reinvest profits to fund growth or pay staff.

(ii) Suggest how a business owner could try to avoid conflict with an investor.

MS: 4m (0/2/4)

Clear communication and regular updates

The business owner can share progress reports, financial updates, and future plans with the investor.

This avoids conflict by ensuring the investor feels informed and included in decision-making, reducing misunderstandings about how funds are being used.

(b) (i) Identify three reasons why someone might decide to start their own business.

MS: 6m - 3 @ 2m (0/1/2)

Independence and control

Many people start a business to be their own boss and make their own decisions rather than working for someone else.

Financial opportunity

Entrepreneurs may see a chance to earn higher profits or improve their standard of living by developing their own ideas.

Personal fulfilment or passion

Some start a business to turn a personal interest or skill into a career, gaining satisfaction from creating something meaningful.

Identifying a market opportunity

A person might spot a gap in the market, like a problem they have or noticed, and decide to start a business to meet that demand.





Social or ethical purpose

Some entrepreneurs establish a social enterprise to make a positive difference, such as supporting local communities or promoting sustainability while still earning income.

(b) (ii) Outline the importance of enterprise for the government/economy, society and business.

MS: 12m - 3 @ 4 Importance (2), developed (2)

For the Economy

Higher incomes and living standards

Enterprise increases national income by driving productivity and innovation, helping Irish businesses grow and contributing more taxes to fund public services.

Job creation

New and expanding enterprises create employment across regions, particularly in high-skill sectors such as green technology, digital health, and AI.

Growth in exports

Irish innovations can be sold to global markets, bringing money into the economy and strengthening Ireland's position in international trade.

Attracts investment

A strong enterprise culture draws foreign direct investment and encourages start-ups, reinforcing Ireland's reputation as a hub for entrepreneurship.

For Business

Creates a Competitive advantage

Innovation allows businesses to stand out from competitors by offering better, cheaper, or more unique products and services.

Allows for Market expansion

Digital tools and e-commerce platforms enable businesses to reach global customers and grow without needing physical stores abroad.

Improved Efficiency and productivity

Process improvements, such as automation and AI, reduce costs, improve quality, and speed up delivery, increasing profitability.

Attracts skilled talent

Innovative, purpose-driven businesses appeal to skilled employees who value creativity, sustainability, and flexible working environments.

For Society

Solving social challenges

Social enterprises and community initiatives use enterprise to address homelessness, addiction recovery, and digital exclusion.





Environmental protection

Eco-innovation and circular business models reduce waste, emissions, and pollution, helping create a cleaner, more sustainable society.

Empowering communities

Access to enterprise supports, such as local enterprise offices and digital hubs, enables people to develop local solutions and create jobs.

Improved quality of life

Enterprise broadens access to services, technology, and healthcare, improving living standards and community wellbeing.

(c) Outline the importance of a business plan at both the start-up and operations stage of business development.

MS: 6m - 2 @ 3

Start-up Stage (clarifies idea, identifies value proposition, needed for investors/banks)

A business plan clarifies the idea, defines the value proposition, and proves the business is viable. It helps identify the target market and outline how the business will operate.

It is also crucial for securing funding, as investors and Local Enterprise Offices rely on the plan's financial projections and clear strategy before offering support.

Operations Stage (acts as a road map, use as benchmark)

At this stage, the plan guides day-to-day management and measures performance against goals. It helps monitor sales, costs, and staffing, ensuring efficiency and keeping the business on track with its long-term objectives.

(d) Discuss three ways the Irish Government can support businesses operating in Ireland.

MS: 12m - 3 @ 4m (2+2)

Provide grants and financial support

The government offers financial assistance through agencies such as the **Local Enterprise Offices (LEOs)**, **Microfinance Ireland**, and **LEADER**. These supports help businesses start up, expand, or recover from challenges. Grants like feasibility or priming grants reduce financial pressure on small firms, while microloans give access to credit when banks may not.

Offer training, mentoring, and advisory services

Through agencies such as **LEOs**, **SOLAS**, and **Area Partnership Companies**, the government provides training, mentoring, and business advice. These supports help entrepreneurs gain the skills and confidence to manage and grow their businesses effectively, leading to stronger and more sustainable enterprises.





Invest in infrastructure and digital connectivity

The government supports business through national investment in infrastructure, such as the **National Broadband Plan**. Improved broadband and transport links make it easier for companies to operate efficiently, reach global markets, and use digital technologies to compete internationally.

Government planning and policy

Through careful economic planning and annual budgets, the government creates a stable environment that gives businesses confidence to invest and grow. National wage agreements also help firms predict labour costs and reduce the risk of industrial disputes.

Government current expenditure

By increasing public sector pay or social welfare supports, the government boosts disposable income, encouraging greater spending in the economy. It can also subsidise energy or other business costs, helping firms remain competitive and profitable.

Government taxation policy

A low corporation tax rate of 12.5% encourages entrepreneurs to start and expand businesses in Ireland. Tax credits for research and development and capital investment further promote innovation and reinvestment.

Government investment in education and training

Funding third-level education and training programmes through agencies such as SOLAS ensures a steady supply of skilled labour. This helps businesses recruit qualified workers and supports innovation and productivity across all sectors.

Government support for research and innovation

Through Enterprise Ireland and other state initiatives, the government funds R&D projects and digital transformation. These supports help businesses develop new products, adopt new technologies, and expand into export markets.

(e) What is the role of a business model in a successful business.

MS: 4m (0/2/4)

A business model is an essential element of the business plan that outlines how a company will **operate, create, deliver, and capture value** in **economic, social, and cultural contexts**. It plays a key role in guiding decision-making by showing how the business will **generate income, serve its customers, and use its resources effectively**.





Question 3 – 50 marks

Four friends decided to make a go of **The Irish Fairy Door Company** but soon realised their idea to build a magical world for children behind fairy doors would need more capital than they could provide. **The Irish Fairy Door Company** reached out for support from their South Dublin Local Enterprise Office, and were able to make their business a success.



(a) Identify three key competencies entrepreneurs would use when setting up a business, and for each one, outline its importance when starting or expanding a business.

MS: 12m - 3 @ 4m (1) Competency (1) Explained (2) Importance starting/expanding (2)

Risk taker

Entrepreneurs are willing to take personal and financial risks when starting a business, even when success is uncertain.

This is important at start-up because taking calculated risks allows new ideas to reach the market and helps the business grow despite initial challenges.

Creative

Creativity allows entrepreneurs to think differently, identify gaps, and develop unique products or services.

It is vital for standing out from competitors and attracting customers when launching or expanding a business.

Decision-making

Entrepreneurs analyse information, weigh up options, and make informed choices quickly. Strong decision-making is crucial at start-up when time and resources are limited and during expansion when taking strategic growth steps.

Proactive

Being proactive means taking initiative rather than waiting for opportunities to appear. This helps entrepreneurs stay ahead of competitors and act early to seize new market trends or innovations.

Being realistic

A realistic entrepreneur understands their limits and sets achievable goals based on facts rather than optimism.

This mindset helps manage finances and resources wisely and prevents overestimating success during growth.

Resilient

Resilience is the ability to stay determined and recover from setbacks or slow progress. It is essential when early sales are low or when challenges arise, ensuring the business continues moving forward.

Human relations

Good communication and networking skills allow entrepreneurs to build trust and form valuable relationships.





This is important for gaining support, investment, and customer loyalty as the business grows.

Independent

Independence gives entrepreneurs confidence to make their own decisions and take responsibility for outcomes.

This allows them to act quickly and steer the business without relying on constant approval from others.

Flexible

Flexibility enables entrepreneurs to adapt plans and adjust to customer feedback or market changes.

It is vital for surviving unpredictable challenges and responding to new opportunities during expansion.

Time management

Effective time management helps entrepreneurs prioritise key tasks and use resources efficiently.

It ensures deadlines are met and supports productivity when juggling multiple responsibilities in a small or growing business.

(b) Discuss three services *The Irish Fairy Door Company* would have been able to access from their Local Enterprise Office to support their business development and growth.

MS: 15m - 3 @ 5m (2+3)

Training and development

Local Enterprise Offices provide in-person and online training for entrepreneurs to build essential business skills. Programmes such as *Start Your Own Business* help owners improve planning, marketing, and financial management. This training supports growth by giving business owners the knowledge and confidence to make informed decisions.

Mentoring and advice

LEOs match entrepreneurs with experienced mentors who offer guidance on business strategy, finance, and market research. This one-to-one support helps businesses refine their plans, solve challenges, and identify opportunities for development and expansion.

Financial support and grants

LEOs offer grants such as *Feasibility Study* and *Business Expansion* grants, as well as access to Microfinance Ireland loans of up to €50,000. These supports help businesses invest in new products, hire staff, or fund growth when bank finance may not be available.

Networking opportunities

Local Enterprise Offices organise local business networking events where entrepreneurs can meet and share experiences.





These events help business owners build valuable connections, learn from others, and form partnerships that can lead to new customers or collaborations.

Networking also increases visibility within the local business community and provides a support network for future growth.

(c) Explain three functions of a feasibility study when developing a new business idea for a business like *The Irish Fairy Door Company*.

MS: 12m - 3 @ 4m (2+2)

Assessing market feasibility

This part of the feasibility study examines whether there is genuine customer demand for the product or service. It looks at target market size, customer needs, and existing competitors to judge if the idea can attract enough buyers to succeed.

Evaluating production feasibility

The study investigates whether the business has the resources, skills, and suppliers needed to make and deliver the product effectively. It ensures production capacity, staffing, and logistics can meet demand without overstressing resources.

Analysing financial feasibility

This assesses whether the idea is financially viable by estimating start-up costs, ongoing expenses, and potential profits. It helps entrepreneurs decide if the idea is affordable and capable of generating sustainable income.

Reviewing environmental feasibility

The study considers the potential environmental impact of the idea, such as waste, emissions, and energy use. This ensures compliance with environmental standards and supports sustainable, responsible growth.

Checking legal feasibility

It confirms that the business idea complies with laws around health and safety, employment, and intellectual property. This avoids legal risks, fines, and production delays that could harm the business later.





(d) If a business like *The Irish Fairy Door Company* was facing conflict with one of its stakeholders, outline three methods they could use to resolve the conflict.

MS: 11m - 2 @ 4m (2+2), 1 @ 3(2+1)

Open communication / Meet & Talk

The business can meet directly with the stakeholder to discuss concerns honestly and respectfully.

This encourages understanding, clears up miscommunication, and helps both sides find common ground before the conflict grows.

Negotiation

The parties involved can work together to reach a compromise that balances both interests. This approach keeps relationships positive and ensures decisions are practical and fair for everyone involved.

Mediation

An independent third party can be brought in to facilitate discussions and suggest solutions. This helps when emotions run high, allowing an objective mediator to guide the conversation and promote a balanced outcome.

Conciliation

Conciliation involves bringing in an independent third party, known as a conciliator, to help both sides reach an agreement.

Unlike mediation, the conciliator can actively suggest solutions and encourage compromise. This method is useful when a business and its stakeholder need help rebuilding trust or finding a balanced resolution without resorting to legal action.

Arbitration

In more serious disputes they could bring in an outside third party, called an arbitrator, who can listen to both sides and make a decision/recommendation for them.

This formal process saves time and legal costs compared to going to court while still delivering a clear resolution.





Question 4 – 50 marks

(a) Arrange the stages below in the correct order and outline, using each stage, how a business **of your choice** could use the design thinking process to help develop/improve a product or service.

Stages: Implement, Clarify, Develop, Ideate

MS: 16m – 4 @ 4m (1,2,1) Stage, explained, linked to business of your choice

Business: All Real Nutrition

1. Clarify

The business begins by identifying what needs to be improved about an existing product. All Real Nutrition could research customer feedback and find that some people want a protein bar with extra fibre or a softer texture for easier digestion.

2. Ideate

After defining the problem, the team brainstorms ideas for improvement. They could explore new natural ingredients, flavour combinations, or textures that make the bar more appealing while keeping it healthy and sustainable.

3. Develop

The best ideas are turned into small test batches and shared with customers for feedback. All Real Nutrition could trial new recipes with gym members or loyal customers to see which version has the best taste and nutritional balance.

4. Implement

Once the improved bar is finalised, it is launched across stores and online. The company could promote it through influencer partnerships, in-store tastings, and social media campaigns to highlight its new benefits and drive sales.





(b) YouTube Advertising Revenue Hits \$10.3 Billion as It Takes Growing Share of TV Market
Using any two of the headings below, compare an advertising business model such as the one discussed above with another technology-driven business model you have studied.

- 1. Revenue generation**
 - 2. Consumer access and cost**
 - 3. Scalability and growth**
 - 4. User engagement and retention**
- MS: 12m – 2 @ 6m (3+3)**



Comparison to a marketplace model e.g. Vinted

1. Revenue generation

YouTube earns revenue primarily through advertising. Businesses pay to display targeted ads to viewers, while users access the platform for free.

Vinted, as a marketplace model, generates income through transaction fees or promotional listings when users buy or sell second-hand items.

2. Consumer access and cost

YouTube offers free access to most users, funded by advertisers, with an optional paid premium service. This makes it widely accessible and encourages large audience numbers.

Vinted is also free to join for users and there is no cost to sell any items. The buyer faces shipping fees when they purchase something, but the seller is free, encouraging people to increase the number of items they have for sale.

3. Scalability and growth

YouTube scales by incentivising content creators through monetisation based on views – this encourages new posts/creators, and increases viewing time.

Vinted's growth relies on expanding its user base of buyers and sellers, improving logistics, and entering new regional markets, which requires more development e.g. linking in with An Post for deliveries in Ireland.

4. User engagement and retention

YouTube keeps users engaged with personalised recommendations and a constant stream of new content, encouraging longer watch times and repeat visits.

Vinted builds retention through reviews, and seller ratings, motivating users to return regularly to buy, sell, and interact within the marketplace.





(c) Compare any two of the business models below in terms of how they generate revenue and captures and delivers value for the consumer.

Circle two business models to compare: Retail, Franchise, Manufacturing

MS: 12m – 2 @ 6m (3+3)

Generates revenue

Retail - Retailers such as *Dunnes Stores* or *JD Sports* earn revenue by purchasing goods from manufacturers or wholesalers and selling them directly to consumers at a markup.

They make a profit on each sale by charging more than the cost price, and may also generate additional income through loyalty schemes, online sales, and exclusive brand partnerships.

Franchise - Franchise systems like *Supermac's* or *Domino's Pizza* generate revenue through two main streams: the franchisor earns from franchise fees and ongoing royalties, while franchise owners earn from daily sales in their outlets.

This shared structure allows both franchisor and franchisee to benefit financially from brand growth and customer demand.

Manufacturing - Manufacturers such as *Kerrygold* or *Guinness* generate revenue by producing goods from raw materials and selling them in bulk to retailers, wholesalers, or directly to consumers.

Profit is made when the selling price exceeds production costs, and consistent demand ensures ongoing revenue streams.

Captures and delivers value for the consumer

Retail - Retailers deliver value by offering convenience, product choice, and customer service in physical or online stores.

Consumers benefit from having a wide range of goods available in one location, competitive prices, and easy access to trusted brands.

Franchise - Franchise businesses provide consistent quality, familiar branding, and reliable service across all locations.

Consumers value the predictability of their experience, knowing they can expect the same standards and products in every outlet, which builds loyalty and trust.

Manufacturing - Manufacturers deliver value by creating high-quality products that meet customer needs for reliability, safety, and innovation.

Consumers benefit from trusted brands such as *Kerrygold* and *Guinness*, which represent quality Irish production and strong heritage, ensuring satisfaction and repeat purchases.





(d) (i) Outline two functions of a business plan for a new start-up business.

MS: 6m - 2 @ 3 (0/2/3)

Attract investment and access finance

A business plan provides investors and lenders with detailed evidence that the business is viable and worth supporting.

It includes financial projections, market analysis, and a clear value proposition to show how funding will be used and how profits will be generated.

Set objectives and strategies

The business plan outlines clear goals and maps out the strategies needed to achieve them.

It helps the start-up stay focused, measure progress, and compare actual performance against planned targets.

Assess market potential

It helps the entrepreneur analyse the level of demand and competition using research data on customers and rivals.

This ensures the business is entering a viable market and targeting customers effectively.

Identify potential risks and challenges

The plan highlights possible obstacles such as funding gaps, staffing needs, or competitor threats.

By recognising these early, the entrepreneur can prepare solutions and reduce the likelihood of failure.

Guide decision-making and operations

A business plan acts as a roadmap that guides daily and long-term decisions.

It ensures that the business remains focused on its goals, helps allocate resources effectively, and allows the entrepreneur to make informed choices as the business develops or expands.





(d) (i) Outline two reasons why ethics and sustainability are important when planning a new start-up business.

MS: 4m - 2 @ 2m (1+1)

Improves reputation and builds brand loyalty

Planning with strong ethical and sustainable values creates trust and strengthens the brand image.

Customers are more likely to support a new business that shows responsibility and aligns with their values.

Attracts investment

Investors increasingly consider ESG (Environmental, Social, and Governance) factors before providing funding.

A clear focus on sustainability and ethical practices helps attract investors who value long-term, responsible growth.

Ensures legal and regulatory compliance

Embedding sustainability into early planning helps the business comply with environmental and labour laws.

This prevents costly legal issues, reputational damage, and operational disruption.

Supports long-term profitability

Businesses that plan for sustainability are better prepared for resource shortages, new regulations, and changing consumer expectations.

Ethical and sustainable strategies promote long-term success by balancing profit with responsibility.

Creates competitive advantage

Embedding ethics and sustainability into planning helps a start-up stand out in the market.

Consumers increasingly prefer responsible brands, so businesses that design eco-friendly products or ethical supply chains gain an edge over less responsible competitors.

