

**Second Semester**

**Business Studies**

**(دراسات الأعمال)**

**(Answers)**





SULTANATE OF OMAN  
MINISTRY OF EDUCATION

## Marking Guide of General Educational Diploma for Private Schools

2022/2023

Semester Two – First Session

Subject: Business Studies



مركز القياس والتقويم التربوي  
The Center for Educational Assessment  
and Measurement (CEAM)

**Note: There are 14 pages in this guide**

### First: Answers for the Multiple-Choice Items (6 Marks):

Item N.	Answer	Mark	Page(s)	Learning Outcome	Learning Level
1	<b>B</b> A customer purchases a new laptop from an online retailer.	1	S1.281 S2. 98	Define/ Explain the difference between b2b and b2c	Knowledge
2	<b>C</b> Year-end accounts of previous year	1	S1.285 S2 103	State examples of primary and secondary market research	Knowledge
3	<b>D</b> Qualitative data	1	S1.296 S2 111	Differentiate between qualitative and quantitative market research.	Application
4	<b>B</b> Product Differentiation	1	S1. 311 S2. 116	Define product differentiation.	Knowledge
5	<b>C</b> A new music CD	1	S1.315 S2 117	Explain the different stages of the product's life cycle.	Reasoning: Analysis
6	<b>C</b> Sales Promotion	1	S1. 335 S2.128	Identify, define, and give examples of each method of promotion.	Application

**Second: Answers for the Fill in Blank Items (6 Marks):**

Item N.	Answer	Mark	Page(s)	Learning Outcome	Learning Level
7	Mass Marketing	1	S1. 282 S.2.102	Define Mass and Niche Marketing	Knowledge
8	Business to Business or b2b	1	S1.281 S.2. 98	Define b2b and b2c	Application
9	Test Marketing	1	S1.296 S.2. 107	State examples of primary/secondary market research	Application
10	Qualitative data	1	S1.296 S.2. 111	Define qualitative and quantitative market research.	Knowledge
11	Introduction	1	S1.315- S2. 117	Explain the different stages of the product's life cycle.	Knowledge
12	Sales Promotion	1	S1.335- S2. 128	Give examples of each method of promotion.	Knowledge

**Third: Answers for the Short Response Items (16 Marks):****General Notes**

- There may be different ways of answering questions, but a basic requirement for all answers is that they are RELEVANT.
- If the answer is clearly not relevant, and the student has clearly made no attempt to answer the question that was set, NO marks should be awarded. However, if the student has genuinely attempted the answer, but his answer is only partly relevant, then a reduced mark (not zero) should be awarded.
- Extra correct answers, and explanations related to some items are provided in **Appendix 1 (P.11)**.

2 Marks	
The student answer is very clear and logically organized, with a good level of accuracy.	2
The student makes an attempt to answer the question, but this is not fully effective, and there is a lack of accuracy in the answer	1
No attempt to answer, either completely unrelated to what is required from the question or complete nonsense.	0

Item N.	Correct Answer	Mark	Page(s)	Learning Outcome	Learning Level
13	<p>- Market share is the sales of a business as a proportion of the total market sale.</p> <p>- The sales of a business or a particular product relative to the total market sales.</p> <p><i>Any other correct definition, or any logical attempt to answer must be awarded. Please refer to Q3 marking rubric.</i></p>	2	S1. 279 S2. 100	Define market share, market size, market growth.	Knowledge
14	<p>- <b>Advantage:</b> A clothing brand can define its target market precisely, and design and produce goods that are specifically aimed at these groups, leading to increased sales.</p> <p>- <b>Disadvantage:</b> Promotional costs might be high as different advertisements and promotions might be needed for different segments. Marketing economies of scale may not be fully exploited.</p> <p><i>Any other relevant correct points with analysis and explanation in relation to the given context (clothing brand) can be awarded 1 mark each (1*2=2 Marks).</i></p>	2	S1.285 S2 104	Analyze the advantages and disadvantages of market segmentation.	Reasoning: Analysis
15	<p>- It helps to understand features of customers and consumers in the markets, such as their characteristics, profiles, needs, and wants.</p> <p>- It enables the business to analyze the main features of the market, such as the size of the market, growth of the market, competitors etc.</p> <p><i>Any relevant correct points can be awarded one mark each (1*2=2 Marks).</i></p> <p><b>More correct points:</b></p> <ul style="list-style-type: none"> <li>• It helps to understand features of customers and consumers in the markets, such as their characteristics, profiles, needs, and wants.</li> </ul>	2	S1.292 S2 106	Explain the importance, role of market research market segmentation	Knowledge

	<ul style="list-style-type: none"> <li>• It enables the business to analyze the main features of the market, such as the size of the market, growth of the market, competitors etc.</li> <li>• Helps the business to understand its competitive advantage.</li> <li>• Helps in reducing the risk of new product launches.</li> <li>• It helps in understanding the patterns in sales of existing products and market trends</li> <li>• It enables the business to predict future demand changes.</li> <li>• It helps to assess the most popular designs, promotions, styles and packaging for a product.</li> </ul>				
16	<p><u>Product, Price, Place, and Promotion</u></p> <p><i>Identification of each element must be awarded 0.5 marks each (0.5*4=2 Marks)</i></p>	2	S1.309 S2. 115	Define the four elements of marketing mix.	Knowledge
17	<p>The product is entering the <u>maturity stage</u> (1 Mark). This is shown by the <u>stability in its sales rate</u> (1 Mark).</p>	2	S1. 313 S2. 121	Explain the different stages of product lifecycle.	Reasoning: Analysis
18	<p>A. Psychological Pricing B. Dynamic Pricing or Price Discrimination</p> <p><i>Any one of these is correct and should be awarded with full mark (1 Mark)</i></p>	2	S1.320 S2 126	Identify and explain the meaning of different methods of pricing.	Application
19	<p><i>A higher score requires the students to evaluate the effectiveness by <u>providing a brief explanation of at least ONE situation</u> in which dynamic pricing is the best and effective for the given business (Oman Air), for example, when the demand on flights is high. Providing and explaining ONE situation only should be awarded 2 Mark.</i></p> <p><b>Example of correct Answer:</b></p> <p>In the case of Oman Air, the dynamic pricing is much easier and effective as Oman Air uses an online system to manage flights and reservations, where <u>the company can track in real time the available seats and measure levels of demand by the number of searches and enquiries, and then adjust the price accordingly and continually.</u></p>	2	S1.320 S2 126	Identify and explain the meaning of different methods of pricing	Reasoning: Evaluation

	<p>increasing it if demand looks high and reducing it if demand is low. This should allow Oman Air to control demand more effectively and ensure that the sales are going well.</p>				
20	<p>It is the <u>chain of intermediaries</u> a <u>product</u> passes through from <u>producer</u> to final <u>consumer</u>. It also can be described in terms of the number of levels involved in the process.</p> <p><i>To receive the full mark, the answer must include all the four keywords. If the definition does not include two of the keywords, the mark will be reduced by 50% which is equal to one mark.</i></p>	2	S1.341 S2 134	Identify the different types of distribution channels.	Knowledge



**Fourth: Answers for the Extended Response Items (20 Marks):****General Notes**

- There may be different ways of answering questions, but a basic requirement for all answers is that they are RELEVANT.
- If the answer is clearly not relevant, and the student has clearly made no attempt to answer the question that was set, NO marks should be awarded. However, if the student has genuinely attempted the answer, but his answer is only partly relevant, then a reduced mark (not zero) should be awarded.

4 Marks	
The student answer is very clear and logically organized, with a good level of accuracy.	4
The student makes an attempt to write a relevant answer for the question, but this is not fully effective. However, the answer is mostly clear.	3
The student makes an attempt to write a relevant answer for the question, but this is only partly effective and there is a lack of accuracy in the answer.	2
A very feeble attempt to answer the question. The Answer has little relevance. The answer is unconvincing and inadequate. Weak organization of the answer makes it difficult to follow the points written. And finally, there is a noticeable lack of accuracy in the answer.	1
No attempt to answer, either completely unrelated to what is required from the question or complete nonsense.	0

Item N.	Description of the Correct Answer	Mark	Page(s)	Learning Outcome	Learning Level
21	<p>The answer should clearly <b>identify (1 Mark), define (2 Marks), and provide an example (1 Mark)</b> of any TWO (2) of the three segmentation methods, the Geographical, the Demographic, and the Psychographic.</p> <p><b>Example of Correct Answer:</b></p> <p><b>1. Geographic Segmentation:</b> ( <i>The identification: 1 mark for the</i>) This type of segmentation focuses on aspects of consumers such as the location of customers or the climate in different regions (<b>Definition: 2 marks</b>). Cars sold to Africa, for example, will have to withstand high levels of heat; cars sold to Scandinavia will need to cope with the cold. Cars targeted at people living in cities may be relatively small so it is easy to get around and park; people living in the countryside may want more rugged vehicles to cope with the terrain. (<b>Example: 1 mark</b>)</p> <p><b>2. Demographic Segmentation:</b> This type of segmentation focuses on aspects of consumers such as age, gender, income, occupation, marital status and stage in the family life cycle. In the toys market, for example, the type of toys 3-year-olds will play with are different from those wanted by 13-year-olds. When you are single, you may be looking for a city 1-bedroom flat; when you are married with children you may want a 3-bedroomed house with a garden, near a good school and out of the city.</p> <p><b>3. Psychographic Segmentation:</b> This type of segmentation focuses on aspects of consumers such as personality, lifestyle, values, social class and attitudes. Are you someone who likes belonging to a group? Are you someone who is very ambitious? Do you want material things? Do you care how products have been made and their impact on the environment? These factors might all influence the way a product is promoted and the actual design of the product. Some holidays may be designed for adventurous, outgoing types. Others might target customers wanting a package holiday in Spain. Your job and earnings are likely to influence a whole host of lifestyle factors: the newspaper you read, where</p>	4	S1.284 S2 103	Explain the methods of market segmentation.	Knowledge

	you shop, where you go on holiday, the interests you have and what you wear.				
22	<p>The answer should demonstrate <u>how jewelry manufacturers can employ primary research methods.</u></p> <p><b>Example of Correct Answer:</b></p> <ol style="list-style-type: none"> <li>1. <b><u>Survey Or Questionnaire:</u></b> the jewelry company can develop and distribute a survey to explore the preferences of their target customers.</li> <li>2. <b><u>Focus Group Interviews:</u></b> The jewelry company can engage in focus group interviews with a selection of their current customers to gather opinions and insights about the new product lines.</li> <li>3. <b><u>Observation:</u></b> It can be an effective method. The jewelry company can closely observe what is happening in their stores, paying attention to sales trends and even monitoring competitors' performance.</li> <li>4. <b><u>Test marketing:</u></b> The jewelry company can introduce a new jewelry design to a specific market segment, testing whether it aligns with customer preferences and if it can achieve the desired sales targets. This approach allows for targeted evaluation before a full market launch.</li> </ol> <p><b><u>A higher score requires the students to provide a clear sufficient explanation of 4 correct points (1 Mark each, 1*4 =4 Marks) relevant to the given example rather than general explanation. The answer with general explanation will be given a reduced mark based on question 4 marking criteria.</u></b></p>	4	S1.283 S2 103	Explain the role of primary and secondary market research in different business situations.	Application
23	The answer should include a clear definition of USP (1 Mark), followed by demonstrating at least two points about the importance for a business to have a USP (1 Mark for each). The fourth mark will be given for the relevance of answer for the given context (technological industry).	4	S1.295 - S2 107	Define USP/ Explain the importance of USP	Knowledge + Reasoning: Analysis

	<p><b><i>All the points must be relevant to the given context (highly competitive technological industry) rather than general. The answer with general points will be given a reduced mark based on question 4 marking criteria</i></b></p> <p><b>Example of correct answer:</b> In today's highly competitive technological industry, having a Unique Selling Proposition (USP) is paramount. A USP refers to a <u>distinctive aspect or quality of a product, service, or business that sets it apart from competitors and provides a competitive advantage (1 mark)</u>. Here are three key points demonstrating the importance of a USP in the highly competitive technological industry:</p> <ol style="list-style-type: none"> <li>1. Differentiation and Market Positioning (1 Mark): The technological industry is saturated with numerous products and services. A well-defined USP allows your business to differentiate itself and stand out in the market. By highlighting a unique feature or benefit that competitors don't offer, you can position your business as a leader in a specific niche or market segment. <b>(1.5 mark)</b></li> <li>2. Customer Attraction and Retention (1 Mark): In the fast-paced technological industry, customers have a multitude of options. A strong USP helps attract and retain customers by addressing their specific needs and pain points. By clearly communicating the unique benefits your product or service offers, you can capture the attention of your target audience. Furthermore, a compelling USP builds customer loyalty and encourages repeat business. When customers perceive your business as providing distinct value, they are more likely to remain loyal and choose your offerings over competitors'. <b>(1.5 mark)</b></li> </ol>				
24	<p><i>The answer should clearly demonstrate the best method of distribution. A higher score requires the students to identify the best method of distribution (1 mark) and provide a clear sufficient justification for the selected method by mentioning at least 3 correct reasons relevant to the given context (Rolex) rather than general explanation. Each correct reason should be awarded 1 mark (1*3 = 3).</i></p> <p><b>Example of correct Answer:</b></p>	4	S1.344 S2 135	Explain the different types of distribution channels	Reasoning: Evaluation

	<p>One level intermediary channel via retailers <b>OR</b> two-level intermediary channel via agents or indirect distribution via retailers or agents. This is to make sure the products are well maintained and suitably exclusive (1 mark), to make sure that the brand image is well maintained(1 mark), and to make sure that Rolex have complete control on the marketing mix (1 mark).</p>				
25	<p><i>The answer should clearly demonstrate the importance of selecting and using effective promotion methods and techniques. A higher score requires the students to provide a clear sufficient explanation of at least 4 relevant correct benefits, each correct relevant point should be awarded by 1 Mark (1*4= 4 Marks).</i></p> <p><b>Example of Correct Answer:</b></p> <p>Promotion can be used to inform customers about the modifications of a product (1 mark), the launch of a new product, or other promotional offers (1 mark). Promotional methods such as advertisements and sales promotions can persuade customers to purchase the products by highlighting the product's benefits compared to your competitor (1 mark). The brand image can be created and reinforced using promotional methods, especially in consumer markets (1 mark). Promotional methods are often a method of reassurance to the buyers that they did the right thing by buying the concerned product.</p>	4	S1.331 S2 127	Explain the importance of promotion:	Reasoning: Analysis

**Fifth: Answers for the Case Study Items (12 Marks):**

**General Notes**

- There may be different ways of answering questions, but a basic requirement for all answers is that they are RELEVANT.
- If the answer is clearly not relevant, and the student has clearly made no attempt to answer the question that was set, NO marks should be awarded. However, if the student has genuinely attempted the answer, but his answer is only partly relevant, then a reduced mark (not zero) should be awarded.

Item N.	Description of the Correct Answer	Mark	Page(s)	Learning Outcome	Learning Level
26	<p>Student answers should provide a clear explanation of three points about the importance of marketing research in relation to the situation. Each point worth 1 Mark (1*3= 3 Marks).</p> <p>Example of expected answers:</p> <ol style="list-style-type: none"> <li>1.The market research was very important to understand the changes in consumer' shopping habits caused by Covid-19.</li> <li>2.The market research was very important to assess the preferred products.</li> <li>3.The market research was very important to identify the best promotion and distribution methods.</li> </ol> <p>Any other relevant point would be acceptable.</p>	3	S1. 292 S2. 106	Explain the importance of market research.	Application
27	<p>Student answers should identify the primary research type (1 Mark) and the online questionnaire or survey as a method of primary research (1 Mark). The student should also provide a brief clear explanation about the primary research in general and survey method in specific. This explanation may include the definition and/or the benefits or advantages. (1 Mark)</p>	3	S1:108 S2:295	State examples of primary market research and secondary market research	Application
28	<p>Students should provide a brief explanation about the changes Nasser applied to the 2 elements of marketing mix "Product, Price" to make up for the decline in sales:</p> <p><b>Product:</b> He offered more choices of home plants as consumers preferred to buy these during the pandemic. (1 Mark)</p> <p><b>Price:</b> He used the <u>penetration pricing</u> to attract more customers and achieve a high volume of sales. (1 Mark)</p>	2	S1. 309 S2. 115	Define the four elements of marketing.	Application

29	<p>The answer should identify (1 Mark) and provide a brief explanation about the used distribution strategy. From the scenario, there are two distribution strategies adopted by Nasser AFTER the pandemic which are direct distribution as well as e-commerce/online marketing. The correct identification and correct sufficient explanation of any one of these two strategies in relation to the given scenario should be awarded with a full mark.</p> <p><b>Example of Correct Answer:</b></p> <p>The strategy used by Nasser after the pandemic is online marketing or E-commerce (1 mark): Nasser set up an Online store to display the plants, receive the orders, and manage transactions and delivery (1 mark).</p>	2	S1:342 S2:163	Explain the different types of distribution channels.	Application
30	<p>The promotion used method is the digital promotion via social media and google ads. This method helped Nasser to make up for the decline in sales caused by Covid 19 by:</p> <ol style="list-style-type: none"> <li>1. Increasing the sales volume.</li> <li>2. Wider Coverage: The digital advertising allowed Nasser to reach a wider segment of consumers and therefore, more sales were made.</li> <li>3. Low cost of promotion</li> <li>5. Increasing the consumers' awareness about the products</li> <li>6. Attracting retailers to hold inventories and promote the products.</li> <li>7. Building a public image of the business</li> </ol> <p>Any <u>two correct</u> and relevant benefits must be awarded with a full mark.</p>	2	S1. 331,339  S2. 127,131	Identify, define each method of promotion	Application

The End of the Marking Guide



## Appendix 1

*This appendix includes extra correct answers for **Question 3 items**, other than those provided in the marking guide, which should be awarded marks.*

### Question Three: Item Two:

#### **Advantages of market segmentation (General Points, the points have to be related to the given business context to be worth the full mark):**

- A clothing brand can define its target market precisely, and design and produce goods that are specifically aimed at these groups, leading to increased sales.
- It enables identification of gaps in the market and groups of consumers that are not currently being targeted, which might then be successfully exploited.
- Differentiated marketing strategies can be focused on different target markets. This avoids wasting money on trying to sell products to the whole market. Some consumer groups will have no intention of buying the product.
- Small firms that are unable to compete in the whole market are able to specialize in one or two market segments.
- Price discrimination between consumer groups can be used to increase revenue and profits.

#### **Disadvantages of market segmentation (General Points, the points have to be related to the given business context to be worth the full mark):**

- Research and development and production costs might be high as a result of needing to make and market different product variations.

- Promotional costs might be high as different advertisements and promotions might be needed for different segments. Marketing economies of scale may not be fully exploited.
- Production and inventory holding costs will be higher than for producing and selling just one undifferentiated product.
- By focusing on one or two limited market segments, excessive specialization could lead to problems if consumers in those segments change their purchasing habits significantly.
- Extensive market research is needed to identify market segments and their needs.

**Question Three: Item Three:**

- It helps to understand features of customers and consumers in the markets, such as their characteristics, profiles, needs, and wants.
- It enables the business to analyze the main features of the market, such as the size of the market, growth of the market, competitors etc.
- Helps the business to understand its competitive advantage.
- Helps in reducing the risk of new product launches.
- It helps in understanding the patterns in sales of existing products and market trends
- It enables the business to predict future demand changes.
- It helps to assess the most popular designs, promotions, styles and packaging for a product.

## Appendix 2

*This appendix includes an example of the correct Answer for each item in question four. These examples can be used by the corrector to understand the crucial points in each required answer. It also includes a theoretical background of some topics that were tested in some items.*

### Question Four: Item 1:

- **Geographic Segmentation:**

This type of segmentation focuses on aspects of consumers such as the location of customers or the climate in different regions. Cars sold to Africa, for example, will have to withstand high levels of heat; cars sold to Scandinavia will need to cope with the cold. Cars targeted at people living in cities may be relatively small so it is easy to get around and park; people living in the countryside may want more rugged vehicles to cope with the terrain.

- **Demographic Segmentation:**

This type of segmentation focuses on aspects of consumers such as age, gender, income, occupation, marital status and stage in the family life cycle. In the toys market, for example, the type of toys 3-year-olds will play with is different from those wanted by 13-year-olds. When you are single, you may be looking for a city 1-bedroom flat; when you are married with children you may want a 3-bedroomed house with a garden, near a good school and out of the city.

- **Psychographic Segmentation:**

This type of segmentation focuses on aspects of consumers such as personality, lifestyle, values, social class and attitudes. Are you someone who likes belonging to a group? Are you someone who is very ambitious? Do you want material things? Do you care how products have been made and their impact on the environment? These factors might all influence the way a product is promoted and the actual design of the product. Some holidays may be designed for adventurous, outgoing types. Others might target customers wanting a package holiday in Spain. Your job and earnings are likely to influence a whole host of lifestyle factors: the newspaper you read, where you shop, where you go on holiday, the interests you have and what you wear.

**Question Four: Item 2:**

1. *Knowing the preferences of the target customers*
2. *To find out about completely new markets, for example, for new lines of products, like a traditional jewelry collection for which no secondary data exists.*
3. *Knowing the customers' opinions about the new product lines.*
4. *To focus research on market reaction to specific changes made by the business, such as lower prices or increased advertising.*
5. *To gain information from a particular target group of consumers.*

**Question Four: Item 3:**

One possible approach to marketing followed by businesses to survive and maintain the rate of sales and revenue in this competitive technological world is to differentiate the products that the business sells relative to its competitors. This differentiation can be achieved by having a unique selling point (USP); this is something about your product which is perceived by your customers as unique. For example, you might be selling the only water from Lake X or the best performing car according to a recent survey. By promoting its USP, a business can differentiate its offering and may be able to charge more or offer better value for money.

**Question Four: Item 4:**

Direct selling via Rolex exclusive outlets to make sure the products are well maintained and suitably exclusive, to make sure that the brand image is well maintained, and to make sure that Rolex have complete control on the marketing mix.

**Question Four: Item 5:**

Promotion can be used to inform customers about the modifications of a product, the launch of a new product, or other promotional offers. Promotional methods such as advertisements and sales promotions can persuade customers to purchase the products by highlighting the product's benefits compared to your competitor. The brand image can be created and reinforced using promotional methods, especially in consumer markets. Promotional methods are often a method of reassurance to the buyers that they did the right thing by buying the concerned product.



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2022/2023

Semester Two – Second Session

Subject: Business Studies

**Note: There are 14 pages in this guide**

**First: Answers for the Multiple-Choice Items (6 Marks):**

Item N.	Answer	Mark	Page(s)	Learning Outcome	Learning Level
1	C Demographic	1	S1. 284 S2.103	Explain the methods of market segmentation.	Application
2	B Libraries, government, and newspapers	1	S1. 295 S2.109	State examples of Primary and Secondary Market Research	Application
3	B Face to Face Surveys	1	S1. 299 S2.111	Differentiate between qualitative and quantitative market research.	Application
4	B Unique Selling Point	1	S1. 311 S2. 116	Define product differentiation.	Knowledge
5	D Decline	1	S1. 314 S2. 115	Explain the different stages of the product's life cycle (Introduction, Growth, Maturity, Decline)	Knowledge
6	C Social media advertising	1	S1.335 S2 128	Define, identify each method of promotion.	Knowledge



Subject: Business Studies  
2022/2023

Second Session

Second Semester –

**Second: Answers for the Fill in the Blank Items (6 Marks):**

Item N.	Answer	Mark	Page(s)	Learning Outcome	Learning Level
7	Business to Consumer or b2c	1	S1.281 S.2 98	Define b2b and b2c.	Application
8	Niche Market	1	S1.282 S.2 102	Differentiate between Mass and Niche Marketing	Application
9	Secondary	1	S1. 295 S2. 109	State examples of primary and secondary market research	Application
10	Quantitative research	1	S1.299 S.2 111	Define qualitative and quantitative market research.	Knowledge
11	Growth	1	S1. 315 S2. 117	Explain the different stages of the product life cycle	Knowledge
12	Advertising/Advertisements	1	S1. 331 S2. 127	Identity, define, and give examples of each method of promotion.	Knowledge



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Second Session

Second Semester –

**Third: Answers for the Short Response Items (16 Marks):**

**General Notes**

- There may be different ways of answering questions, but a basic requirement for all answers is that they are RELEVANT.
- If the answer is clearly not relevant, and the student has clearly made no attempt to answer the question that was set, NO marks should be awarded. However, if the student has genuinely attempted the answer, but his answer is only partly relevant, then a reduced mark (not zero) should be awarded.

2 Marks	
The student answer is very clear and logically organized, with a good level of accuracy.	2
The student makes an attempt to answer the question, but this is not fully effective, and there is a lack of accuracy in the answer	1
No attempt to answer, either completely unrelated to what is required from the question or complete nonsense.	0





Item N.	Correct Answer	Mark	Page(s)	Learning Outcome	Learning Level
13	Market size is the <u>total number of items sold</u> (this is measuring volume) or <u>the total value of sales</u> .	2	S1. 278 S2. 99	Define market share, market growth and market size.	Knowledge
14	An Industrial Market is a business-to-business transaction, while a Consumer Market exists when a business sells to its customers.  <i>Stating 1 Relevant accurate difference can be awarded 2 Marks. No need for detailed explanation.</i>	2	S1. 281 S2. 102	Explain the difference between B2B and B2C	Knowledge
15	<ul style="list-style-type: none"> <li>- To understand features of customers and consumers in the markets, such as their characteristics, profiles, needs, and wants.</li> <li>- To analyze the main features of the market, such as the size of the market, growth of the market, competitors etc.</li> <li>- Help the business to understand its competitive advantage.</li> </ul> <i>Stating, analyzing, and explaining any two relevant points in relation to a specific context (a business of student's Choice) can be Awarded 1 mark each (1*2=2 Marks).</i>	2	S1. 292 S2. 106	Explain the importance of market research.	Reasoning: Analysis
16	<p><i>The answer should clearly identify the following elements <u>ONLY</u>:</i></p> <p><u>Product, Price, Place, and Promotion</u></p> <p><i>Identification of each element should be awarded 0.5 marks each (0.5*4=2 Marks)</i></p>	2	S1.309 S2. 115	Define the four elements of marketing mix.	Knowledge
17	The electric cars are currently in the Growth Stage (1 Mark). At this stage, the products become known to the customers and the sales should grow (1 Mark). Promotional costs will be slightly higher to make the	2	S1.314 S2 117	Explain the different stages of product's lifecycle.	Application



	potential customers aware of the product. It is easier to get distributors to stock the products.				
18	<p><b><u>Example of businesses that used dynamic pricing:</u></b> Airlines, Hotels, Food delivery services <i>Given above are some examples of businesses/sectors that follow dynamic pricing. The above examples are just samples for suitable answers. Any relevant correct example can be awarded 1 mark, and the appropriate justification with 1 mark.</i></p> <p><b><u>Example of the Justification:</u></b> Businesses use dynamic pricing to adjust prices in response to market demand and customers' ability to pay. For example, according to the type of seats, the holiday season, and other factors, airline ticket prices will vary.</p>	2	S1.320 S2.126	Identify and explain the meaning of different methods of pricing.	Application
19	Price elasticity refers to the extent to which changes in price affect the demand for a product while all other factors remain unchanged.	2	S1. 353 S2. 366	: Define the price elasticity of demand (PED)	Knowledge
20	<p><i>Any two relevant correct factors in relation to a specific context (rather than general) should be awarded one mark each (1*2=2 Marks),</i></p> <p><b>Example of a business:</b> a company producing overalls and targeting oil-production companies.</p> <p><b>Factors:</b></p> <ul style="list-style-type: none"> <li>- <b>Costs:</b> It is cheaper to sell the overalls directly to the targeted companies rather than keeping the intermediaries as the intermediaries will take up the profit margin which leads to a higher-end price.</li> <li>- <b>Degree of control over the marketing mix:</b> The control will be comparatively less if the company depends on intermediaries to sell the overalls. The intermediaries can change the price and can promote the overalls in a way that negatively affects the company's image.</li> </ul> <p>Another factor that may be mentioned by some students: <u>Access to the market.</u></p>	2	S1:344 -S2:135	Identify, Analyze, and Evaluate the factors influencing choice of channels.	Reasoning: Analysis



**Fourth: Answers for the Extended Response Items (20 Marks):**

**General Notes**

- There may be different ways of answering questions, but a basic requirement for all answers is that they are RELEVANT.
- If the answer is clearly not relevant, and the student has clearly made no attempt to answer the question that was set, NO marks should be awarded. However, if the student has genuinely attempted the answer, but his answer is only partly relevant, then a reduced mark (not zero) should be awarded.
- An example of the correct Answer for each item is provided in **Appendix 1 (P. 12)**. This example can be used by the corrector to understand the crucial points in the required answer.

4 Marks	
The student answer is very clear and logically organized, with a good level of accuracy.	4
The student makes an attempt to write a relevant answer for the question, but this is not fully effective. However, the answer is mostly clear.	3
The student makes an attempt to write a relevant answer for the question, but this is only partly effective and there is a lack of accuracy in the answer.	2
A very feeble attempt to answer the question. The answer has little relevance. The answer is unconvincing and inadequate. Weak organization of the answer makes it difficult to follow the points being written. And finally, there is a noticeable lack of accuracy in the answer.	1
No attempt to answer, either completely unrelated to what is required from the question or complete nonsense.	0





Item N.	Description of the Correct Answer	Mark	Page(s)	Learning Outcome	Learning Level
21	<p>The answer should clearly <u>state (1 Mark), explain (2 Marks), and provide an example (1 Mark)</u> of any TWO (2) of the three segmentation methods, the Geographical, the Demographic, and the Psychographic.</p> <p><b>Please refer to Appendix 1.</b></p>	4	S1.284 S2.103	Explain the methods of market segmentation.	Knowledge
22	<p>The answer should demonstrate the benefits of using primary research methods by a business of his/her choice. A higher score requires the students to provide a relevant explanation of at least <u>four potential benefits (1 Mark each, 1*4 =4 Marks)</u> from the example of an organizational context rather than a general explanation.</p> <p><b>Please refer to Appendix 1.</b></p>	4	S1. 296 S2. 107	Evaluate the general advantages and disadvantages of primary and secondary market research (not of specific methods).	Reasoning: Evaluation
23	<p>Student answer should explain the benefits of branding in the promotion strategy of a business. Clear identification of at least 4 correct relevant benefits can be awarded <u>1 mark each (1*4=4 Marks)</u>.</p> <p><b>Please refer to Appendix 1.</b></p>	4	S1. 312 S2:129	Define, Explain the importance /role of branding.	Knowledge
24	<p>The answer should clearly identify two advantages, and two disadvantages of using a direct selling distribution method by a luxury exclusive bags manufacturer. Each correct <u>advantage in relation to the specified business rather than in general</u> should be awarded <u>1 mark (1*2 = 2)</u>. Each correct <u>disadvantage in relation to the specified business rather than in general</u> should be awarded <u>1 mark (1*2 = 2 Marks)</u>.</p> <p><b>Please refer to Appendix 1.</b></p>	4	S1. 343 S2. 135	Analyze the advantages and disadvantages of distribution channels	Reasoning: Analysis



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25	<p>The answer should clearly identify and analyze at least 4 points about the importance of promotion for any startup business. Each <u>correct relevant point to the given context</u> should be awarded 1 mark (1*4=4 marks).</p> <p><b>Please refer to Appendix 1.</b></p>	4	S1.331 S2 127	Explain the importance of promotion:	Reasoning: Analysis
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**Fifth: Answers for the Case Study Items (12 Marks):**

**General Notes**

- There may be different ways of answering questions, but a basic requirement for all answers is that they are RELEVANT.
- If the answer is clearly not relevant, and the student has clearly made no attempt to answer the question that was set, NO marks should be awarded. However, if the student has genuinely attempted the answer, but his answer is only partly relevant, then a reduced mark (not zero) should be awarded.



Item N.	Description of the Correct Answer	Mark	Page(s)	Learning Outcome	Learning Level
26	<p><i>Student answers that provide a clear explanation of how the organization might collect market research information for the new products should be awarded 1.5 Marks each.</i></p> <p><b>Example of the expected answer:</b></p> <ul style="list-style-type: none"> <li>- use of questionnaires to measure customer satisfaction, product preferences, and opening timings.</li> <li>- organise focus groups to discuss potential new flavors, price points, and attitudes to relevant environmental and health issues.</li> </ul> <p><i>Any other relevant methods would be acceptable.</i></p>	3	S1. 295 S2. 108	Explain the importance of market research	Application
27	<p><i>Student answers should identify <u>survey questionnaires</u> as the primary research technique used by Fatema (1 Mark). Learners should clearly explain how the company used the primary research method for business growth (2 Marks).</i></p> <p><b>Example of the expected answer:</b></p> <p>Fatema used a survey questionnaire as the primary research method. This has helped her to understand customer needs and provide customized services such as chocolate assortments and unique box designs for weddings, birthday gifts, and other events to the customers. Moreover, she was able to create a new niche customer segment of health-conscious customers by adding the diet chocolate options, such as zero-sugar chocolates and vegan options.</p>	3	S1. 296 S2. 108	State examples of primary market research and secondary market research	Application
28	<p><i>Student answers that identify any <b>ONE</b> of the elements of the marketing mix such as Product, Price, Place and Promotion used by Chocolate should be awarded 1 Mark. The reason for the chosen marketing mix element can be awarded 1 Mark.</i></p>	2	S1. 309 S2. 115	Define the four elements of marketing mix.	Reasoning: Evaluation





	<p><b>Example of the expected answer:</b></p> <p>Promotional Mix benefitted Chocolate in its growth stage compared to the other elements in Marketing Mix as the digital promotional strategy and e-commerce helped Fatema to increase sales and get more customers beyond the geographical limitations. This has helped her to revive the business after the pandemic. The brand became popular among customers due to the sales promotional methods offered such as offers and discounts during Ramadhan and Eid.</p>				
29	<p><b>Before Pandemic</b> Direct Selling: Chocolate has followed direct distribution using brick and motor or traditional storefronts.</p> <p><b>After Pandemic</b> - E-commerce: Online sales using websites - Single Intermediaries: Using Single intermediary channels such as supermarkets.</p> <p><i>Answer that clearly identifies the distribution channels used before and after the pandemic should be awarded 1 Mark each (1*2=2 Marks)</i></p>	2	S1. 342 S2. 134	Explain the different types of distribution channels.	Application
30	<p><i>Answers that clearly explain the digital promotional strategies used by Fatema should be awarded 2 Marks</i></p> <p><b>Example of the expected answer:</b></p> <p>Due to the decline in Sales during the pandemic Fatema designed a website for Chocolate. This has helped her to increase sales and to get more customer base outside Muscat. Apart from this Fatema also did social media promotion through Facebook and Instagram by posting photographs and videos and she collaborated with social media vloggers.</p>	2	S1:131 S2:337,338	Identify, define, and give examples of each method of promotion.	Application





## Appendix 1

*This appendix includes an example of the correct Answer for each item in question four. These examples can be used by the corrector to understand the crucial points in each required answer. It also includes a theoretical background of some topics that were tested in some items.*

### Question Four: Item 1:

- **Geographic Segmentation:**

This type of segmentation focuses on aspects of consumers such as the location of customers or the climate in different regions. Cars sold to Africa, for example, will have to withstand high levels of heat; cars sold to Scandinavia will need to cope with the cold. Cars targeted at people living in cities may be relatively small so it is easy to get around and park; people living in the countryside may want more rugged vehicles to cope with the terrain.

- **Demographic Segmentation:**

This type of segmentation focuses on aspects of consumers such as age, gender, income, occupation, marital status and stage in the family life cycle. In the toys market, for example, the type of toys 3-year-olds will play with is different from those wanted by 13-year-olds. When you are single, you may be looking for a city 1-bedroom flat; when you are married with children you may want a 3-bedroomed house with a garden, near a good school and out of the city.

- **Psychographic Segmentation:**

This type of segmentation focuses on aspects of consumers such as personality, lifestyle, values, social class and attitudes. Are you someone who likes belonging to a group? Are you someone who is very ambitious? Do you want material things? Do you care how products have been made and their impact on the environment? These factors might all influence the way a product is promoted and the actual design of the product. Some holidays may be designed for adventurous, outgoing types. Others might target customers wanting a package holiday in Spain. Your job and earnings are likely to influence a whole host of lifestyle factors: the newspaper you read, where you shop, where you go on holiday, the interests you have and what you wear.



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**Question Four: Item 2:**

The primary research method involves the first-hand data collected by organizations. Survey Questionnaires, Interviews, Observation, Test Marketing, and Focus group discussions are the common primary research methods employed by organizations. Primary research methods are used to gather data that are more specific to the requirements of the business such as understanding the customer response to a new product. Jewelry manufacturing business, as an example, can employ primary research methods to analyze a new market, for example introducing a new traditional jewelry line, without secondary data. This business can have a complete ownership of the data collected and will not be accessed by others as secondary data, which may help them to maintain their products differentiation and unique selling point. Jewelry products' manufacturers can use primary research methods to analyze the reactions to the markets for the changes adopted by them such as lowering the prices or using new promotional methods etc. Up-to-date data for research can be accessed using primary research methods.

**Question Four: Item 3:**

In some markets, branding is very important. By building a brand, businesses hope to make customers more loyal. This may allow them to charge more for items, by making the demand price inelastic. It may also make it easier to introduce new products under the same brand name, as customers may feel reassured and be more willing to try them. If customers recognize a brand, they can associate with all of its values and this in itself can provide a benefit - people may feel more secure driving a Volvo than other brands of car, more fashionable using an Apple Mac than other computers, and smarter wearing Prada than other fashion labels. Increasingly, some people want to identify with a brand and the lifestyle that is associated with it. Brand loyalty is very important because it is easier and cheaper for a business to sell more to an existing customer than it is to generate a new customer.



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**Question Four: Item 4:**

Advantages (In general):

- No mark-up or profit margin is taken by intermediaries.
- The producer has complete control over the marketing Mix.
- The brand image is maintained.

Disadvantages (In general):

- The producer must pay for all storage and inventory costs.
- It is expensive to deliver each item to the consumers.

**Question Four: Item 5:**

Promotion can be used by a startup business to inform the customers about the launch of a new product, modifications of a product, or other promotional offers. Promotional methods such as advertisements and sales promotions can persuade customers to purchase the products by highlighting the product's benefits compared to your competitor. The brand image of a startup business can be created and reinforced using promotional methods, especially in consumer markets. Promotional methods are often a method of reassurance to the buyers that they did the right thing by buying the concerned product.