Eduqas GCSE Business: Parent's Guide 1, Business Activity

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How to use this guide

Topic area 1, Business activity, is examined on both papers, so it is worth getting secure early. Use the checklist to see what he has covered, the quick-fire questions for 10-minute chats, and the common mistakes to spot where marks get lost.

Sources used. The Eduqas GCSE (9-1) Business specification, Version 2, January 2019 (printed pages 7 to 12), the Eduqas glossary of key terms, the command words poster, every paper and mark scheme from Summer 2019 to Summer 2025, the Summer 2025 examiner report and the Summer 2026 examiner report. References look like [Spec p.9], [MS S25 C1 Q8e] (mark scheme, Summer 2025, Component 1, question 8e) or [ER 2026].

The exam at a glance

Paper	Duration	Marks	Weighting	Format
Component 1: Business Dynamics	2 hours	100	62.5%	Short answer and structured questions on stimulus material; 5 sections of 20 marks
Component 2: Business Considerations	1 hour 30 minutes	60	37.5%	Data response questions; 2 sections of 30 marks, one usually on a real business

- One tier only: every candidate sits the same papers.
- Calculators are allowed in both papers, and at least 10% of marks are quantitative [Spec].
- Marks split across three skills: AO1 knowledge 35%, AO2 application 35%, AO3 analysis and evaluation 30% [Spec].
- In the 2026 Component 1 paper, questions 1 to 3 tested knowledge only (AO1), with application and analysis (AO2, AO3) from question 4 [ER 2026]. This varies by year: in 2025, Q3(b) already needed all three.

What this topic is about

Business activity is the foundation topic: why businesses exist, who starts them, how they are owned, what they aim for, how they grow and where they set up. Businesses provide goods and services to meet customer needs, usually to make a profit, and they range from a local sole trader to a global company [Spec p.7].

The topic covers the entrepreneur who spots an opportunity and takes the risk; the business plan they write; the aims and objectives the business sets and the stakeholders affected by

them; the legal form of ownership and what liability means for the owner's personal money; the ways a business can grow, including franchising; and the choice of location and site [Spec pp.7 to 12].

It also carries some of the maths: percentages, percentage changes and averages, and reading data such as market share, costs and prices [Spec p.7]. In the exam this topic is almost always tested through a short scenario about a named business, so knowing the terms is only the first step. He has to apply them to that business.

Specification checklist

These are the eight sub-headings of topic area 1 and the content points under each, in the specification's own terms. Tick each one when he can explain it and give an example.

1.1 The nature of business activity [Spec p.7]

- ☐ Competitive and dynamic environments; spotting and responding to business opportunities
- ☐ Scale of activity: local, national and global
- ☐ Interdependence: how one part of a business affects another
- ☐ Calculations: percentages, percentage changes and averages
- ☐ Interpreting data: market share, financial and marketing data, changes in costs and prices

1.2 Providing goods and services [Spec p.7]

- ☐ Private sector and public sector provision, with examples
- ☐ Consumer goods and producer goods
- ☐ Durable and non-durable goods
- ☐ Personal services and commercial services
- ☐ Resources needed: raw materials, machinery and equipment, workers, site

1.3 Business enterprise [Spec p.8]

- ☐ Role of the entrepreneur in starting a business
- ☐ Characteristics: initiative, innovation, identifying opportunities, organising resources, risk taking, decision making, hard work and determination
- ☐ Motives of entrepreneurs: financial, non-financial, social or community (social enterprises)
- ☐ Applying knowledge of enterprise to different business contexts
- ☐ Risks: low sales, unexpected costs, unexpected events
- ☐ Rewards: financial (profit) and non-financial (satisfaction, building something new, good customer feedback)

1.4 Business planning [Spec p.8]

- ☐ Why planning matters for new and established businesses
- ☐ Uses of a business plan: decision-making tool, raising finance, showing future vision, management tool

☐ Main sections: business description, marketing, financial, production or operations, human resources

1.5 Business aims and objectives [Spec p.9]

☐ Aims: survival, profit maximisation, growth, market share, customer satisfaction, social or community, ethical and environmental

☐ Role of objectives: achieving aims, making decisions, measuring performance

☐ SMART: Specific, Measurable, Agreed, Realistic, Timed

☐ How aims differ between organisations, and how they change (internal causes such as growth; external causes such as rising consumer incomes)

☐ Stakeholders: owners, employees, managers, customers, suppliers, government, local communities

☐ How stakeholders influence decisions, and how decisions affect them

☐ Conflict between stakeholders (for example, maximising profit against paying fair wages or protecting the environment)

1.6 Business ownership [Spec p.10]

☐ Unlimited liability: sole traders and partnerships

☐ Limited liability: private limited companies (Ltd) and public limited companies (PLC)

☐ Co-operatives and charities: aims, ownership and use of profits

☐ What limited and unlimited liability mean in practice

☐ Advantages and disadvantages of each form

☐ Choosing a structure: start-up, growth, aims, liability, size, finance, control, profit sharing

1.7 Business growth [Spec p.11]

☐ Reasons to grow: profit, market share, less competition, diversification, spreading risk, economies of scale

☐ Internal economies of scale: purchasing, marketing, technical, financial, administrative

☐ Internal (organic) growth: new markets, new products, more advertising and investment

☐ External growth: mergers and takeovers; horizontal and vertical (forward and backward) integration, with benefits and costs

☐ Franchising from both sides: franchisor and franchisee

☐ Why some businesses stay small: limited market size (including niche markets), lack of capital, the owner's wishes

1.8 Business location and site [Spec p.12]

☐ Location factors (the area): nearness to market, costs, infrastructure, labour supply, materials

☐ Site factors (the exact premises): accessibility, footfall, costs, size, nearness to competitors, personal reasons

☐ Choosing the best location and site for a given business

Which parts come up most: past papers 2019 to 2025

Business ownership appeared every year, and enterprise, aims and stakeholders, growth, and goods and services in six of the seven. Location and site and business planning appeared least (three years each). Location produced 8 and 12-mark questions in 2021 and 2023; planning was mostly 2-mark recall, with one 6-mark question in 2023. The table counts any question part on the sub-topic, on either paper.

Sub-topic	Years it appeared (of 7)	Examples
1.6 Ownership	2019, 2020, 2021, 2022, 2023, 2024, 2025 (7)	Fry's partnership or Ltd [10]; Iceland PLC [8]; charity features
1.3 Enterprise	2019, 2020, 2021, 2023, 2024, 2025 (6)	Characteristics, motives, risks and rewards, nearly every year
1.5 Aims, objectives, stakeholders	2019, 2021, 2022, 2023, 2024, 2025 (6)	SMART objectives; stakeholder impacts [10 to 12]
1.7 Growth	2020, 2021, 2022, 2023, 2024, 2025 (6)	Franchising [6 to 10]; integration; reasons to grow
1.2 Goods and services	2019, 2020, 2022, 2023, 2024, 2025 (6)	Private and public sector; durable goods; personal services
1.1 Nature of business activity	2019, 2020, 2023, 2024, 2025 (5)	Competing with larger rivals [12]; competitive and dynamic environments (the percentage calculations in 1.1 also appear every year)
1.8 Location and site	2021, 2023, 2024 (3)	Jakub's premises [8]; Dana's siting [12]; Barry's warehouse [3]. (A 2020 question on moving production to China also used location factors, framed as globalisation)
1.4 Planning	2020, 2022, 2023 (3)	Plan sections and uses; why a plan matters to Dana [6]

Key terms

Definitions now checked against the Eduqas glossary of key terms and the 2023 to 2025 mark schemes; the source of each is shown. Where the glossary has no entry, the definition follows

the mark scheme wording. The right-hand column flags slips to watch for; those with a reference are errors examiners actually reported.

Term	Definition he should be able to give	Source	Watch out for
Entrepreneur	A person who sets up a business, taking on the financial risks in the hope of making a profit	Glossary	Listing qualities without linking them to the business in the case [ER 2026]
Social enterprise	A business that operates for the benefit of the community or its workers, or as a charity	Glossary	
Business plan	A document showing the aims and objectives of a business and the strategies and resources needed to achieve them; it helps decision making and persuades banks and other lenders to provide finance	Glossary	
Aim	The long-term goal of the business, such as having the largest market share in its sector	Glossary	Using the aims and objectives section when a question on business plan sections excluded it [ER 2026, C1 Q4a]
Objective	A short or medium-term target needed to reach an aim, e.g. increase sales by 20% in the next 5 years	Glossary	Explaining why objectives help instead of writing one [ER 2026]
SMART	Specific, Measurable, Agreed, Realistic, Timed	Glossary, Spec	Eduqas uses **Agreed**, not "Achievable"; "reliable" for R lost marks [ER 2026], even though the 2021 mark scheme accepted it
Stakeholder	An individual or organisation affected by the decisions and actions of a business (the 2023 paper also says "affects or is affected by")	Glossary, S23 C1	Mixing up with shareholder

Term	Definition he should be able to give	Source	Watch out for
Sole trader	A business owned by one person, who has unlimited liability. It can employ other people, but there is only one owner	Glossary	Thinking it must have no staff
Partnership	A business owned by between 2 and 20 people, who generally have unlimited liability	Glossary	
Private limited company (Ltd)	Owned by shareholders with limited liability; shares can only be sold with the agreement of the other shareholders	Glossary	
Public limited company (PLC)	Owned by shareholders with limited liability; shares can be sold to the general public, often on the Stock Exchange	Glossary	Thinking "public" means owned by the government; no marks [ER 2026]
Limited liability	Owners are not responsible for the business's debts, so personal belongings are safe; they lose only the money they invested	Glossary	
Unlimited liability	Owners are responsible for all the business's debts; personal belongings may have to be given up to pay them	Glossary	Saying belongings are taken whenever there is any debt; only if the business cannot pay [ER 2026]. Not accepted as a "financial risk" of entrepreneurship [MS S25 C1 Q6b]
Charity	Not-for-profit; exists to support a cause; receives donations; does not pay tax	MS S25 C1 Q6a	"Benefits the community" was **not** accepted as a feature
Co-operative	A democratic social enterprise owned by its employees or, most commonly, its customers	Glossary	

Term	Definition he should be able to give	Source	Watch out for
Franchise	The right given by one business to another to sell goods or services using its name. A method of growth for the franchisor and a business opportunity for the franchisee, not a type of business ownership	Glossary	
Franchisor / franchisee	The business that lets others trade under its name, processes and experience in return for royalties / the business that pays royalties for that right	Glossary	Stopping at "one sells the rights, one buys them"; few added detail [ER 2025]
External growth	Growing by acquisition: mergers or takeovers	Glossary	Confusing with external finance [ER 2025]
Internal (organic) growth	Growing by increasing sales, revenue, profits and workforce, e.g. new stores, new products, new markets	Glossary, MS S25 C1 Q7b	Confusing with internal finance [ER 2025, C1 Q7b]. The 2025 mark scheme also accepted franchising as a way to grow internally [MS S25 C1 Q7b]
Horizontal integration	Buying or merging with businesses producing the same or similar products	Glossary	"They will be more successful" is not creditworthy [MS S25 C2 Q1b]; nor was "growing the business" [ER 2026, C2 Q1d]
Vertical integration	Buying or merging with businesses at different stages of production to control the supply chain. Backward = taking over suppliers; forward = taking over distribution to customers	Glossary	Mixing up forward and backward
Internal economies of scale	Benefits of being large: costs are spread over more goods, so cost per good is lower	Glossary	Saying total costs fall

Term	Definition he should be able to give	Source	Watch out for
Diversification	Entering a different market as well as the existing one, to spread risk	Glossary	
Niche market	A small, well-defined segment of the population at which all marketing for a product is aimed	Glossary	
Consumer / producer goods	Produced for the final consumer / produced for businesses to make other goods and services	Glossary	
Durable / non-durable goods	Last a long time and are not bought often / used immediately or last less than three years	Glossary	
Personal / commercial services	Services for individuals (e.g. grooming, car repair) / services mainly for businesses (e.g. transport, warehousing, insurance, banking)	Glossary	In 2025 some wrongly said a makeup artist working alone offered a commercial service in the public sector; she sells a personal service in the private sector [ER 2025, MS S25 C1 Q3a]
Location / site	A geographical area where businesses are found / a specific place within that area	Glossary	Using only the map, not the business's own information such as its USP [ER 2026, C1 Q9f]
Footfall	The number of people passing close to the business; its potential customers	Glossary	

How it gets examined

The command word tells him which skill is being tested and how far to go. Examiners reported some gaps in knowledge, but very often answers were simply not developed enough for the marks available [ER 2026].

Skill tested	Command words (Eduqas poster)	What he needs to do
AO1 knowledge	State, Identify, Name, Suggest, Label	Give the point. No development needed
AO1 understanding	Define, Describe, Outline, What is	Show he understands the term; a definition or a clear description
AO2 application	Calculate, Select, With reference to, Using the information	Use the named business and its data. Generic answers lose these marks
AO3 analysis	Analyse, Explain, Why is it	Give a point, then develop it with a chain of reasoning ("this means that... which leads to...")
AO3 analysis and evaluation	Discuss, Assess, Recommend, Evaluate, Justify, Consider, To what extent, Advise	Look at both sides, then reach a supported judgement that answers the question

Source: Eduqas GCSE Business examination command words poster. Note that Eduqas treats **Explain** as analysis, so a one-line answer will not do.

What examiners said in 2026 [ER 2026]

- Some candidates merely described the data when the question needed more (C1 Q5b).
- Brief, undeveloped explanations cost marks on mid-tariff questions.
- Far too many evaluation answers were one-sided or superficial, with unsupported judgements.
- Data in the case study was often ignored or used superficially, so application marks were lost.
- On synoptic questions (drawing on several topics), candidates often covered only one or two areas, which capped their marks.

Typical mark patterns in the mark schemes (2023 to 2025)

Question type	Typical marks	Typical split, with an example
State, identify, tick	1 to 2	1 per point (AO1). Some "identify" questions are all AO2 and must use the case (S25 C1 Q8a)
Explain one...	2	AO1 1 + AO3 1 (S25 C2 Q1b)
Explain one... about a named business	3	AO1 + AO2 + AO3 (S24 C2 Q2b)
Explain two...	4	e.g. AO1 2 + AO3 2 (S25 C1 Q8b)

Question type	Typical marks	Typical split, with an example
Explain two / Analyse (levels grid)	6 to 8	e.g. 2/2/2 at 6 marks (S23 C2 Q1c); 2/3/3 at 8 marks (S25 C1 Q6d)
Evaluate / Advise / Recommend / To what extent (levels grid)	8 to 12	e.g. 2/4/4 at 10 marks (S25 C1 Q8e); 2/4/6 (S23 C2 Q1e) or 3/3/6 (S25 C2 Q2f) at 12 marks

The command word does not fix the marks or the split; the grid printed in each mark scheme does. On the longer questions, knowledge alone usually earns only 2 or 3 marks, and the rest comes from using the case and evaluating.

Aiming for grade 8 to 9

At the top grades, knowing the content is a given. The marks that separate an 8 or 9 come from the AO3 questions, which carry 30% of the qualification [Spec], and examiners singled out one-sided, superficial evaluation as a persistent weakness in 2026 [ER 2026].

The target: June 2025 grade boundaries (Eduqas GCSE Grade Points, June 2025)

Grade	Overall (out of 160)	Component 1 (out of 100)	Component 2 (out of 60)
9	121 (76%)	77	44
8	113 (71%)	72	41
7	105 (66%)	67	38

Only the overall total decides the grade; the component figures are a guide. Boundaries move each year, so treat about 76% as the working target for a 9.

What the examiners said stronger answers did [ER 2026]:

- **Use the data.** Better candidates used the financial data in the case study; many others avoided it.
- **Cover every area the question asks for.** On synoptic questions, answers that dealt with only one or two areas were capped.
- **Develop every point.** A point followed by a chain of consequences, not a list.
- **Balance, then judge.** Both sides, then a clear judgement backed by a reason.

How to test him at this level. For any evaluate, recommend or justify question, after his answer ask three things:

1. Which figure from the case did you use?
2. What is the strongest argument against your view?
3. What would make you change your mind? (This tests whether his judgement is supported, not just stated.)

If he can answer all three quickly, he is working at the top level.

Quick-fire test

Fifteen questions to ask out loud, each answerable in under a minute. All answers come from the specification content above.

#	Question	Answer to listen for
1	What does PLC stand for, and who owns one?	Public limited company. Owned by its shareholders, who are members of the public. It is not owned by the government
2	What do the letters in SMART stand for?	Specific, Measurable, Agreed, Realistic, Timed
3	When can a sole trader lose their house?	Only if the business cannot pay its debts, because of unlimited liability
4	Name three characteristics of an entrepreneur.	Any three of: initiative, innovation, identifying opportunities, organising resources, risk taker, decision maker, hardworking, determined
5	Give one financial and one non-financial reward of enterprise.	Profit; satisfaction, building something new, or good customer feedback
6	What are the main sections of a business plan?	Business description, marketing, financial, production or operations, human resources
7	What is the difference between an aim and an objective?	An aim is a long-term goal; an objective is a measurable target that helps reach it
8	Name four stakeholder groups.	Any four of: owners, employees, managers, customers, suppliers, government, local communities
9	Give an example of two stakeholders in conflict.	For example, owners want higher profit while employees want higher wages
10	A bakery buys the flour mill that supplies it. What type of growth is this?	External growth, backward vertical integration
11	Give two reasons a business might stay small.	Small or niche market, lack of capital, or the owner wants to keep control
12	Name two internal economies of scale.	Any two of: purchasing, marketing, technical, financial, administrative

#	Question	Answer to listen for
13	Give one advantage of franchising for the franchisee and one for the franchisor.	Franchisee: an established brand, so less risk. Franchisor: fast growth using the franchisee's money
14	What is the difference between location and site?	Location is the general area; site is the specific premises
15	Sales rose from 200 to 250. What is the percentage change?	(250 − 200) ÷ 200 × 100 = 25%. Divide by the original figure; dividing by the wrong value was a common 2026 error [ER 2026, C2 Q1a]

Practice questions from real papers

Every question below is a genuine Eduqas question on Business activity: Parts A to D use the 2023 to 2025 papers, and Part E adds 2019 to 2022. You have the PDFs, so he can answer on the real paper; the mark points summarise the official mark schemes (MS) in my words, and the notes come from the examiner reports (ER). References: S25 C1 Q8(e) = Summer 2025, Component 1, question 8(e).

Part A: short questions (1 to 3 marks)

Reference	Question	Marks	What earns the marks	Examiner note
S25 C2 Q1(a)	Apart from a merger, state one other method of external growth	1	Takeover or acquisition	Many wrote about external finance instead [ER 2025]
S24 C2 Q2(a)	Identify two features of a sole trader	2	Any two: one owner; makes all the decisions; keeps the profits; unlimited liability	
S25 C1 Q3(a)	Faith is a makeup artist; she works alone. Identify which two of the following best describe Faith's business (tick two boxes)	2	She sells a personal service; she works in the private sector	

Reference	Question	Marks	What earns the marks	Examiner note
S25 C1 Q6(a)(i)	State two features of a charity	2	Not-for-profit; supports a cause; does not pay tax; receives donations. "Benefits the community" not accepted	Most struggled to find two different features [ER 2025]
S25 C1 Q6(a)(ii)	Explain one way the aims of a private limited company differ from those of a charity	2 (AO1 1, AO3 1)	Identify a difference, then explain it, e.g. a charity aims to support its cause while a Ltd company is more likely to aim to maximise profit for its shareholders	Some just repeated charity features [ER 2025]
S25 C1 Q6(b)(ii)	Suggest one financial risk and one non-financial reward of becoming an entrepreneur	2	Risk: lower sales than expected, unexpected costs, losing the investment, no job security ("unlimited liability" not accepted). Reward: satisfaction, customer feedback, flexible hours, turning a hobby into a business	"Fame" was not accepted [ER 2025]
S25 C1 Q8(a)	Identify two motives Max may have had for starting Rugby Tots	2 (all AO2)	Motives linked to Max: turning his rugby hobby into a business; filling the gap he found when looking for a class for his own children	Hardest question on the paper (facility 32.8): general motives scored nothing without Max [ER 2025]
S25 C1 Q8(d)	Outline the difference between a franchisee and a franchisor	2	2 marks need good understanding: the franchisor sells the right to use its name and products and receives royalties; the franchisee pays and gets training and support	Few went beyond "one sells, one buys" [ER 2025]

Reference	Question	Marks	What earns the marks	Examiner note
S25 C2 Q1(b)	Explain one advantage of horizontal integration	2 (AO1 1, AO3 1)	State and explain: economies of scale cutting costs; more bargaining power with suppliers; less competition; a larger market share	Facility 33.1; generic "more successful" answers scored nothing [ER 2025]
S25 C2 Q1(c)	Explain one feature of a limited company	2 (AO1 1, AO3 1)	e.g. limited liability, so shareholders risk only what they invested; accounts must be published; separate legal entity	Well-developed answers scored well [ER 2025]
S24 C2 Q2(c)	Explain one reason why a business may want to grow	2 (AO1 1, AO3 1)	e.g. to gain economies of scale and cut unit costs; larger market share gives more power with suppliers; to diversify and spread risk	
S24 C2 Q2(b)	Explain one reason why Barry changed his business to a private limited company	3 (AO1, AO2, AO3)	Reason, applied to Barry, explained: limited liability while he takes on expansion risk; selling shares to raise capital for his website and distribution centre	Needs the 2024 resource booklet
S24 C2 Q2(d)	Explain one factor Barry would have considered when deciding the location for his warehouse and distribution centre	3 (AO1, AO2, AO3)	Factor, applied, explained: infrastructure (delivering hot tubs across the UK); cost; availability of skilled labour	Needs the 2024 resource booklet

Part B: six-mark "explain" questions

These are marked with a grid, not point by point: up to 2 marks each for knowledge (AO1), use of the case (AO2) and explanation (AO3), each in two bands. A good answer gives two reasons, each tied to the case and developed with a clear line of reasoning [MS S23 C2].

S23 C2 Q1(c): Explain two reasons why a business plan is important to Dana when starting her own vegan grocery shop. [6]

What the top band looks like: one reason is raising finance, because Dana only has enough money for six months' rent and still has to fit out and stock the shop, so a plan helps convince

a bank or grant provider. A second reason is spotting problems in advance, because she is a first-time sole trader and the plan would make her think about competition, such as supermarkets stocking vegan ranges.

S23 C2 Q2(c): Explain the possible benefits to a franchisee of investing in a Clarks franchise. [6]

What the top band looks like: an established, trusted brand (over 1,300 shops in 75 countries) builds a customer base faster than an independent shoe shop could; and Clarks' training and support, after nearly 40 years of franchising, reduces the risk of a £150,000 investment.

Part C: the 10-mark "advise" question

S25 C1 Q8(e): Advise Kai on whether he should become a Rugby Tots franchisee or set up his own rugby coaching business. [10]

The case in brief. Kai is a PE teacher who wants to keep his job. A Rugby Tots franchise costs £6,500 and includes training (8 online sessions, 2 days' intensive training and a 360-page guide), head office support, branded kits, equipment and central marketing. Rugby Tots has over 1,000 coaches and 5,000 classes a week in the UK. Going alone as a sole trader would cost £5,000, and Kai wants to offer extras such as after-school clubs, parties and parent classes.

How it is marked [MS S25 C1]

Skill	Marks	What the top band needs
AO1 knowledge	2	Good knowledge of franchising and starting a business, using specialist terms
AO2 application	4	Clear, direct reference to Kai and Rugby Tots throughout
AO3 analysis and evaluation	4	Both options weighed; clear advice with supporting statements; well structured writing

What a top-band answer does (my outline, built from the mark scheme):

1. **Case for the franchise.** Rugby Tots is a proven, recognised brand with thousands of weekly classes, so Kai should attract customers faster and with less risk. As a teacher with little business experience, he would benefit from the training, guide and head office support, and central marketing saves him time alongside his teaching job.
2. **Case for going alone.** It is £1,500 cheaper to start. He keeps all the profit and makes all the decisions, so he can run the after-school clubs, parties and parent classes he wants. A franchise would limit this, because he would have to follow the franchisor's rules.
3. **Weigh it up.** The start-up costs differ by only £1,500. Franchisees normally pay ongoing royalties, which the case does not mention, so Kai should check this before signing. He would also need to buy his own kit and build his own brand from nothing.
4. **Judgement.** For example: "I advise Kai to take the franchise, because alongside his teaching job, the training, support and established brand reduce his risk more than the

£1,500 saving and his creative freedom are worth. If the royalties turned out to be high, his own business would become the better option."

A typical mid-mark answer, and why it falls short:

> "A franchise is good because you get training and support and a famous brand. But you have to pay royalties and you can't make your own decisions. Starting your own business is cheaper and you keep all the profit. I think Kai should get the franchise."

It shows knowledge, but barely mentions Kai, uses none of the figures and gives a conclusion without a reason. That keeps AO2 and AO3 in the lower bands.

Examiner note. This was the best-answered extended question on Component 1 in 2025: 90.5% attempted it, and the mean was 4.5 out of 10 [ER 2025]. A 9 needs a lot more than the average, so practise this one under timed conditions (about 12 minutes).

Part D: the 12-mark Component 2 question

S23 C2 Q1(e): To what extent do you think that Dana's vegan grocery shop would be a good business idea? You must refer to: the siting of the shop; the results of Dana's market research; Dana's personal and business experience. [12]

This is the largest single question on either paper. It needs the 2023 resource booklet (s23-C510U20-1A), which is in your Project.

The case in brief. Dana, a librarian made redundant, plans the town's first vegan-only grocery shop as a sole trader. It is her first business. The site is on a busy high street next to a popular vegan café, near a salon, pharmacy and phone shop, but the rent is above average. The local supermarket has started selling a limited vegan range. UK vegans rose from 150,000 in 2014 to 600,000 in 2019, with faster growth expected, and 92% of meat-free meals in 2018 were eaten by non-vegans. Her own survey of 100 people, taken on that street next to the café, found 69% thought the shop a good idea, 54% would shop there regularly, 33% were vegan and 78% said price was important. Her redundancy money covers six months' rent but not fitting out or stock. The town has 10,000 people.

How it is marked [MS S23 C2]

Skill	Marks	What the top band needs
AO1 knowledge	2	Good knowledge of all three factors, using specialist terms
AO2 application	4	Clear, correct, direct reference to Dana and the data throughout
AO3 analysis and evaluation	6	All three factors analysed using the data; well-balanced judgements with supporting statements; well structured writing

Leaving out any one of the three bullet points keeps the answer out of the top AO3 band.

What a top-band answer does (my outline, built from the mark scheme):

1. **Siting.** For: high footfall on a busy street with other shops drawing people in; next to a vegan café, so her target market is already there; no other vegan grocer nearby. Against: above-average rent raises fixed costs and may push her prices up, while the supermarket can undercut her through economies of scale.
2. **Market research.** For: the vegan market quadrupled in five years (a 300% rise) and non-vegans buy meat-free food too, so the market is wider than vegans alone. Against: the survey is small and was taken next to the vegan café, so it is likely biased. A strong answer can show this with the data: 33% of her sample were vegan, against about 1% of the UK population (600,000 out of 66.7 million). Also, 78% care about price, which is a worry for a specialist shop with high rent.
3. **Personal and business experience.** For: years as a vegan give her product knowledge and passion; a librarian is likely to be organised and good with people. Against: no business experience, she is risking her redundancy money, and she still has to find finance for stock and fittings.
4. **Judgement.** Answer "to what extent" directly and say what it depends on. For example: "The idea has real potential because the market is growing fast and the site suits her customers, but her research overstates demand and the rent and supermarket competition squeeze her margins. It is a good idea only if she does wider research and secures enough finance to survive the first year." The mark scheme's own example concludes the opposite way, which shows either answer can score if it is supported.

Mark scheme note. Writing the vegan growth figure as a percentage is itself a skill tested on the same paper: Q1(b) asked for the percentage increase, (600,000 − 150,000) ÷ 150,000 × 100 = 300% [MS S23 C2].

Part E: further questions from 2019 to 2022

These come from the Summer 2019, Autumn 2020, Autumn 2021 and Summer 2022 papers. The autumn papers follow the same specification and marking approach as the summer ones. References: O20 = Autumn 2020, O21 = Autumn 2021.

Short questions

Reference	Question	Marks	What earns the marks
S19 C1 Q1	Which two are non-durable? (ice cream, tyres, hairspray, a handbag)	2	Ice cream; hairspray
O20 C1 Q1	Which two services are provided by the private sector? (police, beauticians, internet providers, fire service, the army)	2	Beauticians; internet providers

Reference	Question	Marks	What earns the marks
O20 C1 Q2	Identify one commercial service a business may use	1	e.g. cleaning, advertising, transport, accountancy, legal, security
S22 C1 Q8(a)	With reference to the data, identify one resource used to manufacture cricket bats	1 (AO2)	Wood or willow tree, taken from the case
S19 C1 Q4(a)	Identify two characteristics of being an entrepreneur	2	Any two: innovative, shows initiative, organised, hard working, determined, risk taker
S19 C1 Q4(b)	Suggest one non-financial motive for starting a business	1	e.g. turn a hobby into a business, be your own boss, help the community, fill a gap in the market
O20 C1 Q9(b)	Explain one risk Steve (a retired police officer starting a gardening business) may experience as an entrepreneur	2 (AO2 1, AO3 1)	A risk tied to Steve: fewer customers because a rival gardener offers a better service; bad weather; rising fuel costs
O20 C1 Q4	Identify two main sections of a business plan	2	Business description, marketing, financial, human resources, production operations (location and aims also accepted)
S22 C1 Q2	Identify two reasons why a business creates a business plan	2	Plan for problems; help set up; raise finance from a bank or investors; set the vision and aims; a management tool
O21 C1 Q7(a)	Outline what is meant by a SMART objective	2	2 marks for any four of the five letters correct, 1 mark for at least two; a definition alone earns at most 1
S22 C1 Q7(a)	Suggest a suitable SMART objective for Denny's UK business	2 (AO2)	1 mark for measurable, 1 for timed, e.g. "open 2 more UK restaurants by 2023"
S22 C2 Q2(a)(i)	Identify and describe one type of business aim	2	Name the aim and say what it means, e.g. survival: keep trading and avoid going bankrupt

Reference	Question	Marks	What earns the marks
S22 C2 Q2(a)(ii)	Explain one reason why business aims may change over time	2 (AO1 1, AO3 1)	Internal change (faster growth than expected), external change (consumer incomes), a new competitor, or the first aim has been achieved
O21 C1 Q6(c)	Identify two stakeholders of a private sector business	2	Any two: suppliers, customers, managers, local community, government, owners or shareholders
S19 C2 Q1(a)	State what is meant by a sole trader	1	A business owned and run by one person
S19 C2 Q1(b)	Analyse the impact to Yasmin of operating as a sole trader	4 (AO1 1, AO2 1, AO3 2)	An impact, applied to her bookshop, developed: she makes all the decisions and keeps control, but it is harder to raise finance to expand
O20 C1 Q3	Outline two main features of an unlimited liability business	2	Owner liable for the business's debts; personal possessions at risk; no limit on what must be repaid; no separate legal identity
O21 C1 Q1(a)	Identify one feature of a private limited company	1	Limited liability; shares only by invitation; owned by shareholders; accounts must be published
S19 C1 Q7(c)	Identify two pieces of information in a deed of partnership	2	Who provides the capital; control; how profits are shared; settling disputes; valuing the business; ending the partnership
S22 C1 Q3(b)	Which term describes a business growing by merging with another?	1	Integration
O20 C1 Q5(a)	Describe what is meant by franchising	2	Selling another business the right to use your name and sell your products. No marks for examples or advantages
O20 C1 Q5(b)	Explain two advantages to a business of using franchising to grow	4 (AO3 4)	Growth without the franchisor finding all the capital or doing all the work; royalty income; franchisees work hard because their own money is at stake

Reference	Question	Marks	What earns the marks
O20 C1 Q6(c)	Identify two types of economies of scale	2	Any two: purchasing, managerial, technical, administrative, marketing
S22 C2 Q1(a)	State two reasons why businesses grow	2	Any two: more profit or sales, less competition, bigger market share, diversify or spread risk, economies of scale
S22 C2 Q1(b)	(i) Identify how Iceland grew through backward vertical integration; (ii) explain one advantage	1 + 2	(i) It bought a supplier, Loxton Foods. (ii) More control over supplies, so better quality or on-time delivery; for 2 marks, carry it through to a result such as more sales or lower costs
O21 C1 Q7(c)	Explain one advantage and one disadvantage of entering new markets	4	Advantages: spread risk, new customers, economies of scale. Disadvantages: established competitors, cultural differences, extra costs such as tariffs

Longer questions (levels-marked)

Reference	Question	Marks and split	What a top answer covers, from the mark scheme
O21 C1 Q6(b)	With reference to Dogs Trust, describe how the features of a charity differ from a private sector business	6 (AO1 3, AO2 3)	Donations must be used for its charitable aims, not profit; no tax on donations; regulated so money goes to the cause. Each tied to Dogs Trust
O21 C2 Q1(a)	Explain the financial and non-financial rewards Jakub may experience as an entrepreneur	6 (2/2/2)	Profit he can use as he wishes; personal satisfaction and pride, because he risked his own savings. Both applied to his barber shop
O21 C1 Q5(f)	Using qualitative and quantitative data, analyse Jadie's aim to expand Crusty Ltd	8 (2/4/2)	Economies of scale and more sales from high-street footfall, against much higher costs (rent, rates) when her revenue is already falling; chance to diversify

Reference	Question	Marks and split	What a top answer covers, from the mark scheme
O21 C2 Q1(f)	Advise Jakub whether to stay in his current premises or move to the high street	8 (2/2/4)	Footfall and accessibility (bus station, car park) against more competitors, higher rent and refurbishment costs; clear advice with reasons
S22 C1 Q6(d)	Advise Justine whether to grow Boing Ltd through franchising or internal (organic) growth	8 (2/4/2)	Franchising: faster, uses franchisees' money and effort, but less control and risk to her reputation, and a weak profit record may put buyers off. Organic: keeps control but slow and costly (over 100 trampolines per park) on small profits. Either advice can score
S22 C2 Q1(d)	Evaluate Iceland's decision in 1984 to change from a private to a public limited company	8 (2/2/4)	For: share capital funded growth to 752 stores and the £374 million Bookers takeover. Against: the founder lost control and was forced out; shareholders push for dividends; it later returned to being a private company under him
S19 C1 Q7(d)	Using qualitative and quantitative data, advise the Fry brothers whether to become a private limited company or stay a partnership	10 (2/4/4)	Limited liability would protect their expensive new homes and help raise the £400,000 for a new shop; continuity. Against: legal procedures and cost, sharing control with investors, publishing accounts. Either advice can score

Two more extended questions test stakeholders through other topics: S19 C2 Q2(f), the impact on ASOS stakeholders of a new US distribution centre [12], and S22 C1 Q7(c), the impact of Denny's expansion on employees, the local community and the UK Government [10]. The Denny's question needs all three named stakeholders for the top band; the ASOS question names none, so pick at least two (such as shareholders, customers and the local community) and use the case data.

One inconsistency to know about. The Autumn 2021 mark scheme accepted "realistic or reliable" for the R in SMART [MS O21 C1 Q7a], but the 2026 examiners said "reliable" was wrong [ER 2026]. He should always use **Realistic**.

Common mistakes from the 2026 exams

These are the Business activity errors the examiners reported from summer 2026, with what a better answer does. Source: Summer 2026 examiner report.

Question	What went wrong	What scores
C1 Q6a, PLC	Some said a PLC is publicly owned; this gained no marks	Shares are sold to the public on the stock exchange; it is still a private sector business
C1 Q8a, unlimited liability	Said possessions are taken whenever the business is in debt	Possessions can be taken only when the business cannot pay its debts
C1 Q4, aims and objectives	(a) Included the aims and objectives section of a business plan when the question excluded it; (b) could not explain how aims differ between the two businesses in the case	Read exactly what the question allows, and tie each point to the two named businesses
C1 Q9c and Q9d, SMART	Wrong letters ("reliable"); explained why objectives help instead of writing one	Write an actual objective, e.g. "increase sales by 10% within 12 months"
C1 Q9e, ethics (topic 2, but same case)	Copied case study data without saying how the business acted ethically	Use the data, then explain what it shows about the business's behaviour
C2 Q2a, entrepreneur	Listed characteristics without linking them to the resource	Name the characteristic and point to where the entrepreneur in the case shows it
C1 Q9f, site factors	Strong overall (mean 4.9) and the map was used well, but other information about the business was not	Use the business's own information too, such as its USP against a nearby competitor

Partnerships and stakeholders (C1 Q9a, Q9b) were answered well.

Across all topics: developed explanations, using the case study data in every answer, and two-sided evaluation with a clear judgement are what separate the grades.

Talking points

Conversation starters that connect the topic to everyday life. There are no fixed answers; the aim is for him to use the terms naturally and argue both sides.

1. **On a high street or retail park:** why might this shop have chosen this site rather than one around the corner? Think footfall, rent, parking and the competitors nearby.

2. **At a fast food or coffee chain:** is this branch likely to be run by the company or by a franchisee? What does each side gain and risk?
3. **About someone you know who runs their own business:** what made them start it, what risks did they take, and what legal form would suit them best?
4. **When a big takeover is in the news:** is it horizontal or vertical? Which stakeholders gain and which might lose out?
5. **About a local charity or co-operative:** how do its aims differ from a business that wants maximum profit, and what does it do with any surplus?

For each one, push for the exam habit: make a point, explain the effect, then say which matters most and why.

Verification and next steps

Checked against source: the exam format, checklist, command words, key terms, mark splits, practice questions and common mistakes all come from the specification (Version 2, January 2019), the Eduqas glossary, the command words poster, every paper and mark scheme from 2019 to 2025, and the 2025 and 2026 examiner reports. The model-answer outlines are mine, built from the mark scheme indicative content.

Earlier gaps, now closed:

☐ Key terms checked against the Eduqas glossary.
☐ Practice questions built from the 2023 to 2025 papers and mark schemes.

Independent check, 24 November: a separate reviewer checked every citation, definition, question, statistic and calculation against the specification, glossary, 2023 to 2025 papers and mark schemes, and the 2025 and 2026 examiner reports. Its corrections have been made: specification page numbers, the mark-pattern table, more cautious wording on several examiner-report notes, exact wording for two questions, and the Q4 and Q9(f) rows in the common mistakes table. The definitions, case facts, mark tariffs, grade boundaries and arithmetic were confirmed correct. A second check covered the 2019 to 2022 questions (Part E) and the frequency table; its corrections (the 1.1 row, the SMART marking note and two wording points) have also been made.

Worth confirming with the school:

☐ That he is entered for Eduqas GCSE Business (C510) in summer 2027.
☐ Which topic areas have been taught so far, so testing matches his lessons.
☐ Whether the teacher can share the most recent past papers and mark schemes.