Question 3: what a full-marks answer does

Topic 1 – Operations · Short answer · We go through this together after the timed task

Question 3 (4 marks)
Explain how a business can use its operations to achieve cost leadership. Refer to a business you have studied.

4/4

highlight = cause → effect link underline = specific case study evidence

Cost leadership is when a business has the lowest costs in its industry, so it can charge lower prices than competitors and still make a profit. Operations is central to this, because the transformation process is where most of a business's costs are incurred.

← defines the key term first

← says why operations matters

Aldi uses its operations to keep costs low. It stocks a limited range of products, mostly its own private-label brands, which gives it more bargaining power with suppliers and lowers the cost of its inputs. Its goods arrive in shelf-ready packaging, so staff spend less time stacking shelves, reducing labour costs in each store.

← names a real business and real strategies

As a result, Aldi can price below its main competitors while keeping its profit margin, giving it a competitive advantage.

← "which", "so", "as a result": this is what explain asks for

← ends on the question's own words

The mistakes that cost the most marks on this question

1 *Aldi has own brands and shelf-ready packaging.*

Describes but doesn't explain. Listing features earns 1–2 marks. Add how each one lowers costs.

2 *Aldi uses cost leadership by having cheap prices.*

Mixes up the cause and the result. Low prices are what cost leadership makes possible. The strategy is the low cost.

3 *For example, a business like a supermarket...*

No real case study. "Refer to a business" needs a named business and something it actually does.

How a 4-mark "explain" question is usually marked	
4	Clearly explains how operations lowers costs, with cause → effect links and a relevant business example
3	Explains how operations lowers costs, with a business example
2	Describes some features of cost leadership or operations
1	Gives some relevant information

Our own guide, written in the style of NESA marking guidelines.

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