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Practice exam questions

Trouble on the e-high street

Mark Hage

Check your answer to the question on pp. 20–21 of the magazine.

Sample answer

One benefit of PESTLE to Wetherspoons is that it will allow it to analyse the potential effects of the vote to leave the EU (an external influence) on the business. The decision to leave the EU is a political impact on the business and we can see from the extract that Wetherspoons share price has already been badly affected by it. As Tim Martin, the founder and chairman, supported Brexit it is likely he would have used PESTLE before the vote to anticipate the political effects on the business. For example, the company may not be concerned about short-term share price drops as PESTLE would have concluded that the government would put in measures to stabilise the economy, such as the recent drop in interest rates. PESTLE would therefore help Wetherspoons to consider the political impact on the business before it happened concluding that a boost to consumer spending through lower interest rates would likely mean the business risk may not be low in the short term.

Sample examiner comment

Mark: 4/4

The candidate has given a benefit of using PESTLE to the business in context for 1 A01 mark and 1 A02 mark. The candidate has given further application of PESTLE to the business for 1 A02 mark. The candidate develops this application further but as they have achieved the maximum marks for A02 gains no further credit. The candidate correctly analyses a consequence of the use of PESTLE in helping the business manage the risks of Brexit for 1 A03 mark.

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