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(d) Explain how Missguided may improve its liquidity.

(4)

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Question Number	Answer	Mark
1(a)	**Knowledge 2** **Knowledge/understanding: up to 2 marks** for, e.g. • The manufacture of an item/product in a continuously moving process (1) that allows for high levels of productivity/output. (1)	**(2)**

Question Number	Answer	Mark
1(b)	**Knowledge 2** **Knowledge/understanding: up to 2 marks** for, e.g. • Raw materials that are held by the business in reserve (1) in case of non-delivery/to allow production to continue. (1)	**(2)**

Question Number	Answer	Mark
1(c)	**Knowledge 1, Application 3** Quantitative skills assessed: **QS1:** calculate, use and understand ratios, averages and fractions **QS9:** interpret, apply and analyse information in written, graphical and numerical forms. **Knowledge: 1 mark** for identifying the acid test ratio formula. • (current assets - inventory or stock) ÷ current liabilities (1) **Application: up to 3 marks** • calculate current assets – inventory or stock = \$606 459 000 - \$235 696 000 = \$370 763 000 (1) • calculate acid test ratio = \$370 763 000 ÷ \$75 841 000 = 4.8886881 (1) • acid test ratio = 4.89 (2 d.p.) (1) **NB:** If the only answer given is '4.89' award 4 marks. If the correct answer is not given to 2 d.p. award 3 marks.	**(4)**

Question Number	Answer	Mark
2(a)	**Knowledge 2** **Knowledge/understanding: up to 2 marks** for, e.g. • The rise in the general level of prices (1) in an economy over time (1) **OR** • The rise in the general level of prices (1) as measured by the CPI (1)	**(2)**

Question Number	Answer	Mark
2(b)	**Knowledge 2** **Knowledge/understanding: up to 2 marks** for, e.g. • Revenue – cost of sales (2) **OR** • The difference between the sales revenue and the variable/direct costs of manufacture (2) **NB:** if the candidate states revenue – costs award 1 mark	**(2)**

Question Number	Answer	Mark
2(c)	**Knowledge 1, Application 3** Quantitative skills assessed: **QS2:** calculate, use and understand percentages and percentage changes. **QS9:** interpret, apply and analyse information in written, graphical and numerical forms. **Knowledge: 1 mark** for identifying the net profit margin formula. • (Net profit ÷ revenue) x 100 (1) **Application: up to 3 marks** • £7 429 000 - £4 633 000 - £49 000 = £2 747 000 (1) • (£2 747 000 ÷ £7 429 000) x 100 (1) • Net profit margin = 36.98% (2 d.p) (1) **NB:** If the only answer given is 36.98% award 4 marks. If the answer given is '36.98' without a % sign, award 3 marks. If the answer is not given to 2 d.p award 3 marks.	**(4)**