



National
Qualifications
2025

X810/76/11

**Business
Management**

THURSDAY, 22 MAY

1:30 PM – 4:15 PM

Total marks — 90

SECTION 1 — 30 marks

Attempt ALL questions.

SECTION 2 — 60 marks

Attempt ALL questions.

You may use a calculator.

It is recommended that you spend 15 minutes reading over the information provided in **SECTION 1** before responding to the questions.

Write your answers clearly in the answer booklet provided. In the answer booklet you must clearly identify the question number you are attempting.

Use **blue** or **black** ink.

Before leaving the examination room you must give your answer booklet to the Invigilator; if you do not, you may lose all the marks for this paper.



SECTION 1 — 30 marks

Read ALL the following information and attempt ALL the questions that follow.



Pets at Home Group plc

Pets at Home Group plc (Pets at Home) is a British pet supplies retailer, selling products including food, toys, bedding, medication and accessories. In its stores it also sells a selected range of pets, such as rabbits, guinea pigs and hamsters, and a range of tropical and cold-water fish. In addition, it provides grooming and veterinary care services in most of its retail stores.

Pets at Home's core belief is 'Pets Before Profit' and that nothing in its business model is more important than keeping pets happy, healthy and safe.

With over 16,000 employees, it is the UK's leading pet care business and has the ambition to be the world's best pet care provider.

Pet care services

Pets at Home has 455 stores. In 322 of these it operates grooming salons, and in 444 it operates its Vets for Pets veterinary care services.

Vets for Pets services include:

- veterinary treatments
- nutritional advice
- 24-hour emergency cover.

Pet grooming services include:

- dog and cat grooming
- nail clipping
- microchipping
- spa treatments.

Pets at Home also provides services to support the adoption of pets by running networking adoption centres for small animals throughout the UK.

Store openings

As part of Pets at Home's £400 million growth strategy, it plans to open at least 40 new stores across the UK. The planned growth is due to a boom in pet ownership during the global COVID-19 pandemic. This growth has shown little sign of easing, despite the UK's cost-of-living crisis. With pet ownership rising to over 60% of UK households since 2020, the UK veterinary industry is now worth an estimated £2 billion.

Operations

Responsible sourcing

Responsible pet supply is central to Pets at Home's values. This means that when customers buy a pet from Pets at Home, they are guaranteed that the pet will have been bred in comfortable and caring surroundings by a reputable and accredited small animal breeder. It operates a strict policy of only using pet suppliers which fulfil the requirements of UK animal welfare legislation. Pets at Home regularly conducts inspections of its breeders to ensure that they consistently maintain these welfare standards.

Responsible sourcing is extended across its entire product range. Pets at Home monitors and takes responsibility for not only where its products are being sold but also where its products, such as its pet feed and bedding, are being manufactured. It controls its supply chain in Asia and regularly audits its factories there.

Ensuring quality

Pets at Home operates strict product quality management procedures to ensure and improve the quality of its products for customers and their pets. Some of the quality management procedures involve:

- running pet food and treats tasting trials;
- operating a panel of highly qualified employees who test the safety of its dog toys;
- checking that all collars and leads undergo sudden impact testing to ensure their durability and strength.

Competition Policy

The Competition and Market Authority (CMA) recently launched a review of the veterinary market, gathering 45,000 responses from the general public, and 11,000 responses from those working in the veterinary industry. This was to determine if competition is working well in this market.

The CMA is concerned that:

1. Veterinary fees are rising faster than other goods and services during the cost-of-living crisis.
2. In the event of a pet needing urgent treatment, its owners may not have all the information to decide on the best option and often don't know the price of treatments until after the appointment.
3. Smaller independent practices accounted for 89% of the UK veterinary industry in 2013, but that had fallen to about 45% last year. Large organisations, such as Pets at Home, may risk dominating the market and weakening competition.

[Turn over

Corporate training schemes

Pets at Home offers two corporate training schemes to help employees feel confident in their role.

- *Pet care development*

This is a 6-month training programme for all retail employees. The training covers everything from nutrition and animal welfare to new retail technology, as well as Pets at Home's company values. It aims to promote the corporate culture, the products and services, and the processes and procedures employees must follow to ensure things are done right in every store.

Employees are given 50 at-work hours to learn and develop their skills that will enable them to thrive in their job. Once completed, they become recognised pet care advisors and receive a permanent pay rise.

- *Fearless manager*

This is a course run over 12 days for senior-level employees. They develop key management skills, such as communication, employee relations, delegation, and effective presentation.

Website

Since launching its e-commerce platform in 2008, Pets at Home has successfully run its online retail facility. Customers can access its online content on a range of devices, such as their smartphones and tablets, offering them another place to explore Pets at Home's products and services.

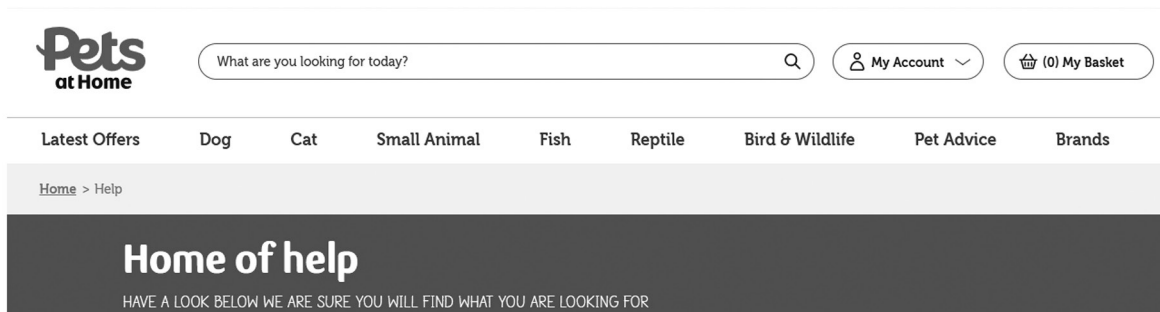
(Exhibit 1 shows an extract of Pets at Home's website pages.)

(Exhibit 2 shows an extract of Pets at Home's financial data.)

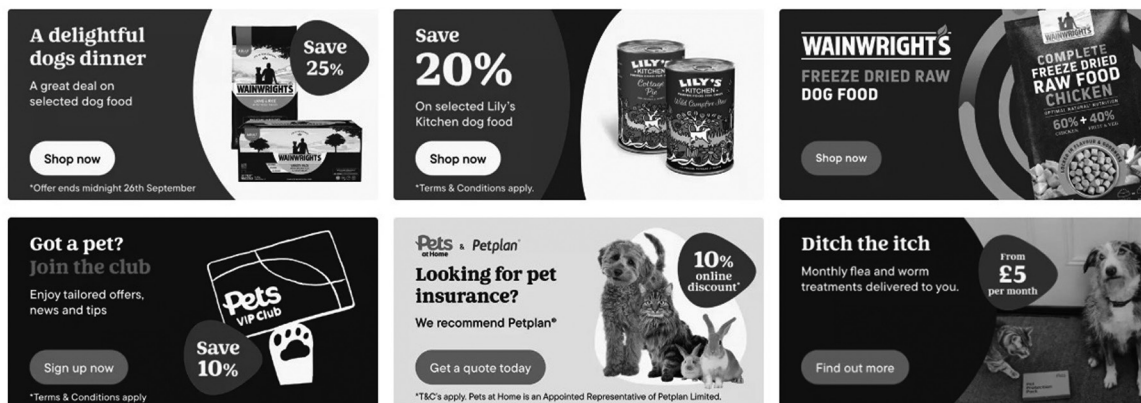
Exhibit 1

Extract of Pets at Home's website pages

Help and support section



Latest offers



Job advertisements



Exhibit 2

Extract of Pets at Home's financial data

Consolidated statement of financial position

	2023 £m	2022 £m
Non-current assets	1,509	1,451
Current assets	341	316
Current liabilities	(354)	(310)

The following questions are based on ALL the information provided and on knowledge and understanding you have gained whilst studying the course.

- | | | |
|---------|---|---|
| 1. (a) | Describe one advantage and one disadvantage of the type of business Pets at Home operates as. | 2 |
| (b) | Justify Pets at Home's decision to offer a diverse product portfolio. | 4 |
| (c) | Describe the role of a manager in Pets at Home's decision to open 40 new stores. | 4 |
| (d) (i) | Using the case study, explain 2 challenges for Pets at Home of operating a responsible sourcing policy. | 2 |
| (ii) | Justify the importance of Pets at Home's product quality management procedures. | 4 |
| (e) | Describe 2 actions the Competitions Markets Authority (CMA) could take against Pets at Home if it fails to comply with competition policy. | 2 |
| (f) | Using the case study, explain the advantages to employees of Pets at Home's corporate training schemes. | 4 |
| (g) | Discuss the benefits to Pets at Home of its website, shown in Exhibit 1 . | 5 |
| (h) | Explain a possible reason for each change in Pets at Home's financial data, shown in Exhibit 2 . | |
| | <ul style="list-style-type: none"> • non-current assets • current assets • current liabilities | 3 |

[Turn over

SECTION 2 — 60 marks

Attempt ALL questions

- | | | |
|--------|--|---|
| 2. (a) | Discuss the use of franchising for the franchisee. | 5 |
| (b) | Describe stakeholder conflict of interest that may occur within an organisation. | 3 |
| (c) | Explain the reasons for preparing a cash budget. | 4 |
| (d) | Describe 3 possible objectives of a multinational organisation. | 3 |
| 3. (a) | Distinguish between strategic and tactical decisions. | 3 |
| (b) | Describe the purpose of a SWOT analysis. | 4 |
| (c) | Discuss the advantages and disadvantages of methods used to research customer satisfaction. | 6 |
| (d) | Distinguish between market-led and product-led organisations. | 2 |
| 4. (a) | Describe 5 actions which could be taken by an organisation to improve its public relations (PR). | 5 |
| (b) | Describe capital-intensive production. | 4 |
| (c) | Discuss the use of Just-in-Time (JIT) inventory control. | 6 |
| 5. (a) | Describe sources of finance available to a public limited company (plc). | 8 |
| (b) | Discuss the use of a virtual learning environment (VLE) in human resource (HR) management. | 4 |
| (c) | Justify the use of internal recruitment. | 3 |

[END OF QUESTION PAPER]*Acknowledgement of copyright*

Case Study – Logo, images and information are adapted from <https://www.petsathome.com/>; <https://www.petsathomeplc.com/investors/results-presentations/>; <https://www.petsathome.com/support>; <https://www.petsathomejobs.com/retail-jobs>; <https://www.petsathome.com/offers>.

SQA has made every effort to trace the owners of copyright of this item and seek permissions. We are happy to discuss permission requirements and incorporate any missing acknowledgement. Please contact question.papers@sqa.org.uk.