

Topic 1.1: What Is a Business?

LO: 1.1.A, 1.1.B | Skill: 1.A, 2.A | Canvas: Task 1

AP-Style Mini Free-Response Question

Format: Business Concept Application (FRQ 3 on the exam) • Suggested time: 12 min • Skill: 1.A • LO: 1.1.A, 1.1.B

FRQ FORMAT PRACTICE

This mini-FRQ uses the Business Concept Application format — one of the four free-response formats on the AP Exam (Business Canvas Validation, Personal Finance, Business Concept Application, Business Decision). Each topic in Unit 1 builds toward a specific FRQ format so students See all four by the end of the unit.

Scenario

Pebble & Plate is a new meal-kit company piloting two product lines in the same neighborhood:

- **Product A — Family Kit:** a \$45 weekly box that includes pre-portioned ingredients and recipes for four dinners for a family of four. Pebble & Plate's cost to source and package is \$26 per box.
- **Product B — Solo Kit:** a \$14 weekly box with pre-portioned ingredients and recipes for two dinners for one person. Pebble & Plate's cost to source and package is \$9 per box.

Pebble & Plate has data from a 60-person neighborhood survey: 38 respondents said they would buy a Family Kit if available; 12 said they would buy a Solo Kit. Among the 38 Family Kit respondents, 22 said cost-per-meal mattered most; 16 said convenience mattered most. Among the 12 Solo Kit respondents, 9 said reducing food waste from cooking for one mattered most.

Prompt

Respond to each part. Use specific evidence from the scenario.

- 1 **Identify** the customer and the customer's primary problem, need, or want for EACH product line (Family Kit and Solo Kit).
- 2 **Describe** how each product line creates value for its customer.
- 3 **Explain** which product line is more clearly positioned to *capture* value, using the cost and price information provided.
- 4 **Recommend** ONE of the two product lines for Pebble & Plate to focus on if it can only support one. Support your recommendation with at least TWO pieces of evidence from the scenario.