

Topic 1.1: What Is a Business?

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

Mini-FRQ — Scoring Guide (10 points total)

Format: Business Concept Application • Aligned to FRQ 3 on the exam

Part 1 — Identify (2 pts)

- **1 pt:** Family Kit customer = households of about 4; problem/need = managing dinners for the family (cost-per-meal or convenience).
- **1 pt:** Solo Kit customer = single-person households; problem/need = reducing food waste from cooking for one (top response from that segment).

Part 2 — Describe value creation (2 pts)

- **1 pt:** Family Kit creates value by addressing the named family problem (e.g., lowering cost-per-meal vs. shopping individually, or providing convenience for a busy household).
- **1 pt:** Solo Kit creates value by giving the single person right-sized portions, which reduces wasted food and money.

Part 3 — Explain value capture (3 pts)

- **1 pt:** Cites Family Kit margin: $\$45 - \$26 = \$19$ per box.
- **1 pt:** Cites Solo Kit margin: $\$14 - \$9 = \$5$ per box.
- **1 pt:** Concludes that Family Kit captures more value **per unit**, but a complete answer notes that total value capture depends on volume — a higher number of Solo Kit buyers could still outperform Family Kit at the business level.

Part 4 — Recommend (3 pts)

- **1 pt:** Clear recommendation (either product line is defensible).
- **1 pt:** Uses at least 2 specific pieces of evidence from the scenario (margin, survey numbers, problem-fit data).
- **1 pt:** Acknowledges trade-offs of the rejected line (e.g., the Family Kit has stronger demand but lower-margin Solo Kit may have less competition).

Common mistakes / scoring notes

- If a student claims Pebble & Plate captures value only because revenue > cost without doing the math per box, award partial credit (1 pt) but circle the missing computation.
- Watch for students conflating value creation with profit — value creation is about benefit to the customer, not about the business's bottom line.

- An answer that says 'Pebble & Plate should do both' without addressing the constraint ('if it can only support one') does not earn the recommendation point.