Examiners' Report Summer 2009

GCE

GCE Applied Business (8721/8722/9721/9722)

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Contents

Principal Examiner Report Summer 2009

Unit 1: Investigating People at Work (6916)

General Comments

The structure of the question paper was based on replicating Assessment Objective (AO) and Mark Band (MB) weightings established in previous papers and in line with standard set by Specimen Paper. In this way the requirements of the question paper should be directly comparable with previous series.

It is recommended that in addition to reading and taking any notes or advice from this report that Examiner Reports for previous series are read as they contain lots of general advice that is still relevant and likely to be useful for staff and students in preparation for future papers.

Many candidates are missing marks because they do not produce answers for the question that is asked. One weakness is the lack of familiarity with the command word that are used. This can be addressed to some degree through the use of past papers for analysis and practice. Another weakness is a lack of understanding and ability to use some of the basic terminology used in business and featured in the specification for unit 1: Investigating People in Business. Knowledge and understanding of the content, and familiarity with the use of business language and terminology in the unit, is a basic requirement for success in the assessment of this unit, and for moving on to further study or into the workplace. Finally, examiners continue to report that there is continued deterioration in the handwriting of many candidates, compared with previous examination series. As this is a written paper it is vital that candidates are able to communicate their answers in the written form – this means making sure that examiners can actually read the handwriting. Although all examiners will make an effort to decipher handwriting, there is a danger that candidates may miss vital marks if the handwriting is so bad that it cannot be read. Candidates need to remember that despite the widespread use of keyboards, screens and electronic communication, there is still a requirement for hand writing in the workplace.

To help candidates make the most of this external assessment in the future it is recommended that:

- Teachers make good use of examination preparation sessions to introduce students to the command words that they will commonly see within the GCE assessment. For further information please see: Appendix 8, in the Teacher's Guide that accompanies the Edexcel AS GCE and GCE specifications for Applied Business, May 2005.

- Past papers and associated mark schemes are used to identify how command words relate to mark allocation and exemplar answers.

Candidates are missing some of the precise wording and information given in the stem of the questions. As a result, candidates may produce long and well developed answers based on the first topic that they see, or a topic that they are confident to write about, rather than what has actually been asked in the question. Most of these answers are therefore inappropriate, consequently incorrect, and cannot be awarded any marks. This problem may occur simply through misreading, not a problem exclusive to this paper, or it could be that some words become invisible to candidates who want to get down as much as they know about a subject in the heat of the exam room.

To help overcome this problem, please advise candidates to read each question thoroughly before starting to write their answer; then to read back their answer and to check that this meets the wording/requirement of the question – if it does not, they then have an opportunity to correct or re-write an answer.

The tendency for candidates to write out the question as the start to their answer, sometimes their entire answer, remains a common practice amongst the weaker candidates. This may help their thought process but will not score any marks unless the question explicitly asks for the answer to be drawn from information given in the question or scenario.

There is a general, unfounded, belief that the inclusion of the phrase 'to make more profit' is required in any and every answer. This is particularly evident with weaker candidates who seem to believe that 'profit' is the answer to everything. Firstly, if the question is actually about 'profit' or requires an answer about 'making more profit', then it will be stated clearly. Secondly, candidates need to know the difference between income and profit, judging by many answers there are a lot of candidates who do not understand the fundamental difference and use the terms interchangeably.

Candidates also need to be reminded that this is an AS level examination and answers are expected to show some development and application. This means that unless specifically asked for, simplistic answers at the level of single words such as 'easier', 'cheaper', 'quicker', 'faster', etc. are not really acceptable and unlikely to score any marks.

The open nature of the last two items in each question, based on a candidate's own choice of business or area of study, clearly works well for some candidates. However, for weaker candidates it can result in a page of generalisations or no marks at all as they fail to spot the key words that define each question. As in previous years there were a lot of 'politicians' answers' – candidates writing about something that they are familiar and confident about, rather than answering the question. Unfortunately, no matter how well written or thorough the answer, unless it relates directly to what has been asked no marks could be given.

The 'open' questions also continue to cause problems for candidates who chose inappropriate organisations or examples. It is good advice to candidates to read the question before they choose a business to write about, so that they can consider which of the businesses that they have studied is most appropriate and which will produce the best answer.

As a general observation, candidates who choose smaller, local businesses tend to produce better answers than candidates who choose large national or international ‘famous name’ businesses. It seems that studying small/local business tends to give candidates a greater understanding of the ‘real life’ of the business and provides them with more opportunities for real application in their answers. Whilst large organisations may be high profile and provide a wealth of information on their websites, much of it tends to be aimed at PR or publicity. Although this may provide an impression of the business it is often too general to be of much use when trying to answer questions based on specific issues that affect the business.

The fundamental requirement of the ‘open’ questions is that they are based on a real business that the candidate has studied or learned about during their course. Thus they are expected to name the business and give a brief outline of its main activities, to provide context for the marking of their answer. It is surprising how many candidates still do not bother to name a business, but just launch straight into an answer. If a business is not named, and cannot be identified by direct naming within the answer, then no marks can be given as the answer could be pure fiction. Please remind candidates that it is most important to name the business which they are writing.

Recent changes in the British economy may have resulted in candidates naming a business that they have studied but has now disappeared, such as *Woolworths*. Although it is expected that candidates, and teachers, should be up-to-date with current business developments and legislation, candidates were not penalised for choosing defunct businesses as they may well have studied them when they were still trading.

This report is designed to help future teaching and learning. It may come across as a critique of the ability of candidates, but it should not be interpreted as being unduly negative. Judging from the many papers and answers seen, most candidates have indeed worked hard on their studies and the question paper is designed to give candidates the opportunity of demonstrating, within the terms of the Assessment Objectives for this unit, just how much they have learned. I offer my congratulations to all students, whatever grade they may ultimately achieve.

The theme of this paper is based on various business activities that affect the *Abinn Liverpool*, a large modern hotel in Liverpool.

Q1(a)
It is disappointing to report that, based on the type and level of answers given to this question, few candidates had much idea of the requirements for establishing a plc. Considering that a plc is one of the forms of business ownership listed in the specification for this unit, candidates displayed very little knowledge of the basic requirements that define a business as a plc. The sheer range and variety of incorrect answers suggested that most answers were simply guesses. The way in which the answers were incorrect fell into different categories: some being ‘educated guesses’ drawn from general knowledge, some based on low-level knowledge of business management issues or general comments on the size or scale of the business, lots of answers based on general descriptions of ‘typical’ plcs or the general management of any business or based on employment law; some were simply plays on the word ‘public’ in plc eg open to the public, owned by the public, in the public sector, with a high proportion of candidates apparently believing that a plc is owned/run by the government. All that this question required was a basic knowledge of the requirements for establishing a plc., a building block for this qualification. To help candidates in the future, it is recommended that candidates are taught basic definitions of key terms that are used in the unit and in the real business world.

Q1(b)
Objective setting is a common management technique, which candidates must be aware of, but asking them to explain why a given objective has been set, to apply their knowledge, seemed to prove difficult. This is an applied subject and candidates should be prepared to give examples of application in their answers. Many answers were just a rewrite of the question as a statement, others put forward a circular argument, that just said the objective was appropriate because it is appropriate. Many candidates resorted to the low-level answer – 'to make a profit'. Candidates need to be reminded that this standard of answer is not acceptable at this level of qualification. A lot of candidates talked in theory about SMART objectives, explaining what the acronym stood for, but had they read the question and considered what was being asked they would have realised that this was not what the question asked. Candidates who latched onto the concept of fixed costs/overheads tended to score highly but many missed the seasonality point.

Q1(c)
Some candidates did not read the scenario presented immediately before the question, and did not read the question fully, stopping at 'Discuss the general responsibilities...'. As a result many answers listed out general responsibilities within specific job roles associated with hotel workers, rather than responsibilities that employees have to other employees in the business. Other common errors were to list out responsibilities to customers – not something that was asked in the question, or describe a hierarchical structure as an example of how responsibilities were established, again, not something asked in the question. However, stronger candidates did well on this question, providing full and detailed answers that really did discuss responsibilities that employees have to other employees, as required in the question.

This was the first of the new style 'extended writing' questions in this paper, carrying a maximum mark of 12 marks. There is no evidence that candidates had any intrinsic problems with the opportunity for extended writing, and the opportunities that this gave for earning higher marks. The use of these kinds of questions will continue for all future papers. Therefore, it would be good for future candidates that sit this paper to use this summer's question paper as a mock as it will give them the opportunity to practise writing longer answers.

1(d)
Answers should have been based on an explicit financial objective; there were no marks for any other business objective. That said, a number of candidates wrote about non-financial objectives at length, having missed the point of the question. Others gave low-level, general answers such as 'their objective was to make a profit' or 'their objective was to increase sales', which tended to limit their overall mark as they did not go on to analyse the objective. Stronger candidates gave clear financial objectives and could analyse why this particular objective had been set, often earning full marks. It is recommended that the mark scheme for this paper is used to show candidates the kind of answer that was expected for this question.

1(e)
Although lines were provided for candidates to name two different functions/functional areas before they start to answer this question, many did not do so. This did not debar them from getting marks as they may have mentioned the functions within the narrative of their answer. If no business had been named, marks were limited, as how working together contributed to the success of the business

could not be judged. Some weaker candidates based their answers on job roles or objectives, rather than functions/functional areas of the business. Other answers lost marks because they were one sided – naming two functions, but only writing their answer about one of them. Most candidates produced answers that were purely descriptive, but stronger candidates accessed more marks by discussing how working functions together contributed to the success of the business

Q2(a)

The question provided candidates with information about the percentage of staff that had left the hotel, how the remaining staff were demotivated, and asked how the hotel could reduce the turnover of its existing employees. Many responses were just descriptive giving a list of motivational ideas, with little application to the business or expansion of the motivation techniques mentioned. A large number also gave unrealistic options for the job role, often suggesting that all employees, presumably including room attendants, reception workers or cleaners should be provided with a company car to motivate them. Some candidates confused labour turnover with financial turnover and gave answers aiming to increase income.

Q2(b)

Candidates were shown a note that had been drafted for a potential recruitment advertisement in a local newspaper, they were asked to use the information provided and advise the human resources manager at the hotel, on how the recruitment advertisement could be improved. Keeping the focus on the advertisement and its content proved challenging, with a lot of candidates suggesting they should include information that would normally be found in the job description or person specification rather than concentrating on the advertisement. Very few explained why weaknesses identified are likely to cause problems, although this was often implied in the answer given and so credited with a mark. However, most candidates had an opinion and were able to advise on improvements, stronger candidates producing answers that were awarded correspondingly higher marks.

This was the second of the new style 'extended writing' questions in this paper, carrying a maximum mark of 12 marks. There is no evidence that candidates had any intrinsic problems with the opportunity for extended writing, and the opportunities that this gave for earning higher marks. The use of these kinds of questions will continue for all future papers. Therefore, it would be good for future candidates that sit this paper to use this summer's question paper as a mock as it will give them the opportunity to practise writing longer answers.

Q2(c)

This question was based on candidates' own studies of the recruitment process in a real business. The question generated a lot of good, well-written answers. Some candidates missed out on marks because they just described the recruitment process, rather than evaluating it; others described a recruitment process on abstract terms and did not apply it to their chosen business. Exam technique and reading the question would improve performance overall. Practising similar questions in past papers and checking against the related mark scheme would also help.

2(d)

Candidates were given the basic structure of the Investors In People (IIP) scheme and asked how it had been implemented in a business that they had studied. This question seems to have proved difficult for many candidates, and judging by many of the answers seen, it appears that the Investors In People (IIP) scheme is not well known by many candidates. However, it is part of the specification, and should be covered in lessons, and as such, any part of the unit specification can be tested. Again, stronger candidates did know about IIP and gave good answers, so the scheme would not appear to be unknown to all candidates.

Q3(a)

Candidates were given information about the current position of the restaurant in the *Abinn Liverpool* hotel, where the restaurant manager wanted to motivate staff, but had no authority to use cash as an incentive. The question asked candidates to describe how the restaurant manager can motivate staff to raise the standard of the restaurant. Candidates provide many good ideas for motivation, a good proportion of answers backed up with reference to motivational theory, which shows understanding as well as recall. Some candidates missed marks because they did not describe 'how' the technique they had suggested would actually motivate staff, this shows that it is important to read the question fully before starting to answer. Other candidates missed the comment about 'no authority to use cash as an incentive' and proceeded to describe ways of using cash as an incentive, but these answers could score no marks – another example of the need to read, and take in the question before starting to write an answer.

Q3(b)

Relatively straightforward question that produced equally straightforward answers. Most answers expressed legal responsibilities in general terms. Answers from stronger candidates developed their answer or applied it in some way to the situation described. Candidates appear to have a good knowledge of legal issues surrounding recruitment, although particular Acts were not always named accurately, candidates using shorthand or colloquial names.

3(c)

Candidates were asked to explain how a sole trader, a DJ, could maintain health and safety standards when working in the hotel i.e. on a customer's premises. This question produced a lot of good answers, more importantly lots of good application of knowledge, for the situation described.

This was the third of the new style 'extended writing' questions in this paper, carrying a maximum mark of 11 marks. Perhaps the context of the question helped, but there is no evidence that candidates had any intrinsic problems with the opportunity for extended writing, and the opportunities that this gave for earning higher marks. The use of these kinds of questions will continue for all future papers. Therefore, it would be good for future candidates that sit this paper to use this summer's question paper as a mock as it will give them the opportunity to practice writing longer answers.

Q3(d)

This question was based on a business that candidates had studied. Candidates were asked to examine how one stakeholder in their chosen business influences the way the business is run. Many candidates answered this by writing a long description of a stakeholder in the business – this was not what was required by the question, and this error could have been avoided by careful reading of the question. A proportion of candidates just described the operation of the business, not what was asked. There was also a degree of confusion between 'stakeholder' and 'shareholder', and whilst a shareholder is a good example of a stakeholder in a limited company, one that would certainly influence the way the business is run, an answer that was simply a description of what it means to be a shareholder was not acceptable. Prospective candidates need to practice reading, interpreting and understanding what is actually being asked in a question.

Q3(e)

This question asked candidates to evaluate how their chosen business manages its fire safety responsibilities. This question produced many good answers, suggesting that candidates have a high awareness of fire safety, within their overall knowledge of health and safety issues. Answers that were purely descriptive gained the knowledge marks by describing the use of fire doors, fire drills and fire alarms, etc. Most candidates did make some degree of application to their chosen business. It was the stronger candidates who really evaluated the situation and accessed the last two marks available.

Principal Moderator Report Summer 2009

Unit 2: Investigating Business (6917)

General Comments

Candidates are tending to score more marks by ensuring coverage of topics but the resultant portfolio is not always applied or integrated throughout the strands.
Overall, candidates tend to be scoring higher marks for 6917 as the unit is well established, however, many candidates take a "tick box" approach to coverage and by doing so cover the requirements, but the resultant work is often not a quality portfolio.
The majority did investigate setting up a new business. A small number of candidates used an existing business or case study of an existing business rather than investigating setting up their own small business.
A number of candidates chose businesses that were either too large or in some cases too small for them to meet all the unit criteria.
Some candidates were not realistic in their choice of business.

Assessment Criteria

Strand A is made up of a range of topics that candidates need to investigate
Market research: As part of the market research questionnaires were usually used but in some cases the sample did not reflect the target market for the product/ service in demographic terms. Once the questionnaires were completed, candidates often produced graphs of the results and described the results but did not analyse the outcomes. The research was usually quite good but many candidates did not analyse the data collected in sufficient depth, many did not use it as a basis for their decisions. Work was often in mark band 1.
Stakeholders, aims and legal aspects: Candidates often gave generic aims and objectives that were not SMART. Stakeholders were covered but again the answers were generic. For legal aspects, candidates usually only covered the ownership of the business and missed the other legal implications for the business, e.g. nurseries, playgroups & the legal requirements for working with children. The work was often basic and the wider legal aspect related to taxation, VAT, consumer legislation and food handling/ sales were rarely covered and so work tended to be in mark band 1.
Prices were often given but pricing policy was rarely discussed beyond simple statements of being cheaper than competitors. Candidates were often unable to identify an appropriate pricing strategy.
The work presented for the remaining areas of the strand was sometimes generic and not applied to the business being investigated.

Many centres tried to complete the same course work for 6917 & 6918, many centres submitted marketing mixes, segmentation, for this unit although these are not required.

In **strand B**, candidates often gave theoretical answers to "quality". Quality statements were often "an afterthought/ bolt on" and not linked to other resources. Small businesses were often planning to implement TQM. Human resources and financial resources were often only briefly covered with the greatest emphasis being put on physical resources.

Candidates tended to list, and in some cases, explain the range of financial resources and their sources but did not justify their choice of finance. Many candidates covered personal loans rather than business ones. Often financial resources were not appropriate to the business.
Physical resources were often listed without reference to costing, availability and importance. Candidates often produced pages of downloaded images with some descriptive detail. Premises were often not covered or the use of the candidate's own home was identified. In the latter case, there was rarely any payment towards utilities evident in either strand B or C.
Strands A and, in particular, B should be used to provide evidence of costs, capacity and sales for the financial documents in strand C. In some centres statements were often general, not related to the business and not justified. The management of resources aspects, i.e. the costs, sources and availability, were not always covered.

For **strand C**, candidates usually calculated cash flow and breakeven but the monitoring aspects were rarely covered. An increasing number of candidates produce other financial documents, e.g. Balance Sheets, Profit & Loss accounts, etc. Candidates could not always explain what they were doing or how they arrived at the figures. Candidates often described the cash flow and breakeven but could not explain how these were used to monitor the performance of their business. Candidates in some centres simply produced a range of financial documents without any explanations. There was little linking back to research in strand A or to costs and amounts, e.g. employees/ hours, costs of resources in strand B. Many figures were unrealistic. Accuracy was often missing, especially in cash flows. Again work was often limited to mark band 1. However, many candidates did well on this strand. Where candidates demonstrated knowledge and understanding of finance and financial monitoring, this strand was usually done well and appropriately assessed.

In a number of centres, candidates did not explicitly select or describe start up and running costs.

Strand D was often treated as an "add on" and was not always linked to the business. There was over concentration on generic software, usually Office, with little on specialised software. Where covered, the specialist software was often accounting packages and these were often inappropriate to the size of the business. Some candidates did effectively use Databases, Publisher and other DTP packages as specialist. Candidates tended to describe the use of word processing for letters, databases for customer records and spreadsheets for accounts, however specific examples in relation to their own business were often omitted.

Principal Moderator Report Summer 2009

Unit 3: Investigating Marketing (6918)

Administration:
The majority of the work was again submitted together with the appropriate forms – Mark Record Sheets ("MRS") and "OPTEMS" although not all were fully signed to indicate authenticity and some of these had to be requested separately. In general, marks on the work conformed to those on the OPTEMS with occasional discrepancies.

Where centres design their own "front sheets" it is important to ensure that all the relevant information is present ie candidate and centre name and number, centre marks, moderator marks, assessor's and candidate's signatures and, where relevant, if internal moderation or internal standardisation has been carried out.

The work submitted again demonstrated similar approaches in content and style from earlier series. Assessment seen was generally consistent with still some evidence of leniency and assessment in much of the work around or just outside the limits of tolerance. There were again a few instances where assessment was found to be harsh.

Annotation of Portfolio Work
The minimum requirement for annotation of portfolios is laid down in the Code of Practice to be identification of where a candidate's evidence of criteria coverage may be found in the work. Many centres provided this but there were still examples where little or no annotation was evident and moderators were left trying to identify where and how marks had been awarded. The recommendation to annotate by reference to "Mark Band" achieved and "Strand", "Theme" or "Area" covered eg MB1a, MB2b etc is currently still not being followed by some centres but, however this is done, it is worth emphasising again the importance of clear annotation and internal standardisation for the benefit of candidates as well as for external moderation purposes.

Presentation of Portfolio Work
Much of the work seen was efficiently presented with a minority still inaccessible and unsuitably presented with work either tightly packed into plastic wallets (that split on opening), left in ring binders or clipped into plastic folders (this simply makes the process of extracting the work more laborious than should be the case). The preferred format remains loose-leaf or treasury-tagged sheets that can be easily opened and read.

General Issues with the Specification:
There was less evidence of the largely "academic" approach i.e. candidates producing masses of theory on sampling or pricing without the required "application" to a suitable choice of product or service to be marketed or re-marketed.

A number of assessors are still not assessing against the assessment criteria or are not fully reflecting the omissions or inaccuracies in the candidates' coverage of these criteria in their assessment decisions. Also assessors do not always use the assessment objectives listed against the assessment strand (a –d) to focus their assessment decisions on the candidates' knowledge, ability to apply knowledge, use of methods of obtaining information for analysis or their ability to evaluate and reach reasoned conclusions as appropriately directed. The lenient assessment involving the higher mark bands is often due to the assessor not using the operative verbs in the assessment criteria for these mark bands to identify valid evidence. Consequently, lengthy descriptive and theoretical work remains over-rewarded.

Assessment criteria are best met more directly in a practical way demonstrating knowledge and understanding of marketing principles and concepts whilst applying these in context. In the cases of the best work an integrated approach was apparent with the choice of product or service justified by careful research from several sources that, in turn, informed the final choice of marketing mix. Weaker approaches were still found where candidates tried to launch or re-launch a whole range of products or services (sometimes a complete business or brand) and this made for real difficulties when detailed consideration of the "mix" was attempted eg it was difficult to come up with effective pricing when candidates often regurgitated pricing theory to cover a range without arriving at any actual prices.

As with "Investigating Business" in Unit 2, the best approach was when candidates took basic products or services and came up with practical suggestions for a suitable marketing mix that incorporated a clear idea of product, price, promotion and place (distribution) ie the "4P's" (or some variation) linked clearly to the market research. Weaker work underestimated eg the costs of promotion and advertising and made assumptions about budgets that would be unsustainable in reality. This emphasised again the need for clear, simple ideas, costs and prices. In the best cases, candidates were able to produce eg mock-ups of advertising and promotional campaigns as part of the mix and these added to the whole approach.

Areas of the Specification:
It is still worth remembering that each section of this unit is directed towards a specific Assessment Objective so that, for instance, (a) requires demonstration of knowledge and understanding (AO1); (b) concerns research and findings (AO3) and so on.

(a) The tendency here is still for candidates to over rely on the use of theory, and to state what they were going to do rather than provide substantiated reasons for their choices. Where candidates had been required to investigate the market, brand, range or some generic product rather than a particular product or service this made for difficulties of analysis. Where an existing product or service is chosen it needs to be made clear what proposed changes are being made to this as well as there being some information about the current mix. Often, the actual product or service itself was not well explained (candidate and assessor assuming it too obvious to require any explanation) and marks were lost as a consequence. Where candidates had been guided to a clear choice, the outcome was usually better. What is still needed is a clear description of the product or service with reasons given for the choices made and for the marketing objectives, segmentation and target market to be clearly explained as well. There is no need to make the (assignment) brief too elaborate, candidates tend to become distracted by other issues such as product design and lose sight of the requirements of the specification as a result. The target market and segment were usually identified and often defined, but weaker candidates did not demonstrate that they fully understood these concepts through their choice of target market. Some candidates tended to discuss the business aims and objectives of the company rather than explain the marketing objectives that they would set. Better work demonstrated a clearer linkage of the product to the marketing objectives, segmentation and the target market together with some justification for these, thus raising the possibility of marks in Band 3.

(b) Once again, this too often included copious amounts of market research theory which was unnecessary. The majority of candidates provided evidence of carrying out both primary and secondary research, although some of this could have been better directed in order to identify or justify the target market, size of market, degree of competition, and to inform the choice of the marketing mix. In some cases the range of methods used tended to be limited to a basic questionnaire and a search of the internet. In order to access the higher mark bands a greater range of methods and/or sources are required. The results were presented in chart, graph and table form and what these showed was stated or described. The stronger candidates analysed their results, drew reasoned conclusions from them and extracted information to be used later to support their marketing choices. In the best work there was again good evidence of suitable research both primary and secondary as the basis for much of the unit coverage. Where candidates had investigated a wider range of sources (including interviews with relevant people and the use of focus group(s) and then linked their analysis to the target market and segmentation highlighted in (a) above coverage tended to be fuller. Sometimes primary data was too restricted or inappropriate eg conclusions based on an unsuitable sample size; or a product targeted at 16-20 year olds based on a survey of older adults. Stronger candidates were able to use good research findings to link analysis to the target market identified above or as a basis for a different target market altogether.

(c) The majority of candidates were able to describe the relevant P's of their marketing mix; however this often lacked the detail required for Mark Bands 2 and 3 that could have demonstrated how the product/service was differentiated to appeal to the specific target market; how the promotion and advertising was targeted at the chosen market segment and how these, along with the pricing strategy, contributed to the marketing objectives. Most candidates linked at least one component of their marketing mix to their research, usually the pricing strategy. A number clearly linked all their marketing mix to their research although fewer linked it to their chosen segment. Higher marks arose where the "mix" developed through links to research findings (from (b)) especially in relation to the target market/segment identified in (a) above. Much theory was also in evidence with weaker candidates failing to apply this to the chosen mix. The "mix" was too often buried in a mass of discussions about the business or buried in theory eg of "pricing" and it was often difficult to find out eg what actual price(s) would be suggested. One improvement in this area would arise where the reasons and justification for links between the elements of the chosen mix were fully explained. Sometimes, (c) was done in isolation to the (extensive) research findings that could have informed the "4 P's" so much better and more clearly. In many cases candidates had been encouraged to use marketing tools such as the Boston and Ansoff matrices, product life cycle and so on and many applied these to the mix in an attempt at justification. In reality, the nature of the choice of product or service often rendered discussion of these tools largely irrelevant since they would more commonly apply in the case of larger, multi-product businesses.

(d) This remains the least well understood of the four assessment areas. The required evaluation needs to be of the individual components of the suggested mix rather than just of the (nature of) the chosen product or service as was still sometimes the case. In some cases, candidates investigate “external influences” on the marketing mix and better candidates steer this towards an evaluation of their suggestions in (c) but weaker candidates find this approach difficult. “PEST” and “SWOT” - style methods of evaluation were often employed but were not always directed at the marketing mix. The stronger candidates tended to include their justification for their marketing mix along with the supporting evidence when proposing the mix under area ‘c’. Better, more specific evaluations arose where candidates used relevant “SWOT” and/or “PEST”- style approaches (and their variations) and applied these to the components of the mix identified in (c). In some cases, evaluation occurred throughout the work and in the weaker cases simple, unjustified statements were much in evidence and the whole was more about the tasks or assignment (and how these could be improved) rather than about the required evidence presented. The comments regarding assessment in the “general issues” above are also relevant here.

Principal Moderator Report Summer 2009

Unit 4: Investigating Electronic Business (6919)

General Comments
To successfully achieve this unit, candidates need to demonstrate an appropriate level of understanding and application of knowledge across the full range and scope of the unit outcomes, in particular the unit assessment outcomes/criteria, the specific AO's, and the mark band (MB) distributions (Applied Business Awards Specifications Pages 37 and 41). In as much as learners need to show a clear understanding of the subject and the practical application of the unit requirements from a balanced contribution across the four knowledge/applications Strands, the related AO's and marking criteria bands. Therefore, in relation to the unit specifications (p35 and 36) learners should:

- Show knowledge and understanding of a range of business situations and web based concepts.
- Be aware of relevant and up-to-date information from a range of sources in relation to an online presence.
- Use adequate techniques and methods on the collection of information, analysis and design of a business web site.
- Awareness of the issues, problems or opportunities of website/online presence.
- Be able to prioritise evidence and arguments
- Show judgement in the selection and presentation of findings
- Present additional examples and appropriate materials in support of a conclusions
- Demonstrate the application of techniques and methods in the design and building of a website in an appropriate business context.
- Evaluate the business context and is aware of the issues, problems or opportunities poses by a web presence.

Work sampled indicated a much improved selection of appropriate websites, with a sound explanation of the features and purpose of the sites, with a more detailed analysis of the site's functionality in support of the business achieving its objectives (for AO1/2) being included. Generally more specific and realistic examples were included to show the linkage between the website and the business objectives, however, the level of evaluation on how a business can use a web presence to meet its objectives was still limited for MB3.

The assessment of strand a is improving. Centres should ensure, clear evidence of the analysis of what and how a business can use a web presence to meet its objectives is included as well as an evaluation with examples of how these businesses set objectives are met for MB3 strand a.

For MB3 strands b and c, more consideration of the widening legislation and the on going costs of maintenance, training and updating expenses should be included, with appropriate examples.

For the design and operation of a website strand (d), evidence of navigation, examples of images, clips, page linkage and content outlines to support the construction of and the assessors confirm the operation of the site, this could be tutor witness statements and/or comments, signed screen/output documents and observation material.

Authentication
For strand (d) MB2 & MB3, centres should include evidence to confirm originality of candidates work, especially in relation to the website functionality and appropriateness for the business and user. The use of witness statement, tutor comments, observation checklist and signed screen/output documents should be present in the material.

Standardisation
Consistent marking and internal standardisation within centres was evident, however in assessing higher performance, assessors need to consider the depth and scope of material in terms of quality of examples and quality and reasoning of evaluation in the candidate's work to award the higher MB3 marks.

Enhancing Assessment
For strand a, centres should ensure clear evidence of the analysis of what and how a business can use a web presence to meet its objectives as well as an evaluation with examples of how these businesses set objectives are met for MB3 (a).

For strand b and c detailed analysis and consideration of factors should be included. Candidates should be encouraged to explore and evaluate the influences on using a website and include appropriate examples.

For the design and operation of a website for strand d), candidates should be encouraged to provide a working example of their designed website to achieve higher marks in MB3. Therefore, authenticated evidence/statements to support its construction and functionality should be included by tutors.

Principal Moderator Report Summer 2009

Unit 5: Investigating Customer Services (6920)

Moderation Process
Overall, centres forwarded samples on time and an accurate number of sample portfolios were provided ie ten portfolios with the highest and lowest mark included.

Statements of authentication were present in the samples moderated for this series. However, these were often not signed by either the candidate or the assessor. Centres should ensure authentication statements are fully completed when submitting evidence for external moderation.

Assessment Objectives and Mark Band Evidence
In comparison to the last series, the standard of candidate performance has increased. Centres are much more aware of the requirements for each strand of the unit through the Principle Moderator's report and training events.

Candidates appear to be better at working with contrasting organisations as centres appear to have taken on board this advice. Some are using the actual institution where they are studying; this has often limited candidates in generating evidence in depth. There was much better coverage of the internal needs, wants and expectations in this series. Previously these internal customer needs had been addressed more as the organisations' needs from them rather than the other way around. There is still a tendency for centres to assess work of external customers as good when there has been more of an 'over-view' approach rather than those of individual groups such as 'special needs groups' or families with young children. Therefore there has been slightly lenient assessment

Fewer centres made the mistake of candidates continuing to use two organisations across the entire Themes not just Theme A which, meant candidates completed unnecessary work. It was particularly pleasing to see that there was much more understanding about the aspects of internal customer needs and wants and less emphasis on what was supplied.

Some centres had involved their candidates in doing customer service surveys and observations and so there was some very good work coming through for this strand. It was pleasing to see the use of bench marking as well as the usual 'mystery shopper'. Candidates were also making better use of commenting on exemplar materials such as 'complaint forms and procedures' and codes of practice.

Evidence for strand D has been stronger in this series, learners are now picking up more on the employment relations side and how the EU has brought about influence such as the Working Time Directive and shift working patterns and how this works on customer relations in some of the bigger organisations.

Assessment
Assessors should be encouraged to annotate achievement of assessment objectives and mark bands against the evidence.

Unit Guidance

Centres should ensure candidates select contrasting businesses as per unit specification; this will enable candidates to generate evidence requirements for the higher mark bands. It is recommended that centres do not select Shopping Malls, Retail Parks or School/ College as this may limit scope for developing evidence for higher mark bands.

Centres need to encourage candidates to research fully (Primary and secondary) in order to support the evidence requirements for the higher mark bands for each strand. Analysis of primary research should be included as evidence, together with secondary research.

It is recommended that centres encourage candidates to produce written work and then extract the presentation from the written work; this will enable candidates to submit detailed evidence towards the assessment objectives and higher mark bands. Candidates should submit both elements of evidence for this unit; a presentation supported by a detailed witness statement and a written report as this is a requirement of the unit specification.

It is recommended that centres should encourage candidates to investigate the same organisation for strand B, C, and D where possible.

Evidence for UK and EU legislation should reflect the changes in Consumer Protection Legislation.

Grade Boundaries

At the E/U boundary candidates demonstrated basic knowledge and understanding of key customer service concepts. At this grade boundary, candidates presented limited evidence of application, analysis and evaluation. For strand A, candidates showed a basic understanding of different types of customers and their needs and expectations for two organisations. Research for this strand was limited or implied. For strand B basic/limited application of knowledge and understanding was demonstrated for strengths, weaknesses and recommendations of customer service activities. For strand C evidence of research was implied/limited at this grade boundary. For strand D at this grade boundary, evidence of legislation was limited in particular, EU legislation. Legislation links to the organisation's product/service was limited.

At the A/B boundary candidates were able to demonstrate in depth knowledge and understanding of key customer service concepts. Evidence was supported by good research, clear application, analysis and evaluation. For strand A candidates demonstrated good knowledge and understanding of different types of customers and their needs and expectations for two organisations. Analysis and evaluation was effective for this strand. For Strand B strengths and weaknesses of customer service activities were analysed and evidenced, suggestions for improvements were recommended based on research. For Strand C candidates evidenced relevant up to date research to demonstrate how customer service is monitored and maintained within the organisation. For Strand D at this grade boundary, candidates were able to apply and evaluate UK, EU and working practices of customer service legislation effectively.

Principal Examiner Report Summer 2009

Unit 6: Investigating Promotion (6921)

General Comments

This was the first paper in which two extended answer questions were asked Q3 and Q6(b), with marks of 11 and 12 respectively. Generally candidates responded well to these questions and good candidates took advantage of the opportunity to produce developed and well reasoned answers. The use of these kinds of questions will continue for all future papers.

The June 2009 paper had the usual two main scenarios. The first referred to a small theatre, which also ran workshops for local schools and colleges. The second referred to the actual promotions carried out by *Hybu Cig Cymru – Meat Promotion Wales* and the range of promotional activities it uses to promote the Welsh lamb and beef industry. Both scenarios were well understood by candidates and allowed them to use their own understanding of the markets and target audiences to enhance their answers. Generally candidates' application to the types of business used was good, but the actual reading of the questions was often poor and the context in which each question had been set was not considered carefully enough.

As always questions 8 to 10 required an understanding of how specific real businesses actually carry out their promotions. Most candidates could give basic details and some generalised explanations, but only the best candidates demonstrated that they had studied the chosen businesses, and their specific promotions, in depth. Generally there was a lack of detail and Q10, about ASA cases, was particularly poorly answered.

Unfortunately many perennial weaknesses remain:

- Not reading the questions carefully enough
- Not considering the context of the question in sufficient depth
- Not understanding some very basic terminologies
- Not considering the number of marks being awarded for a question
- Writing to the space provided, especially for candidates with large handwriting.

Q1(a)

The question asked for candidates to give advantages of promoting the workshops through 'direct contact' with the schools and colleges. Many candidates gave answers that related to promoting to schools and colleges and not to the use of direct contact. At this level it was expected that candidates would say more than that the business would be promoting directly to the schools and colleges.

There were also a significant number of answers which were general, such as it will be more efficient or cheaper. Without justification, these general answers did not score marks.

Q1(b)

As with Q1(a) many candidates did not read the question carefully enough and did not consider the context in which the question was asked. The question was not about promoting using a poster, but about promoting in the lobby of the theatre.

Answer about this being a poster was acceptable if the candidate related this to being in the lobby, e.g. in a confined space people might brush up against it and it might be pulled down.

There were general answers, such as ‘people will not see it’ which needed additional explanation related to it being in the lobby, e.g. ‘because they may not visit the theatre’ or ‘because they are thinking about the play they are going to see.’ Answers also needed to be distinct so answers such as ‘people who do not visit the theatre will not see it’ and ‘it will not reach everyone in the town,’ were only making one point.

Q2(a)

Most candidates scored full marks for this question. Those who did not gain full marks either did not understand that the steps had to be taken ‘before’ the booklets were sent to the printers, or they did not list a step. The necessary steps related to the printers, not to the delivery of the booklets after they had been printed. Some candidates did not list specific steps, often only putting down single words. Sometimes, as with ‘design’ that was acceptable, for others, e.g. ‘cost’ or ‘number’ that was not sufficient.

Q2(b)

A significant number of candidates did understand what they had been asked for and highlight two constraints with basic explanations of how the way the booklets were used led to this. Only the best candidates gave in-depth answers for full marks.

Candidates who failed to score any marks either did not understand the term ‘constraint’, even though this is a term used in the specification, or ignored the context. This was not a general question about the problems of using booklets for promotion, it was about how *The HayWain* used the booklets, mainly only being produced twice a year and only being sent to customers on the database.

Q3

Generally candidates found no problems with gaining some marks and those candidates who recognised the context gave good explanations of which method would reach most people.

The candidates who failed to gain more than the most basic marks were those who ignored the context. This was about how *The HayWain* used leaflets and the local newspaper to advertise. Candidates needed to check the details on Figure 1 and pick up facts such as that the newspaper advertisements were made weekly but the leaflets were distributed monthly. Some candidates also assumed situations that contradicted what they had actually been told, for example, that the leaflets were handed to people on the street when in fact they were being delivered to people’s homes.

There are still some candidates who think that newspapers put in advertisement free for businesses rather than charging them or that ‘paid for newspapers’ are ones that have already been paid for by some mysterious benefactor and are then delivered free to people’s houses.

There were also some well developed answers with good reasoning, good use of the information provided, and justified conclusions.

Q4
This was not well answered and demonstrated that many candidates do not understand basic terms used in the field of promotion. For part (ii) it was also necessary that the explanations were given in the context of how *HCC* promoted.

For part (i) it was clear from the way they answered part (ii) that a significant proportion of candidates were actually guessing at the answers. For example candidates were putting down national television as ambient and then justifying this because it reached a wide range of viewers.

For PR a significant number of candidates explained whatever they had put in part (i) by the fact that 'it reached the target audience' which was the objective of all of the methods listed in Figure 2. It was possible to take a method that was not obviously PR, such as the National Beef Day and justify it in part (ii), but that had to be in terms of positive publicity, or possibly that this was free promotion by the local authorities and health trusts.

For ambient many candidates could not choose an obvious example for part (i) and for part (ii) just listed a characteristic of ambient, such as unusual, but could not explain why that characteristic applied to the method, e.g. producing a wide range of free booklets and factsheets.

Q5(a)
Most candidates could identify appropriate steps in the form of the types of promotion used, but there was limited development in terms of how the methods would help promote the industry. Some candidates seem to choose methods indiscriminately from the list on Figure 2 and could give no explanations of why they would be used specifically for promotion outside of UK, for example the booklets and factsheets and the press releases. Where candidates could justify these as ways that would be used to promote outside of the UK they did gain marks.

Q5(b)
Most answers here were disappointing. The most common answer was to check sales figure and see if they had risen, but generally there was no further development in the answer. Most candidates did not respond to the command word 'discuss' and a significant minority ignore the word 'one', even though it was emboldened, and listed two, even three, ways, explaining none of them.

Q6(a)
This was another question where the majority of candidates did not consider the context of the question, many simply writing about objectives and perhaps general benefits of using television. The 'content' of the advertisement was usually ignored so no consideration of how the content linked to the objective could be given.

Where candidates did consider the content of the advertisement some well reasoned answers were given, which tied the content to the appropriate stated objective.

Q6(b)
This required comparison of the different methods of promoting to consumers and a reasoned conclusion as to why television would be more effective than all of the other methods. Weaker candidates answered a different question 'why would television be a good way of advertising?' – no reference to the context of consumers, nor to the other methods being used. The instruction was clear, 'Considering those

methods…' and candidates should also know that all the questions in this applied paper are set in specific contexts. Making general points about methods will not gain more than the most basic marks.

Some candidates took the approach that all of the methods were aimed at consumers and went through them one by one. This meant that some valid points were made but time, and space, were used up on considering irrelevant points rather than providing in-depth reasoning and justification. Other candidates explained that some methods were aimed at the trade and gave reasons why that would not be beneficial for targeting consumers. This was true, but did not answer the question.

As with Q3 there were some very well thought out and argued answers where the candidates had responded to the actual question set, used the details provided on Figure 2, and focused on consumers and why television would be the best method for promoting *HCC's* specific products to its national television market.

Q7

Figure 2 explained the role of *HCC* as the organisation responsible for promotion and marketing of Welsh lamb and beef. Some candidates had forgotten its role by the time they had got to this question. Some were mistaking *HCC* as being a profit making organisation with an objective of maximising profits. This then led them down the wrong path for the answer, explaining the benefits for *HCC* rather than 'for these farms'.

The majority of candidates did get the right context but found it difficult to develop their answers to explain why any stated benefits would come from there being a single organisation doing the promoting. The best answers came from selecting benefits of giving farmers more time to get on with production/farming, *HCC* having expertise because of its size and the removal of confusion, or competition, by having one message rather than 20,000.

Questions based on own study of examples during the course

The correct choice of business, product or promotional campaign remains the vital element for providing good answers to these three final questions. Basic rules for preparing for and answering these questions were given in the summer 2008 report to centres and those should be checked. There were some poor choices in this series and also some easy marks lost because candidates did not answer the actual question asked.

Q8

As with all of these final three questions, every part of the question should be read before the choice of promotional campaign is made. There was some evidence for this question that some candidates chose the campaign on the basis of only reading Q8(a).

Q8(a) asked for the name or description of the product/service being sold and the season and details of the campaign. Some answers were very general. The requirement in the stem was for this to be a major UK business or multinational business, and it would be expected that candidates provided the name of the business somewhere in the answer to Q8. Very few did not, but some candidates gave an almost generic answer which made it difficult to verify if their answers referred to a real business. All businesses selected for these last three questions must be real businesses. Generally Q8(a) was well answered and most candidates scored 2 marks.

The choice of product tended to affect how well Q8(b) was answered. Where specific campaigns had been set up, it was easier for candidates to explain why that particular season/time of year had been chosen. When products that were almost automatically targeted at a particular time of year were chosen, e.g. Christmas cards or suntan lotion, candidates found it difficult to develop their answers beyond the obvious.

Q8(c) was generally poorly answered. Some candidates simply described the promotional approach, e.g. giving discounts, advertising on TV, with no reference to the use of seasonal/time of the year features. The question did ask for features, so more than one feature was required. There were also some very well developed answers from the best candidates which showed a really good understanding of how businesses exploit certain feature to promote their products at certain times of the year.

Q9

Most candidates responded well to this question and were able to select a well know personality for the specific product being advertised. The personality could be one associated with a particular product the business sold or with a range of products in the business.

Unfortunately there were a significant number of candidates who did not understand the phrase 'well know personality' and assumed it meant 'personality traits'. These candidates did not name a personality, even though that was asked for in Q9(a), and gave no indication of a specific personality in Q9(b) or Q9(c), and, consequently, gained 0 marks.

Q9(a) was well answered by all candidates whom had a specific person/celebrity in mind and knew which business/product he or she was being used to promote.

Q9(b) asked for details of what the personality was doing in the advertisement. Where candidates did exactly that, they gained marks. Marks were not gained when candidates started to explain why the personality was in the advertisement, although that would have been credited in Q9(c).

Q9(c) required a really good understanding of why the particular personality was selected for the product in question. That required both a general answer, usually related to celebrity, and one that made a specific association between the personality and the product. Many candidates did not respond to the use of 'particular personality' and 'particular product' in the question, so tended to score no more than 3 marks.

Q10

This was very poorly answered beyond the basics. Most candidates could identify an issue that had gone to the ASA, state what the complaint had been, and give a general effect for Q10(c).

Q10(b)(ii) was particularly poorly answered. Many candidates gave general procedures of the ASA, when, what was asked for, was the specific issues that would have been considered in the actual case selected. It was clear that in the majority of answers the candidate did not actually know the details of the case and what the ASA considered before it gave its verdict.

Q10(b)(iii) should have been the essence of the question. The stem asked for reference to a judgment where the ASA had asked for 'action'. There were some candidates who were confirming, at this stage, that no action had been required – essentially invalidating the rest of their answer. Some other candidates stated actions that the ASA does not have the power to impose and some that were clearly fabricated.

For Q10(c) most answers were obvious comments on negative publicity, but limited explanation as to why that came from the ASA's action. Many answers related to the possible effects on sales, profits, etc. and not on the 'public image'.

Issues for future series
The points listed below repeat comments made on previous, but ones that are still not being addressed by candidates.

The applied approach
All businesses used in these papers relate to real businesses, either named or with the names changed. Preparation for this paper should, therefore, include as much study of the promotional techniques used by real businesses as possible.

Terminologies
Candidates need to know all of the terms given in the specification and common terms that relate to the real world of promotion. There were terms used in this paper that candidates did not fully understand, which resulted in them answering questions incorrectly and losing marks – e.g. constraint, PR, ambient, consumer and famous personality.

Reading the question/following instructions
A huge number of marks are still being unnecessarily lost, simply because candidates have not read the question carefully enough or taken the context into consideration.

Questions requiring extended answers
There will continue to be two questions with 10 to 12 marks in the future series. Candidates should be shown how to develop their answers so that they can provide in-depth and detailed answers for these questions.

Questions based on own study
Candidates must be able to use knowledge and understanding of a wide range of real promotional situations in order to answer questions on any part of the specification. This must be in sufficient depth to show the details of promotional campaigns.

Please also note the comments made about online marking in previous reports and the comments made about writing only to the space provided on the paper itself. Centres need to ensure that their candidates are not being disadvantaged simply because of the layout of the paper. Additional work outside of the specified area on the paper, or on additional sheets, is totally acceptable, but, when this is done, it is vital that the candidates indicate somewhere on their answer to a specific question that they are using additional paper or completing the answer somewhere else in the actual booklet. Preferably, they also indicate where the rest of the answer is.

Principal Moderator Report Summer 2009

Unit 7: Investigating Enterprise (6922)

General Comments
There was evidence to show that centres have learnt from previous series that group size is an issue with this unit as very large groups do not give candidates the opportunity to demonstrate their contribution to the Enterprise in any significant manner.

This is a practical unit and the Enterprise must actually run for a period of time and candidates need to provide evidence for all stages of the Enterprise, from the planning stage through to the winding up of the business.

Areas of the Specification
This unit had one of the smallest entries. This is probably due to the need to run an enterprise over time that requires substantial work commitment outside lesson time.

(a)
The majority of the centres used Young Enterprise as a vehicle for this unit. Those candidates that kept detailed records in diaries/journals were the centres that did best on this unit. It is vital that these diaries/journals are included with the portfolios as much of the evidence for candidate involvement comes from the diaries. Diaries also show timelines and make activities clear. They support the other three strands.

There is still evidence that some candidates find it difficult to discuss what they did and tended to use the collective person, i.e. “we” instead of “I”. This practice should be strongly encouraged by the centre, along with the provision of witness statements to support diaries/commentaries.

The centre has to ensure that the product/service of the company involves sufficient activity to enable all candidates to have an active input to enable them to move out of mark band 1. A number of centres set up companies to run events or trips, these were often events/trips that had happened in previous years, which were annual events/trips or were too small. The candidates in these centres experienced difficulty in providing evidence of primary research and evidence for other strands. A substantive business activity is required.

Candidates are required to undertake a self evaluation in this strand. These were often unsubstantiated or, in many cases, were simply a description of what they did and did not evaluate performance.

(b)
Some candidates produced excellent work for this strand with clear descriptions of roles and responsibilities as well as supported evaluations of team members in these roles. Other candidates failed to produce either the descriptions or evaluations. There was little detail or underlying theory presented in the work from a number of candidates making it difficult to move out of mark band 1.

(c)
The witness statements for the presentation were often brief and needed much greater detail. Where clear and detailed witness statements showing substantive contribution were present, centres could move candidates into mark band 3. This does, however, need supporting evidence from candidates showing originality of thought and outstanding contribution to the group report and presentation. In most portfolios, where there is a strong witness statement identifying strong and sustained contribution to the running of the company, the group activity and the group presentation by the candidate there was usually sufficient candidate evidence to support the allocation of higher marks. However, some centres are still submitting strong witness statements and awarding high marks without the supporting evidence in the candidates' portfolios.

Where role or contribution was minor it was extremely difficult for candidates to move outside mark band 1. Candidates also should include their own PowerPoint printouts, cue cards, etc. The centre must also ensure that a full copy of the group presentation is sent for moderation to enable individual input to be gauged. The centres should not restrict themselves to the one side of the exemplar witness statement proforma found in the qualification guidance and on the Edexcel website. This is only a guide and centres must ensure that they make full and clear statements about candidate input into the company and the presentation. Where the activity/event was too small candidates could not generate sufficient evidence. Where a company report is produced as well as the individual portfolios, this must be sent with the sample.

(d)
This strand needs the financial outcomes of the company to be used to enable effective evaluations. This did not always happen. Some centres did not direct candidates to cover this strand as a separate task and relied upon descriptions of activities and the personal evaluations and the evaluations of the other team members to be the evaluation of the company. Evaluation was often limited to making a profit.

Comments on Administrative Procedures

Portfolios were largely received on time. Administration was generally good. Statements of authentication were present in most of the samples moderated for this series.

Assessment was generally consistent with some evidence of leniency, especially in the work of weaker candidates.

More centres submitted work suitably presented enabling easy access for moderation. However, some centres are still sending work in tightly packed, flimsy plastic wallets that often tear when trying to access the work for moderation.

Annotation of Portfolio Work

Annotation of the work still varies from indicating fully where the criteria has been met, to being very limited with little more than the final mark given. Annotation is best indicated via the Mark Band achieved and the area of specification met, eg MB1a indicates strand (a) has met Mark Band 1, rather than trying to annotate via the Assessment Objectives (AO's) as these are spread throughout the unit's strands.

Where there is more than one assessor it is vital that there is evidence of standardisation and the work is internally verified.

Principal Moderator Report Summer 2009

Unit 8: Business Development (6923)

Administration:

Declaration of Assessment Conditions
Centres are to be reminded of the need to identify and declare those aspects of the work that had been completed under “controlled conditions” (as laid down by Edexcel) as well as those activities contributing to the unit that had been completed outside of these. In some cases it was difficult to believe the volume of work apparently completed within the time allowed (15 hours). In particular, where information had been downloaded, this needs to be clarified as having been done during research time rather than during “controlled conditions” as this is not permitted. In addition, the sheets were sometimes not presented with the work at all but future submissions will require them to be made available for moderation. Inclusion of these would have removed the need for such large appendices in some portfolios as well as reducing the inclusion of the volumes of research material done outside of the controlled conditions that did not need to be left within the completed work.

Annotation of Portfolio Work
The minimum requirement for annotation of portfolios is laid down in the Code of Practice to be identification of where a candidate’s evidence of criteria coverage may be found in the work. Many centres provided this but there were still too many examples where little or no annotation was evident and moderators were left trying to identify where and how marks had been awarded. The recommendation is still to annotate by reference to “Mark Band” achieved and “Strand”, “Theme” or “Area” (a - d) covered eg MB1a, MB2b and it is worth emphasising again the importance of clear annotation for the benefit of candidates and internal standardisation as well as for external moderation purposes.

Presentation of Portfolio Work
In this unit particularly, notwithstanding the need to produce some of the work under “controlled conditions”, it is intended that the final document would be suitably presented to meet the needs of a potential investor but much of the work seen still contained far too many irrelevancies. In future, with further guidance now issued it is to be hoped that portfolios will more closely resemble a business development proposal and plan.

One other continuing concern is still the inaccessibility and unsuitable presentation of many portfolios with work either tightly packed into plastic wallets (that split on opening) left in ring binders or clipped into plastic folders (this simply makes the process of extracting the work more laborious than should be the case).

Most of the work was submitted together with the appropriate forms – Mark Record Sheets (“MRS”) and “OPTEMS” (but see note on “declaration of assessment conditions above) although not all were fully signed to indicate authenticity and this had again to be requested separately.

Where centres design their own “front sheets” it is important to ensure that all the relevant information is present ie candidate and centre name and number, centre marks, moderator marks, assessor's and candidate's signatures, signature of internal moderator etc. This was not always the case and delayed the moderation process somewhat as a result.

In general, marks on the work conformed to those on the OPTEMS with occasional discrepancies.

General Issues with the Specification:
Edexcel GCE Applied Business Unit 8 (6923) is a compulsory tested unit at A2 for both the single and double award. It is the synoptic unit for the qualification – drawing from other AS and A2 units (see specification for details) and is intended to be submitted only at the end of the (usually two-year) course. Although the completed business development plan has to be produced under "controlled conditions" this is more about ensuring authenticity, avoiding plagiarism, downloaded information and basic copying than about putting candidates under pressure. The initial assessment of this unit is derogated to centres but subject to external moderation ie after internal assessment it is sent to an external moderator in the same way as other portfolio-based units. The intention is that candidates produce as professional-looking a finished document as possible. The amount of time under "controlled conditions" is to be viewed as part of the total delivery time for the unit and it is essential that the delivery of the unit is carefully planned into the delivery of the whole programme.

There are many sources of information available on the format suitable for a business development plan. There are several examples of these kinds of documents in use such as those provided by the high street banks, and business plans available on websites.

Areas of the Specification:
In general and notwithstanding some of the points above, the standard of work seen was an improvement on 2007 and 2008. As with all other applied units, the choice of proposal was crucial and a poor decision here led to problems throughout the work. Please note that candidates are no longer permitted to use a franchise arrangement or to simply buy an existing business in an attempt to overcome some of the necessary work.

(a)
The majority of candidates continued to meet the requirements for Mark Band 1. Although conclusions were often drawn from the research, these were rarely woven into the justification for the business proposal and its marketing mix. The marketing mix tended not to be detailed, especially the promotional aspect which often only included local newspaper advertising and fliers. Greater originality and comprehensiveness is needed if Mark Band 3 is to be accessed. The tendency to describe and state rather than put a reasoned and justified proposal supported by research evidence limited the marks available at Mark Bands 2 and 3.

As with June 2008, in many cases, coverage of (a) was reasonably well done although in some instances the work had still just been adapted from 6917 with little enhancement. Whilst 6917 is about the ideas and concepts behind business planning the emphasis here should be on detail and realism; the more these are considered, the better will be the financial details and projection/evaluation required later. As explained above, there was no need to include eg all the questionnaires used or provide such great detail on why/how the research was done – these could have been referenced back to work held in the centre and this would have slimmed down the final product considerably.

In some cases, the scale and scope of the proposed development plans were simply too ambitious eg ideas requiring the establishment of a “chain” of outlets or those where 30+ staff were to be hired are really beyond what is feasible or likely. Candidates also need to consider alternatives to the idea chosen and explain why these were discarded (this, again, provides some basis for (d) later).

(b)

Again, this was often leniently assessed because the assessment decisions did not always take into account the candidates’ lack of applied practical detail. For Mark Band 1, candidates are expected to identify the actual physical resources their business will need and their cost. The work seen often lacked research into specific resources and actual costs. For Mark Band 2, there should be some rationale for the list. Candidates failed to pick up marks where they described their recruitment and training at the expense of describing the job roles that would have to be performed and estimating/calculating the number of staff required. A description of relevant employment law covering the rights of their employees is needed along with any other relevant legislation affecting the operation of their business. Service-based ideas (eg small cafes, takeaways and bars) often overlooked the need for meeting food handling and other hygiene regulations or forgot the need for some trained staff. Insurance aspects were also often omitted as were simple management plans on how the concern would run on a day to day basis. Many of the proposed food outlets again produced no menu. Better candidates again observed the need for realism and provided some detail on the practicalities of the proposed development and better application of what issues such as “quality” would mean to their businesses rather than just to “regurgitate” theory on TQM and the like. Weaker candidates described the theory relating to quality management, but did not describe how they would appropriately monitor and maintain quality within their business. Had they explained their policy on what to do in the event of a complaint and their policy on refunds/compensation, they would have picked up marks from Mark Band 2. More this year covered the aspects of dealing with complaints well or evaluation and monitoring of stock where appropriate.

(c)

Finance again proved somewhat less problematical than in the previous series with more candidates producing good financial plans although a large number still showed eg capital expenditure in the profit and loss account and provided balance sheets that did not balance and/or had cash balances that bore little or no resemblance to the cash flow forecast. Where realistic and sound research had been undertaken then the financial aspect (and heart of the plan) was more likely to emerge but in too many instances figures from research had not been followed through and many accounts still contained basic errors and omissions at the lower end of the mark range. These included basic omissions from cash flow forecasts eg sole traders who took no drawings or paid no National Insurance contributions or businesses that had (apparently) no current liabilities eg cash-based concerns that did not use banking facilities and apparently had no need for premises. The stronger candidates were able to provide financial plans that interlinked and gave good explanations of the figures although very few provided for depreciation of fixed assets. Break-even was more problematical with a number of candidates finding it difficult to produce a realistic break-even figure for their venture.

There was still insufficient attention paid to sources of finance ranging from work that made no mention (or use) of the original legacy and those businesses that made no mention of the importance of overdraft facilities to those that borrowed often large sums of money with little collateral and (apparently) made no repayments. By contrast, candidates who were able to use IT to produce forecasts were able to generate Trading & Profit and Loss Accounts and Balance Sheets that worked. Even without this, conventional formats should produce more definitive accounts than some of those seen.

(d)

Evaluations and projections were again better than in the previous series especially where (c) had been reasonably well done. However, assessment here was still often lenient – candidates being awarded MB3 for little more than broad considerations of what might happen in the future often unrelated to any of the financial predictions made. Again this year and unable to comment upon the figures produced, too many candidates made broad, unqualified, descriptive statements that could have been true for any business proposal. On occasions only one balance sheet was included, rather than a start up and projected (year end) one. Candidates produced a cash flow for the first year but the projections for a further two years and the justification for the receipts and expenses lines with supporting calculations and rationale were not always included. Candidates did not always refer to the closing balances in their cash flow forecasts or give explanations for negative and positive closing balances. There was a tendency for some candidates to incorrectly refer to profit and loss in connection with the cash flow and a number of candidates made no comment on their cash flow projections and no attempt to analyse these.

Stronger candidates were able to provide liquidity and profitability ratios although the analysis of these was often limited. The inclusion of ratio calculations without appropriate analysis and interpretation will only achieve marks from Mark Band 1.

Most candidates discussed “what if” scenarios, but did not always take possible changes and evaluate what impact these would have on the cash flow or break even. Re-working these with the new figures would provide the basis for a fuller sensitivity analysis and their evaluation and, taken together, these would provide more evidence for Mark Band 3 in (c). Some marks from Mark Band 3 were possible for the change in average spend and its impact on the break even.

Where candidates did provide ‘what if’ scenarios and projected their financial statements for three years, this needed a more balanced consideration based on figures produced in (c) and what implications these would have for business development in line with stated aims and objectives (from (a).

Fewer candidates seemed able to comment upon how additional finance might be found and what “development” would mean in practical terms such as buying/replacing equipment or developing staff skills. Simply reviewing the original proposal in the light of the figures in (c) would have given the basis for some projection as would consideration as to why the proposal now looked better (or worse) than other business ideas mooted in (a). Even fewer considered changes to the marketing plan that might be needed.

Overall, as with 2008, some sound work was presented and the standard was better than that seen previously. However, it was still disappointing that much of the work seen appeared to have overlooked the requirement laid down in the given scenario of the need to present the work as a document suitable for a potential financier or investor and many portfolios exceeded 100 pages in length. Perhaps candidates would again benefit from seeing more examples of the suggested financial plan formats available from high street banks and online.

Principal Moderator Report Summer 2009

Unit 9: Managing & Developing People (6924)

Moderation Process
The external moderation process was deemed to be straightforward. Overall centres forwarded samples on time and an accurate number of sample portfolios were provided i.e. ten portfolios with the highest and lowest marks included. Statements of authentication were present in the samples moderated for this series.

Assessment Objectives and Mark Band Evidence
Overall the evidence submitted this series was stronger than the previous series.
For strand A, candidate's demonstrated good knowledge of motivational strategies, used in the chosen organisation; identifying strengths and weaknesses of the motivational techniques used by the organisation. Suggestions for alternative approaches and conflicts were addressed; appropriate links were made to recognised theorists. Analysis and evaluation was effective to meet the requirements of the higher mark bands. Overall, most of the evidence seen this series showed good links between motivational strategies and the associated theorists. In the past, some candidates described the strategies and described the theories, but often failed to make strong links.

Evidence submitted for Strand B, candidates' demonstrated clear application of knowledge and understanding of team working and management styles, clear references were made to motivation theorists. Stronger evidence and analysis of meetings was included in portfolios, together with better evaluation of conflicts.

Candidates evidenced relevant up to date research to demonstrate the effectiveness of a training programme for an individual within the chosen organisation. Stronger evaluation of the cost and benefits to the organisation and the strengths and weakness of the training programme were explicit.

For Strand D, candidates were able to apply research of higher education and career to develop a personal development plan. Stronger evaluation of personal development plan and alternative career routes was present.

Candidates were able to demonstrate in depth knowledge and understanding of key concepts of managing and developing people. Evidence was supported by good research, clear application, analysis and evaluation.

Centre Guidance on Strand A and Strand C
Relevant primary and secondary research should be carried out and included to match the evidence requirements of each strand and mark band for strand A. The results of the research should then be used to form the basis of analysis and evaluation required in the higher mark bands. Candidates should be encouraged to select appropriate organisations and refer to the performance descriptors on page 187 of the specification.

Centre Guidance on Strand C
Clear evidence of researching a training programme for one individual should be included as evidence. It is recommended that candidates do not submit the evidence based on their own training within part time jobs as this does not allow scope to

access marks in higher mark bands. The results should then be used as a basis for analysis and evaluation. It is also important to research training outcomes from the individual's perspective as well as the organisational perspective.

Candidates should be encouraged to use the same organisation to investigate motivation strategies and training for strand A and C.

Centre Guidance on Strand B
Evidence of one meeting should be included as an appendix. Centres should encourage candidates to select a team activity focused on planning an event or developing and implementing a new system or procedure.

Centre Guidance on Strand D
Research for personal development should include further/higher education and career routes. Candidates should be encouraged to use and include the research, to develop the analysis and evaluation requirements for the higher mark bands.

Evidence of common formats for skills audit should be researched, this should include study skills audit and work related skills audit. Both skills audits should then be used to develop the candidate's own skills audit as well as analysis and evaluation requirements for higher mark bands.

Assessment
Annotation of evidence achievement by assessor(s) was well evidenced this series. Evidence sampled in this series were found to be slightly lenient in the assessment of strand D and C.

E/U Grade Boundary
At the E/U boundary candidates demonstrated basic knowledge and understanding of key concepts of managing and developing people. At this grade boundary candidates presented limited evidence of application, analysis and evaluation.

For strand A, Some candidates used their own school / college for motivational strategies and training (strands A and C). This often diluted the depth required to show focused understanding of a company's strategies to motivate employees and why employees should be trained. Suggestions for alternative approaches and conflicts were limited. Appropriate links were made to recognised motivational theorists. However, evidence of research was implied/limited for this strand.

For strand B, basic/limited application of knowledge and understanding was demonstrated for team working and management styles; however, clear references were made to recognised motivation theorist, evidence of meeting was limited.

For strand C, evidence of research was limited. Evidence of training programme for one individual within the organisation was implicit or general at this grade boundary.

For strand D, basic description, and reasons for skills audit was implied. Evidence of research for higher education and career was often limited.

A/B Grade Boundary
At the A/B boundary candidates were able to demonstrate in depth knowledge and understanding of key concepts of managing and developing people. Evidence was supported by good research, clear application, analysis and evaluation. For strand A candidates demonstrated good knowledge and motivational strategies used in the

chosen organisation, this was then further developed by identifying strengths and weaknesses of the motivational techniques. Suggestions for alternative approaches and conflicts were addressed; appropriate links were made to recognised theorists. Analysis and evaluation was effective for this strand. For strand B, candidates' demonstrated clear application of knowledge and understanding of team working and management styles, clear references were made to recognised theorists. Stronger evidence and analysis of a meeting was included in portfolios at this grade boundary, together with better evaluation of conflicts. For strand C, candidates evidenced relevant up to date research to demonstrate the effectiveness of a training programme for an individual within the chosen organisation. Stronger evaluation of the cost and benefits to the organisation and the strengths and weakness of the training programme was included at this grade boundary. For strand D, at this grade boundary, candidates were able to apply research to their chosen career/development plan with stronger evaluation of alternative career routes.

Principal Examiner Report Summer 2009

Unit 10: Marketing Decisions (6925)

General Comments
This was the 6th series for the Marketing Decisions paper and the first with specific extended answer questions. There were three such questions in this paper, Q2(b), Q5 & Q6(b). Generally these were well received with all candidates able to gain some marks and with the best candidates developing their answers with good depth and reasoning to gain high marks. Future papers will continue to have extended answer questions worth 10 to 12 marks, but there are likely to be only two such questions in a paper.

The June 2009 paper had the usual single major scenario on which 70 of the 90 marks were based. The business was a charity, which was preparing to develop its fund raising activities by opening up charity shops. As always, all of the questions were set in a specific context and required application by the candidates.

Q7 & Q8 were the two 10 mark questions relating to real marketing campaigns carried out by business that candidates had studied during their course. The first related to a major marketing decision taken by a business and the second related to a business, or product, which had experienced the decline stage of the Product Life Cycle.

The perennial weaknesses remain despite being highlighted in all of the previous reports to centres. Not reading the questions carefully enough and ignoring the context in which the question had been set were the major reasons why many candidates failed to score what were often fairly easy marks in this paper.

Q1(a)
The vast majority of candidates had no trouble in providing a valid reason as to why this was secondary data. Where candidates failed to score a mark was either because of very poor wording in the answer or because assumptions were made about the data on Figure 2 that were not justified.

Q1(b)
A very significant proportion of candidates did not know what observation as a method of market research actually meant. Many candidates did give a method that involved observation, but then went on to deal with other methods, such as checking sales records and carrying out a customer questionnaire. Observation is an important method of market research, with major benefits that are not available to other methods. Candidates should be familiar with all major marketing research methods.

Where candidates choose the wrong method for part Q1(b)(i) they were not able to score marks in part Q1(b)(ii).

There was also some confusion as to the context for the observation. *Write 2000* was checking if the data on the table was correct. It had not, at that time, opened any shops, so it could not use observation in its own outlets.

Q2(a)
Most candidates did conclude that prices would need to be low, or set at the same level as the many competitors that would exist. Often the terminology for the pricing strategy was wrong and some candidates still confuse skimming with a low pricing strategy. There were a significant proportion of candidates who did not develop their answers to say why it would be appropriate to have low or competitive prices. Candidates should note the marks being awarded and should expect to give a more developed answer for 2 marks than just 'keep prices low'. Some candidates gave very good applied answers and argued for a strategy of individual pricing based on the condition of the goods.

Q2(b)
The data on Figure 2 should have been the focus of answers for this question. Some candidates wrote almost exclusively about clothes and shoes and the second hand market with almost no reference to the data on Figure 2 at all. This allowed them to get basic marks but no development marks and no marks for comparing selling the whole range to selling just clothes and shoes.

Where candidates used the data on Figure 2 as the basis of their answers, the answers tended to be well developed and also considered the benefits of just clothes and shoes against selling the full range. Many approaches could be taken and the best candidates gave very full and well argued justifications for one approach or the other. Some candidates used the data about typical buyer profiles to support their conclusions. This was not strictly what was asked for, but it was appropriate application from the context of opening charity shops.

Some weaker candidates gave very short answers and some candidates clearly stopped at the end of the space provided even though they had not finished writing what they could have written.

Q3(a)
Where candidates answered the exact question set they had little difficulty in gaining high marks and the majority of candidates gained at least 3 marks. The question asked candidates to consider the nature of 'this charity' and 'the products it intends to sell'. Nearly all candidates could relate the products to the students, either as being low cost, or typical student purchases, and often both. What many candidates did not consider was the nature of this charity, being one that had an educational objective.

Some candidates did show a link between students and charities in general, but that was not what the question had asked for.

Q3(b)
Generally the answers here were very disappointing and only served to show that most candidates do not understand the Ansoff Matrix.

For Q3(b)(i) a small majority of candidates did label the matrix correctly but parts Q3(b)(ii) and Q3(b)(iii) showed that they did not really understand it. Many confused this with the Boston Matrix. Some put 'product' and 'market' the wrong way round, even though the boxes themselves showed which axis each should be put on, and some got 'existing' and 'new' the wrong way round.

For part Q3(b)(ii) there was clearly a lot of guesswork going on which suggested that candidates did not understand what the terms meant, and often what new market and new product meant.

For Q3(b)(iii) the option chosen for Q3(b)(ii) dictated the possible maximum mark. Generally the answers given here showed that candidates did not understand what market development and product development meant in this matrix. Some candidates wrote about the market, not *Write 2000's* position in the market, saying for example that 'the charity market exists so *Write 2000* entering the market is market penetration' instead of considering the situation that for *Write 2000* it is a new market – students/consumers, and a totally new product for the business – selling products rather than receiving money donations. Candidates who had chosen diversification in Q3(b)(ii) tended to score well here.

Q4
For Q4(i), most candidates dealt with the social aspect fairly well, although some candidates did not then go on to give the negative effect of the example on *Write 2000*. Few candidates were able to come up with a suitable example for environmental. Some candidates gave examples that were actually economic or social rather than clearly environmental. There were also many candidates who considered environmental problems that *Write 2000* might be creating, rather than an external influence, which is what PESTLE must relate to.

For Q4(ii), the social element was reasonably covered and the environmental element very poorly covered. There was an additional problem with answers in Q4(ii) in that the way that the marketing mix could be used, and the explanation, had to relate to the specific example, and its negative effect, given (or implied) in Q4(i). Often answers here were fairly short and candidates did not respond to the command word 'explain' nor to the allocation of 3 marks for each element.

Q5
This was another opportunity for candidates to show achievement at all AOs and demonstrate their full understanding of the context in which the question was set. The best candidates did exactly this, and gained high marks.

Some candidates considered the effects on *Oxfam* of *Write 2000* opening shops rather than the effect on *Write 2000* of *Oxfam* having the facilities shown in Table 1. This did not answer the question. Some candidates wrote only about the number of shops, or only about totals for all three locations. To gain high marks both shops and banks needed to be considered and the relative impacts in the different locations. Some candidates did take this approach and gave very full and detailed assessments of likely impact.

Many weaker candidates considered only one aspect and frequently repeated points instead of developing them. Again a significant number of candidates wrote only to the space provided and then stopped when what they had written before clearly suggested that they could have given fuller answers.

Q6(a)
Both parts of this question were allocated 2 marks and candidates should have known that there was more required than a simple statement of what the target population or sample frame was for this survey. Many candidates did provide development and explanation, but frequently this was wrong.

Most candidates recognised that students were the correct target population, but many then restricted this to only 430 students, which were not the target population for either *Write 2000's* shops or for its survey. Some candidates restricted the population to only those students who liked books. Very few candidates gave a reason for why 'students' were the target population.

Only a small minority of candidates knew what the term sampling frame meant. Some candidates did identify the students at the three universities as being the sample frame, but then generally did not go on to explain why. Many candidates took sampling frame to mean the sampling techniques used, so explained why this was quota, stratified, random, etc. Sample frames are important elements of market research and candidates should be familiar with the meaning of the term and why sampling frames are used.

Q6(b)
Generally all candidates were able to gain some marks here and only candidates who completely ignored the way in which the survey was carried out failed to score any marks. Some candidates, for example, gave answers that considered whether or not students were the right group to target, ignoring how the survey was carried out.

Good use was made of the information in the stem to Q6 and generally good basic reasons were given for why the registrars sending the surveys, the number of students sent questionnaires, the £100 token, the pre-paid envelops, etc. would be an advantage or a drawback to efficiency. Many candidates also gave counter arguments to these advantages or drawbacks.

There were, however, many candidates who gave only one sided approaches and did not respond to the command word 'discuss'. A fairly common assumption was that an 87% return rate showed that the way the survey had been conducted was inefficient and that it would be efficient to send questionnaires to all 43,000 students.

Questions based on own study of examples during the course
It is vital that candidates select a business, product or campaign that will allow them to answer all of the questions. Candidates should, therefore, read all of the questions before choosing the product.

Q7
Generally candidates did understand that a major decision was involved and that this would affect the marketing mix and would, or would not be successful. However, weaker candidates still found difficulty in addressing the exact way in which the questions had been written.

Q7(a)
Most candidates could identify a strategic marketing decision. Some candidates gave decisions that were not specifically about marketing, such a merging with another business or starting a new diversified business. Others gave very vague decisions, such as reducing prices. Some gave decisions that were tactical, such as offering items for BOGOF and some described situations which essentially gave the status quo, such as Tesco continuing with its value lines. Some candidates gave decisions that did not require significant changes in the marketing mix, so that part Q7(b) was difficult to answer.

Q7(b)
The nature of these final questions is that the candidate is studying what has been, or is being, actually done by specific businesses, or, in some cases, what should be done. Some candidates did not respond to the phrase 'has led to changes' and gave

examples of what would need to be done, or described situations where there had been no changes.

There were also candidates who were confused about the meaning of place and described the place where the raw materials or supplies came from.

Where candidates knew the business details well they identified changes in the marketing mix, but only the better candidates went on to explain why these changes were necessitated by the decision.

Q7(c)
Most candidates could give a measure of success, or failure, but only the better candidates went on to explain why that came from the strategic marketing decision, or the changes in the marketing mix.

Q8
Most candidates picked suitable products, some of which reflected the current economic crisis, which was good to see. Others chose products that had already died and that sometimes caused problems when answering part (c). It is possible that these candidates had not looked over the page to see what this was asking before choosing the product.

Q8(a)
Very few candidates failed to score a mark for this part.

Q8(b)
Generally this was well answered with candidates giving good causes and explaining why these led to decline. In a significant number of cases the candidate wasted time and space explaining the cycle and/or how the product rose through the growth stage to maturity. There were a few examples where there had been no decline, as with Tesco.

Q8(c)
Again, this part was generally well answered. Where candidates failed to gain good marks this was because they did not know what strategies had actually been used for products that had ceased to exist, or they simply described the strategy with no analysis or consideration of its effects. There was also clearly some guesswork going on here.

Continuing Issues for Future Series

The points listed below include comments made in previous reports and these should be checked for the full details.

The Applied Approach
All businesses used in these papers relate to real businesses, either named or with the names changed. Preparation for this paper should, therefore, include as much study of the marketing decision being taken by real businesses as possible.

Terminologies
Some terminologies still cause problems for candidates. Candidates must know all of the terminologies given in the specification and those commonly used in the real world of marketing.

Reading the Question/Following Instructions
A huge number of marks are being unnecessarily lost, simply because candidates have not read the question carefully enough. The suggestion remains that candidates should be given examples of past questions and be asked to re-write them to show exactly what each part is asking for. Alternatively, they could be asked to write a mark scheme for the question, and this could then be compared to the actual mark scheme.

Questions Requiring Extended Answers
There will be two questions with 10 to 12 marks in the January series. Candidates should be shown how to develop their answers so that they can provide depth and detail for these questions, and for questions in general.

Please also note the comments made about online marking in previous reports and the comments made about writing only to the space provided on the paper itself. Centres need to ensure that their candidates are not being disadvantaged simply because of the layout of the paper. Additional work outside of the specified area on the paper, or on additional sheets, is totally acceptable, but, when this is done, it is vital that the candidates indicate somewhere on their answer to a specific question that they are using additional paper or completing the answer somewhere else in the actual booklet. Preferably, they also indicate where the rest of the answer is.

Principal Moderator Report Summer 2009

Unit 11: Impact of Finance on Business Decisions (6926)

General Comments
From the work seen it would appear that this unit either tends to be well understood and clearly addressed or candidates hardly grasped the issues of business financing at all. In the latter case, moderation was more problematic and it was again sometimes difficult to understand the assessment decisions made. On the whole, as indicated below, assessment tended to be accurate where the unit was well understood but on the lenient side when this was not the case.

Areas of the Specification
Clear tutor guidance again appeared to be a key factor with respect to some of the potentially complex aspects of this unit. Where there has been clear guidance candidates tended to achieve higher marks through the demonstration of their understanding and knowledge.

Strands c and d require candidates to work from scenarios provided by the centre. It is helpful to the moderation process if these scenarios are included. Those centres that did do this tended to have provided well written, clear scenarios enabling candidates to achieve higher marks bands.

(a)
The choice of a suitable business again enhanced the candidates' ability to distinguish between short and long term finance options. Results were highly dependent on the choice of organisation for investigation. The organisation selected must be an existing organisation. One centre used fictional organisations but this is not acceptable and restricts the candidates' ability to achieve the criteria. There was some excellent work when appropriate and comprehensive information was available from a well-selected business, often a SME rather than the much larger concerns. Where candidates included the published accounts of the plcs and referred to them to demonstrate the types of finance being actually used, they were able to provide much better evidence to achieve marks in mark bands 2 and 3.

Classification into internal and external sources and long-term versus short-term is a suitable basis for analysis but was not always understood or used. Many of the weaker candidates still include sources of finance that are inappropriate for the type of business and the work tends to be very theoretical with very little application. Better candidates' work addressed issues of risk and return in relation to the choice of finance.

(b)
In cases where clear understanding of working capital and financial ratios was demonstrated and candidates were able to apply these in context then an understanding of the nature and implications of the form of ownership of the chosen business became more apparent. Candidates' work was sometimes more focused than in (a) and financial information seemed more readily available. It helped if, at the outset, candidates were able to clearly demonstrate an understanding of "working capital" and then apply this in context. In the weaker work there was often much evidence of copied diagrams of working capital and lots of theory on working capital management but little application to the organisation.

Again, as in (a), the inclusion and reference to the published accounts gives the candidate the opportunity to demonstrate their understanding of the figures used in the ratio calculations and analysis.

(c)
Where suitable scenarios or cases were chosen then, as in previous series, better candidates demonstrated awareness of different appraisal techniques and were able to reach reasoned conclusions based on application of these. At the lower end, candidates struggled to show much understanding of these techniques at all and thus had great difficulties in making use of them.

There is still evidence that some centres are still using the scenario from The Teacher's Guide, despite repeated requests that this is not appropriate as it is in the public domain and available to candidates, thus potentially negating the work as their own.

Centres that used their own simulation for theme (c) usually wrote an appropriate scenario that gave candidates the opportunity to use the three main methods of investment appraisal. Sensitivity analysis is a suitable area for consideration but, again, was not always presented, and evidence of conflicts and problems was limited. Stronger pieces of work calculated and analysed IRR as well as DCF/NPV with payback often used as well.

(d)
This continues to be a difficult strand with some candidates still approaching it from a personal investment point of view rather than business to business. As long as the candidate considers business investment rather than bank/building society savings schemes, this approach can still be valid as it gives the candidate the opportunity to fully analyse the ratios and draw conclusions from the results.

Comments on Administrative Procedures
Portfolios were largely received on time. Administration was generally good. Statements of authentication were present in most of the samples moderated for this series.

Assessment was generally consistent with some evidence of leniency, especially in the work of weaker candidates.

More centres are submitting work suitably presented enabling easy access for moderation. However, some centres are still sending work in tightly packed, flimsy plastic wallets that often tear when trying to access the work for moderation.

Annotation of Portfolio Work
Annotation of the work still varies from indicating fully where the criteria has been met, to being very limited with little more than the final mark given. Annotation is best indicated via the Mark Band achieved and the area of specification met, eg MB1a indicates strand (a) has met Mark Band 1, rather than trying to annotate via the Assessment Objectives (AO's) as these are spread throughout the unit's strands.

Where there is more than one assessor it is vital that there is evidence of standardisation and the work is internally verified.

Principal Moderator Report Summer 2009

Unit 12: International Dimensions of Business (6927)

General Comments
To successfully achieve this unit, learners need to demonstrate an appropriate level of understanding and application of knowledge across the full range and scope of the unit outcomes, in particular the unit assessment outcomes/criteria, the specific AO's, and the mark band (MB) distributions (Applied Business Awards Specifications Pages 109 to 114). In as much as learners need to show a clear understanding of the subject and the practical application of the unit requirements from a balanced contribution across the four knowledge/applications Strands, the related AO's and marking criteria bands.

Therefore, in relation to the Unit specifications (p109 and 110) learners should:

- Explain the impact and opportunities created for businesses in international context.
- Present relevant and up-to-date information, from a range of sources, on the factors influencing the establishment of an international presence.
- Perform an investigation into the chosen (international) businesses.
- Identify the advantages and disadvantages in the growth potential for a business supported by international organisations (WTO etc).

- Prioritise evidence and show judgement in the selection and presentation of findings
- Present exemplar material appropriate to support their conclusions
- Explain the strengths and weaknesses in all aspects of creating/developing a presence as offered to a business within an international context.
- Examine the opportunities and challenged offered by global business
- Explore and present conclusions and outcomes, reflecting the positive and negative aspects for Host countries, international organisations and businesses operating in an international environment.

For strand a, Two businesses should be identified. They should be of a contrasting nature and spread of international/global coverage (EU and Global is suggested in the unit specification) as this would provide variety, comparison and variation in the way businesses address their objectives for an international presences. It should be noted, that the appropriateness of the businesses selected is significant for the potential achievement of the higher band.

The research material and examples of the factors that influence a business in creating an international presence, should be sufficient in volume, quality and appropriateness to fulfil MB2/3. Candidates should be encouraged to select the chosen business for strand b from those used in strand a, this would provide a base for material research, and be supplemental to that collected for stand a.

The key impact factors that an International Organisation (IO) can have on a business were covered, although for MB3 candidates need to show clearly the link and relevance between the IOs and the business under discussion.

Candidates demonstrated a general understand of the issues relating to the growth in Global/Multi National Corporations(MNC), in terms of GDP and consumer impact, further consideration of the wider socio-economic and environmental aspects on the Host country could have been included.

Authentication

Centres should include evidence to confirm originality of leaner work, the counter signature of the Assessment Marking Forms by tutors is critical in this process.

Standardisation

Consistent marking was evident however, in assessing higher grade performance, assessors need to consider the depth, scope and quality of examples and quality the material used and its application in context to award the higher MB3 marks.

Enhancing Assessment

It would be of value to encourage candidates to select the chosen business for strand b from those used in strand a, this would provide a base for material research, and be supplemental to that collected for stand a.

Centres should ensure, when assessing especially in relation to the higher mark bands across all strands that clear evidence of explanation, critique and analysis of how/why the two businesses would consider and/or have a global activity, with good examples to support the MB2/MB3 marks.

For a strand c higher grade performance, more detailed analysis and consideration of the wider range of influences, from a business perspective, offered by an International Organisation is required and should be relevant to the business of choice.

Strand d, candidates should consider looking beyond the financial and consumer/customer impact, to the wider socio-economic, suppliers, distribution and environmental aspects on the Host country.

Principal Moderator Report Summer 2009

Unit 13: Organising an Event (6928)

General Comments

A number of centres did not set/ organise suitable events. A number were too small, had too many pre-arranged or school arranged activities and did not leave sufficient work for the candidates to assess feasibility, plan and deliver the event. Examples of inappropriate activities seen included: annual discos, annual tournaments, annual visits, small demonstrations to other candidates, visits lacking any real aim.
Where suitable size events happened then the approach was generally good, although some candidates failed to actually describe their role in the event. This was often a reason why centres went out of tolerance with centre assessors awarding marks from their knowledge of the candidate's role/ participation in the event.
In a small number of centres the planned events did not happen. This caused problems as candidates could not access marks in mark band c and many of the marks in mark band D.
Witness statements &/or photographs to confirm that the event was held and the participation of the candidates are vital to this unit and these were often missing.
Witness statements &/or photographs are very useful and support the evidence of group work, however, the use of photographs must be in line with the centre's policy on photographs and parental consent.
Most centres adopted a group work approach to the planning and delivery. There were a small number of centres that submitted group reports and these were not acceptable as each candidate must individually address the assessment criteria.
Many candidates performed less well on this unit compared to other units due to lack of participation. Where there was an active role undertaken candidates tended to score high marks. In other centres candidates tended to like the practical nature of the event and performed very well.
"Telling the story" rather than addressing the criteria is a problem with this unit.

Assessment Criteria

Strand A: Feasibility research was often limited, especially where the event was an annual one or where the event was not the required "substantial event". Primary research was usually questionnaires about choices of event or interviews with staff that had run the event in the previous year.
Results were not usually analysed. Secondary research was usually research into travel costs or costs of physical resources. There was little prioritisation or reasoned conclusions. Where centres divided groups up into smaller groups working on research and feasibility on various events but then did "other" events, problems were caused as candidates had not covered feasibility for the chosen event.

Strand B: Constraints were usually present however risk assessment was often poor, but it is improving. A number of candidates simply referred to the completion of their centre's risk assessment documentation by staff. These did not demonstrate knowledge or understanding of risk assessment. There was no prioritisation, ranking or rating of risks to probability of happening and severity of outcome. Insurance needs again tended to be covered under the statement that the centre's insurance covered all risks. Some candidates did explain different types of insurance and apply them to the event. Planning tools were often missing or included and not explained. Candidates displayed a lack of understanding of CPA, Gantt charts, etc. The link between planning tools, constraints and contingency planning was often missing and generally not understood.

Strand C: As stated above: Witness statements &/or photographs to confirm that the event was held and the participation of the candidates are vital to this unit and these were often missing. Candidates often failed to fully explain their input or simply referred to "we". The better answers gave detailed accounts of the candidate's contribution through all stages of planning and holding the event.
Where clear and detailed witness statements showing significant sustained participation were present, centres could move candidates into mark band 3.

Strand D: Evaluation was often poor. Few candidates referred back to original aims and objectives. A small number of centres collected feedback questionnaires from participants and used these effectively. Increasing evidence of exit questionnaires for evaluation was used.

Good examples of activities included Fashion Shows, Indulgence evenings, a centre's overseas trip, etc.

Principal Moderator Report Summer 2009

Unit 14: External Influences on Business (6929)

General Comments
To successfully achieve this unit, learners need to demonstrate an appropriate level of understanding and application of knowledge across the full range and scope of the unit outcomes, in particular the unit assessment outcomes/criteria, the specific AOs, and the mark band (MB) distributions (Applied Business Awards Specifications Pages 131 to 134). In as much as learners need to show a clear understanding of the subject and the practical application of the unit requirements from a balanced contribution across the four knowledge/applications Strands, the related AOs and marking criteria bands.

Therefore, in relation to the unit specifications (p131 and 132) learners should:

- Provide clear coverage of the four issues influences on a business, with suitable exemplar material to support the discussion.
- Include relevant and up-to-date information, from a suitable range of sources and examples with appropriate materials presented in support of the final issue conclusions
- Use appropriate techniques and methods on the collection of information and analysis, showing awareness of the selection and relevance of information, issues, problems or opportunities.
- Explain the positive and negative aspects of the key issues on a business.
- Show judgement in the selection and appropriate presentation of the findings in a suitable format.
- Evaluate the business external issues, the business influences and the wider organisational context, thus beings aware of the issues, problems and/or opportunities.

The work sampled indicated an adoption of the Chair's reports suggested from previous reports and training material. The report should be supported by supplementary documentation that explains and highlighting the external issue (including evidence of research) that the company may/is facing over the next years.

It should be noted that the unit has four prescribes issues to address and each strand focuses specifically on an individual AO and performance descriptor. Therefore, the business selection is important for the candidates to research and explore the external impacts associated with that business.

Candidates demonstrated a generally good understand of the overall external factors (stand a), with substantial amount of research data generated in some cases, however, this material needs to be filtered, evaluated and used as appropriate to the business and influence under discussion, thus enhancing the overall quality of the report as required for MB2/3 in strands b, c and d.

Authentication
Evidence to confirm originality of learner work, the counter signature of the Assessment Marking Forms by tutors is critical in this process.

Standardisation
Suitable marking by centres was evident however in assessing higher performance, assessors need to consider the depth and scope of material in terms of quantity of examples and the quality of reasoning and evaluation in the learner's work to award the higher marks.

Enhancing Assessment
An appropriate Chair's report must be produced, although no specific structure is suggested, it would be advisable for candidates to present their findings in a form as previously described in unit reports and training material. Candidates should be encouraged to select a business which is of sufficient size, structure and product and/or service range to allow all four influences to be examined to an appropriate depth.

Where candidates select a Non-UK based organisation, the influences should still address primarily from a UK perspective, (as outlined in the unit content specification), therefore the legal and economic influences should be described and where necessary alternative country legislation and economic situation be explained and compared to that of the UK to show equability or difference in influences.

Centres should encourage fuller/wider consideration of the range, value, up to date and appropriateness of the information being used and applied. Guidance on currency of material is given within the specifications (last 5 to 10 years) however, for higher grade performance the most up to date and current references should be used and considered. Technological and to some extent the environmental influences were covered to a lesser extent or explored within strand a and thus not fully applied in strand b.

Substantial amount of research data is being generated, this material needs to be filtered and evaluated for appropriateness (covering AO2 and AO3) to the business of choice and the influence under discussion, this will enhance the quality of the documentation and ensure fuller consideration of the range, value, up to date (see above for currency) and appropriateness of the information presented for each influence, especially for MB3.

For stand d clear justifications made about the impacts of each of the four influences is required. Consideration of the wider business context beyond descriptive/generic is required for all four influences.

Grade Boundaries - June 2009

6916	Total	A	B	C	D	E
Raw Mark	90	58	52	46	40	34
UMS	100	80	70	60	50	40

6917	Total	A	B	C	D	E
Raw Mark	60	49	43	37	31	26
UMS	100	80	70	60	50	40

6918	Total	A	B	C	D	E
Raw Mark	60	48	42	36	30	25
UMS	100	80	70	60	50	40

6919	Total	A	B	C	D	E
Raw Mark	60	49	43	38	33	28
UMS	100	80	70	60	50	40

6920	Total	A	B	C	D	E
Raw Mark	60	48	42	36	30	24
UMS	100	80	70	60	50	40

6921	Total	A	B	C	D	E
Raw Mark	90	59	52	45	38	31
UMS	100	80	70	60	50	40

6922	Total	A	B	C	D	E
Raw Mark	60	49	43	37	32	27
UMS	100	80	70	60	50	40

6923	Total	A	B	C	D	E
Raw Mark	90	74	65	56	47	39
UMS	100	80	70	60	50	40

6924	Total	A	B	C	D	E
Raw Mark	60	49	43	37	31	26
UMS	100	80	70	60	50	40

6925	Total	A	B	C	D	E
Raw Mark	90	57	52	47	42	37
UMS	100	80	70	60	50	40

6926	Total	A	B	C	D	E
Raw Mark	60	49	43	37	31	26
UMS	100	80	70	60	50	40

6927	Total	A	B	C	D	E
Raw Mark	60	50	44	38	32	26
UMS	100	80	70	60	50	40

6928	Total	A	B	C	D	E
Raw Mark	60	50	44	38	32	27
UMS	100	80	70	60	50	40

6929	Total	A	B	C	D	E
Raw Mark	60	49	43	37	32	27
UMS	100	80	70	60	50	40

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