GCE

Applied Business

Advanced GCE **A2 H426/H626**

Advanced Subsidiary GCE **AS H026/H226**

Report on the Units

January 2008

H026/H226/MS/R/08J

Oxford Cambridge and RSA Examinations

OCR (Oxford, Cambridge and RSA Examinations) is a unitary awarding body, established by the University of Cambridge Local Examinations Syndicate and the RSA Examinations Board in January 1998. OCR provides a full range of GCSE, A level, GNVQ, Key Skills and other qualifications for schools and colleges in the United Kingdom, including those previously provided by MEG and OCEAC. It is also responsible for developing new syllabuses to meet national requirements and the needs of students and teachers.

This report on the Examination provides information on the performance of candidates which it is hoped will be useful to teachers in their preparation of candidates for future examinations. It is intended to be constructive and informative and to promote better understanding of the syllabus content, of the operation of the scheme of assessment and of the application of assessment criteria.

Reports should be read in conjunction with the published question papers and mark schemes for the Examination.

OCR will not enter into any discussion or correspondence in connection with this Report.

© OCR 2008

Any enquiries about publications should be addressed to:

OCR Publications
PO Box 5050
Annesley
NOTTINGHAM
NG15 0DL

Telephone: 0870 770 6622
Facsimile: 01223 552610
E-mail: publications@ocr.org.uk

CONTENTS

Advanced GCE Applied Business (Double Award) (H626)

Advanced GCE Applied Business (H426)

Advanced Subsidiary GCE Applied Business (Double Award) (H226)

Advanced Subsidiary GCE Applied Business (H026)

REPORTS ON THE UNITS

Unit/Content	**Page**
Chief Examiner's Report	1
F242 Understanding the Business Environment	2
F243 The Impact of Customer	6
A/S Principal Moderator's Report	8
F248 Strategic decision-making	22
F256 Business Law	24
F257 Managing risk in the workplace	26
A2 Principal Moderator's Report	28
Grade Thresholds	41

Chief Examiner's Report

Reports by Principal Examiners for the January 2008 series of the Applied Business external assessments follow. It is important that these reports are considered carefully by Centres as candidates are prepared for future examination series.

As ever, there are plenty of examples of excellent technical understanding, examination technique and preparation in general and Centres are to be congratulated for this. This good practice is not applicable to all centres, however, and certain issues need to be addressed.

1. The specification – there are still some aspects that are clearly not being taught or 'glossed over'. One such instance is the F248 'Strategy' unit where some Centres have not touched whole topics such as critical path analysis or investment appraisal. Another is on F256 (Law) where candidates from certain Centres evidently had no knowledge of, say, intellectual property rights or health and safety law.

2. Contexts – in both examined and portfolio units this was an issue. Access to anything above Level 1 in the examinations is only achievable through the use of context. Three of the five papers involve pre-issued case studies and candidates (and teachers) should be totally familiar with the background, decisions and contexts generally that face the firms. In the F256/7 examinations, where it is not pre-issued, it is still the case that candidates must be clearly writing about this firm and this product, not just any organisation. The portfolios present their own contextual issues. Centres/teachers should give very careful consideration to what businesses they choose or advise their candidates to investigate. They must be 'accessible' in the sense that the candidate can actually do what the specification is asking of them.

3. Levels of response – Many candidates/Centres have continued to build on work in previous sessions related to levels of response and are demonstrating the skills of analysis and evaluation (in context, of course). Sadly, this is still not the case in a number of Centres. Candidates who have not been taught how to evaluate effectively under timed pressure will simply not access the higher marks and limit themselves to 'Level 3'.

4. Answering the question set – Generally candidates are now answering the question set across all five papers. Some (now more predictable) questions are still not being answered specifically, such as those on F248 relating to the use of a particular 'tool' – rather than simply using/applying it. Across all five papers there was evidence of misinterpreting the question (possibly because of the time pressure) and sometimes scoring zero marks to a question that, had it been read more closely, would not really have presented a problem to the candidate.

With a careful reading of the following reports from Principal Examiners and, accordingly, any necessary action taken, candidates should be at least as well prepared as they are at the moment, but probably better.

To improve on the above issues it is vital that Centres use the following sources of help:

- Principal Moderator's report
- Individual centre reports on moderation
- INSET offered by OCR
- Coursework consultancy service (OCR)
- eCommunity – OCR website
- AS exemplar CD – available from OCR publications
- Teacher Assignments for each unit – OCR website

F242 Understanding the Business Environment

It is pleasing to report that there was evidence of improved performance in this examination compared with previous series. More candidates gained reasonable to good marks on this paper and in many cases they performed well across all four questions. It is also noticeable that answers contained more genuine application as distinct from token application of the name dropping kind. A simple test of the genuine nature of application is the extent to which the answer tells us something about the business and the issues it faces. In the case of Wayne's Gardening Services examiners were looking for answers which applied to a small jobbing gardener facing decisions relating to expansion together with problems associated with the seasonal nature of the business. Many candidates produced answers which reflected the needs and concerns of Wayne.

1(a) The great majority of candidates gain full marks on this relatively straightforward question. They either identified specific stakeholders (e.g. Charlie) **or** generic stakeholders (e.g. employees). Both were acceptable and were given credit. However, examiners could only give one mark for answers consisting of both the specific **and** generic stakeholders. Therefore, candidates who answered Charlie and employees were only given one mark since the second answer represented repetition.

1(b) Although a large number of candidates gained full marks on this part of the question, many others only gained a single mark because of the lack of precision in the answer. Too many candidates defined a sole trader as a business 'run' by one person ignoring the fact that many private companies are "run" by one person. The essential point about sole trader businesses is that they are owned by a single person who provides all the permanent capital and takes full responsibility. It is an unincorporated business where owners have unlimited liability. Any two of these points secured the second mark but examiners did not award full marks for vague definitions relating to a single person running the business.

1(c) The great majority of candidates scored two or three marks on this part of the question. Some of the answers focussed on legal and financial problems (unlimited liability, limited access to capital, no continuity of existence, full responsibility of owners in law for decisions taken), whereas others focussed more on managerial problems such as lack of specialisation in management, need to work long hours, limited scope for economies of scale or it is difficult to take holiday. Both types of answer were accepted but it is worthwhile stressing that in many cases the managerial problems apply equally to many partnerships and private limited companies. All entrepreneurs have to work long hours especially in the start up phase. It also needs to be stressed that sole proprietorship does not preclude the employment of staff.

1(d) There were many weak definitions despite the identification of franchise arrangements in the case study. Many candidates referred to franchisees trading under a well known name but in only a minority of cases did candidates mention the essence of taking out a franchise which is **buying the right** to operate a business format and brand name owned by another firm. The problem of vague definitions is repeated in other definitional questions on the paper and it is worth stressing to future candidates that they should come to the examination ready to provide definitions of key terms, especially those identified in the case study.

1(e) Despite problems in defining franchise arrangements, most candidates obtained a reasonable mark on the first of the 12 mark questions on the paper. Most candidates understood the advantages and disadvantages of franchises and made reference to the material in the case study. This automatically gave them access to Level 2 marks. It was certainly pleasing to see genuine application in terms of referring to the proposed Wondergreen franchise rather than the mere token reference to Wayne or Wayne's Gardening Services. A reasonable proportion of

candidates accessed Level 4 by advising that the cost was prohibitive to Wayne and/or the risks were too great.

2(a) This was a relatively straightforward question part for which many candidates gained full marks. Those who made a mistake in calculating payment to Charlie could obtain two marks on the own figure rule.

2(b) This again was relatively straightforward and many candidates had little difficulty in gaining the marks. The own figure rule was available to candidates whose answer to 2(a) was incorrect but who brought the data into this part of the question and made an accurate calculation based on the data.

2(c) This was a 'what was omitted' type question and as such proved more taxing. It linked up with the case study references to Wayne's rather casual approach to record keeping and accounting. What examiners were looking for was a reference to overheads (either in general or to specific types of overhead) and to payments to Wayne. Although some candidates realised this, many others were clearly in some difficulty.

2(d)(i) This part of the question proved taxing to many candidates. In some cases poor presentation led to arithmetic errors. In other cases candidates successful calculated costs but forgot that profit (loss) equals revenue minus costs.

As always with arithmetic questions it is important to clearly show working since some marks are available for the correct method, even if the numerical answer is incorrect.

2(d) (ii) This part of the question was a test of logic as well as arithmetic skills and as such it proved the most difficult of the numerical questions. Some candidates gave up on this part of the question, whilst other repeated the previous answer. What they should have remembered is that a variance figure is the difference between the actual figure and the budgeted figure. So it was the difference between +£160 and - £191. Some candidates concluded that the answer was £31. These candidates were given one mark because they demonstrated some logical thinking. What they should have realised is that the answer was £160- (£191) which becomes £160 + £191 = £351.

2(e) There were many high scores on this question on ICT with the overwhelming majority of candidates scoring six to nine marks. However, some candidates lost marks by confusing uses with advantages or making vague statements (e.g. it is faster or simpler) or by writing about risks rather than costs in the final section.

3(a) Once again definition was rather vague and imprecise. Some candidates confused leasing with hire purchase. Others appreciated that leasing involved borrowing or renting rather than acquiring ownership rights but failed to appreciate that leasing an asset involves a long term commitment and is not the same as hiring equipment for the day or week at the local hire shop.

3(b) This question had similarities with a question on sources of finance asked in the June 2007 examination. Candidates were expected to analyse the advantages and disadvantages of two or more sources of finance. Most candidates referred to leasing, bank loans and/or hire purchase. It was disappointing that few candidates analysed the source in terms of the impact on cash flow or dealt with all the consequences of renting rather than purchasing an asset. For instance, most candidates appreciated that an advantage of leasing is the provision for maintenance and upgrading – few, however, appreciated that leasing deprived the firm of residual value of the asset or the fact that as asset can act as collateral for a loan. There were widespread references to an overdraft as a source of finance but little appreciation of the fact that overdrafts are intended for short term, rather than medium term, finance. Although this was a Level 3 (rather

than an all levels question) the question was designed to encourage candidates to provide an analysis contributing to a decision as to the most appropriate form of finance.

3(c)(i) Large numbers of candidates gained full marks on this part of the question. Where they did not gain marks it was usually the result of arithmetic errors. In only a small number of scripts was there evidence that candidates lacked understanding of a cash budget.

3(c)(ii) This part of the question asked candidates to evaluate solutions for the cash flow problem resulting from seasonality in a small business. There were some reasonable answers although a sizeable minority of candidates merely explained the problem rather than offer solutions. Of those candidates who correctly addressed the question some focussed on short term tactical measures, whereas other suggested changes in strategy. Both responses were valid, although candidates often missed out on Level 3 and Level 4 marks by failing to analyse the suggestion. For instance, a common suggested solution was to undertake more work in the summer to tide Wayne over the winter. Unfortunately, they then failed to consider the issue of whether Wayne was able to take on more work in the summer – and also whether there was sufficient additional demand. Some candidates suggested that Wayne should dispense with Charlie's services or at least employ him for a short period in high season. However, candidates often ignored the impact on Wayne's sales revenue when dispensing with Charlie's labour. Candidates who approached the issue from a strategic angle suggested ways of diversification - including selling gardening services abroad. Even though some of these suggestions seemed fanciful they were given credit since they were logical suggestions. But what would have impressed examiners more would have been some reference to a time horizon. A cash flow problem caused by seasonality is a short term problem. A change in strategy is a long term solution which will probably worsen the cash flow in the short term.

3(d) Although a numerical question, this was basically a test of logic. As such candidates either appreciated that the new closing balance was the existing March negative closing balance plus (£400). Candidates who did not appreciate the simple logic produced a series of lengthy, unnecessary and incorrect calculations.

Question four, which concerned three of the four elements of PEST analysis, was the least well done question on the paper.

4(a) (i) Candidates confused the political environment with social and/or economic environment. Hence, references to unemployment, interest rates or the state of the economy were incorrect. Another frequent error was to write vaguely about changes in the law or a change in government or political instability. Examiners were looking for something more concrete such as a change in tax rates, a change in government spending or a change in a specific area of law (health and safety, minimum wage, employment rights, etc). Examiners were also looking for points directly relevant to Wayne's chosen business.

4(a)(ii) This was a similar question but related to the social environment. Examiners were looking trends relating to demography, lifestyle or culture linked to the demand for Wayne's services. Unfortunately, many answers were rather vague and were often little more than 'gardening might become more popular'. Another mistake of candidates was to offer as 'Way Number 2' something that was merely the opposite of what was offered in 'Way Number 1'. Many candidates lost marks because of repetition or by failing to develop the point in the description.

4(b) Definitions of macro-economic variables continue to pose problems for some candidates, although there has been some improvement since the first examination for this specification. Many candidates gained three marks but a lack of precision meant that they could not be awarded full marks. Instead of vague statements candidates should be advised to define:-
inflation as a sustained rise in the general level of prices.
interest rate as the cost of borrowing expressed as a percentage of the amount borrowed.
unemployment as a state of not being in paid employment but searching for employment.

4(c) Many candidates scored low marks on this part of the question although it is pleasing to note that a sizeable number candidates gained Level 3 or Level 4 marks. Some candidates wrote about non-economic factors including seasonality, the weather and global warming. As a result these answers received low and even zero marks where there was no evidence of the likely impact on Wayne of economic factors.

The stronger answers focussed on key macro-economic variables such as unemployment and interest rates. Candidates correctly pointed out that gardening services represent a luxury and, therefore, are likely to be the first items of spending which people might cut back on in a economic downturn. It was pleasing to see reference to mortgage rates and, therefore, to post-mortgage discretionary spending. Some candidates pointed out that rising interest rates impact both upon demand for Wayne's services (via discretionary spending) and at the same time impact upon Wayne's costs. Although in the case of Wayne's costs this would have an impact only if he has a business loan.

However, few candidates had the confidence to write that the demand for Wayne's Gardening Services owed more to the state of the local economy than to the national economy. Even fewer questioned the extent to which unemployment would impact on Wayne - after all. If most of Wayne's customers, for example, are retired they will not be directly affected by unemployment.

F243 The Impact of Customer

General Comments

As with the June 2007 series, this paper was set at the right level of difficulty and discriminated well between the weaker and stronger candidates. Time did not seem to be an issue as the majority of scripts had every question answered. However, although most candidates coped with the basic level questions to an acceptable standard, there was still a tendency to write generically about customer service, with little application to the case study or requirements of the question. Only the strongest candidates consistently answered in context and wrote evaluatively to obtain the higher level marks.

Comments on Individual Questions

1) (a) Overall, this part of the question was done well, with the majority of candidates being able to describe reasons why effective customer service is important, although there was an element of repetition.

(bi) Many candidates struggled to describe the term 'advance booking' in their own words and in sufficient detail to score the full two marks available.

(bii) This part of the question required candidates to identify and explain why the Cameo Cinema should have an advance booking system; only the strongest candidates related their answers to benefits for the firm. Many wrote about how it would benefit the customers without developing their answers to include the Cameo Cinema, and many did not relate to the case study at all.

(c) Quality of Written Communication was awarded here; most candidates were able to identify reasons why the Cameo Cinemas should become more customer focused but did not develop their answers in sufficient depth or with the use of enough context to be awarded marks for analysis and evaluation. There seemed to be a trend also towards 'retelling the story', e.g. candidates writing out chunks of the case study in their own words without relating it to anything.

2) (ai & ii) Most candidates were able to identify the law which Dan broke and to describe how it was broken. Either both marks tended to be awarded or neither.

b) This was done well, with most candidates able to identify and describe three other acts or regulations protecting customers.

(ci & ii) The answers to these two question parts were generally disappointing. Too many candidates seemed to think that Dan would be sued, arrested, taken to court, fined or sent to prison if he broke the law. However, the second part, relating to the Cameo Cinema itself, was done well. Candidates tended to give the same answer for both parts.

(d) Many candidates here wrote basic statements about policies which could be put in place to ensure the cleanliness of the facilities without elaborating further to be awarded the full six marks.

3) (a) As with question 1) (b) (i), candidates struggled to explain the term 'more twenty-first century than twentieth' in their own words.

(b) A large proportion of candidates simply wrote a list about what a potential customer might use a website for, such as to book tickets, check times, see listings, etc. Only the better candidates answered in terms of why a website would be used, as opposed to other ways of accessing information.

(c) For this part of the question many candidates took the word 'implications' to be negative and did not analyse any positive implications to the Cameo Cinema. Only the best candidates provided a balanced view. Also, many candidates related their answers to the implications for the customer rather than the firm, so lost valuable marks.

(d) The majority of candidates were able to state three distinct methods of passing on information to customers but did not explain them in context to be awarded further marks.

(e) Only the strongest candidates evaluated the advantages and disadvantages of the premium rate phone line before making a judgement. Most candidates either did not discuss in context or wrote about either the benefits or the drawbacks.

4 (ai) A large proportion of the candidates received no marks at all for this part of the question, their answers being generic to any type of market research rather than a suggestion box.

(aii) Many candidates managed to discuss both the positive and negative elements of the suggestion box which was pleasing, but many either did not write in sufficiently in context or pull the question together with a balanced decision at the end and, therefore, did not gain evaluative marks.

(b) Most candidates were able to identify and describe two distinct ways of assessing the customer service performance. However, many weaker candidates simply wrote 'questionnaire' or 'survey' without describing a specific method, or did not write in context at all.

A/S Principal Moderator's Report

The majority of Centres which submitted work for this moderation session followed OCR procedures, adhered to set deadlines and accurately completed documentation which enabled the moderation process to progress smoothly. However, many Centres did not adhere to the 10 January deadline for the receipt of the completed MS1 by the allocated Moderator and failed to inform OCR or the Moderator of the delay. This did cause difficulty for Moderators in the scheduling of their work. Centres should also note that for entries of 10 candidates or less the portfolios should be sent straight to the Moderator with the MS1 forms. Centres should note that it is their responsibility to forward MS1 forms and candidate work to the allocated Moderator by the set deadlines and, if a sample is required, this must be returned within three days of receiving the sample request. Centres should note that any failure to meet such deadlines could delay the receipt of results for their candidates.

Centres must ensure that all sections of the Unit Recording Sheet have been completed accurately, including correct total marks for the unit, candidate number and Centre number, teacher comments and the location of evidence, in order to facilitate the moderation process. Centres must also ensure the marks on the MS1 form match the marks on the Unit Recording Sheet for each candidate and each unit.

Assessment

Many Assessors demonstrated good practice by annotating candidate work with assessment criteria references and by giving clear and constructive written feedback. The Assessor comments section of the Unit Recording Sheet enabled Assessors to justify the marks awarded for each assessment objective. It was helpful when page numbers were included within the location section of the Unit Recording Sheet. Some Assessors failed to provide written comments or annotate candidate work. In these circumstances it was not clear to the Moderator how assessment decisions had been made. Without this information it is becomes more difficult for the Moderator to confirm the marks awarded to the candidate.

Where assignments had been used, it was most helpful for copies to be submitted with the actual work. These gives a clear indication of the tasks which were given to candidates.

It is the responsibility of Assessors to ensure that each candidate has produced authentic/original evidence. A Centre Authentication Form for Coursework (CCS160) must be signed by the Assessor(s) and accompany each unit submitted.

Candidates must ensure that any material used from the Internet is correctly attributed. Where material is taken directly from the source, candidates must supplement it with their own explanation, demonstrating their understanding. Where candidate work contains inaccuracies, Assessors should annotate the work to this effect, thus enhancing the candidate's own learning. This also indicates to the Moderator that the work has actually been assessed.

Assessors are reminded that they should make direct reference to the unit specifications when writing assignments and seeking clarification of the type of evidence candidates are required to include within their portfolios. Assessors are also reminded that they should make reference to the assessment objective amplification grids when assessing candidates work. These can be found within the specifications on pages 49-52.

It was also noted that those Centres which had followed the assignments written by OCR had, on the whole, been able to better structure their candidates work enabling them to access the higher grades. The teaching and learning support materials can be located on the CD produced by OCR or downloaded from the website.

Unit 1: Creating a Marketing Proposal

The banner of the assessment evidence grid requires candidates to produce a marketing proposal to launch a new product or service. Some candidates are still failing to choose suitable products and are often merely trying to re-launch an established product. This ultimately results in candidates only changing, at best, two parts of an already established marketing mix. In some cases the product was actually currently available and the only modifications being specified was a new colour.

Assessors are also required to use the witness statement supplied within the OCR specifications to justify the marks awarded for AO2.

The banner states that candidates are required to investigate a medium to large sized business. However, it was noted that the majority of candidates who achieved the highest marks for this unit in previous moderation sessions had focused on small/medium sized businesses which were locally based. This enabled them to conduct relevant research which was used to good advantage throughout their delivery of AO2. These candidates also found it easier to develop their judgements as to the likely success of their marketing proposal. On reflection, it is now felt that candidates could extend their investigations into smaller local businesses, as long as they are able to gain sufficient information in order to meet all the assessment objectives.

Assessment Objective One

This section, on the whole, was covered well by the majority of candidates sampled. Assessors must remember that this section does not need to be directly related to the selected business and Mark Band 3 marks can be achieved by the candidate who produces purely theoretical coverage which is considered to be clear and comprehensive. Candidates should be encouraged to use generic examples to help demonstrate clear and comprehensive coverage of each section.

The main weakness in this section remains the failure of candidates to explain the role functional areas play in supporting marketing activity. A lot of candidates purely explain the role of each individual functional area. Candidates may find the use of a made up scenario, for example the selected business is just about to launch a new product, would help them demonstrate a clear and comprehensive understanding of this section.

Candidates' coverage of marketing objectives at times was confirmed with the general aims and objectives of a business. Candidates need to demonstrate that they understand that marketing objectives are one of the techniques a business will use to achieve its overall aims. For example, the overall aim of a business might be to increase profit by 6% over the next six months. The marketing department would then be set the objective of running an advertising campaign during, say, January and February in order to increase repeat custom of product X by 5%. Alongside this, the production department would be set the objective of reducing wastage by 3% throughout the next six months. Both of these objectives would ultimately help the business achieve its initial aim of increasing profit by 6%.

The marketing mix was often covered in detail and fully explained with candidates demonstrating a clear and comprehensive understanding of this section of the assessment objective.

Candidates should be encouraged to use generic examples to demonstrate a clear and comprehensive understanding and thus enabling them easier access to Mark Band 3.

Assessment Objective Two

Candidates must include their presentation slides, prompt cards and, where appropriate, notes used to accompany the presentation. As mentioned above, Assessors must complete the witness statement supplied by OCR. The more detailed this evidence, the easier it is for the Moderator to agree the Centres' marks. It was a surprise to find that some candidates' portfolios still did not contain a witness statement or any other evidence to indicate the presentation had actually taken place. It then becomes impossible for Moderators to agree the marks awarded for this assessment objective.

In order to achieve Mark Band 3 candidates' evidence must be clearly targeted to their selected customer and their marketing proposal must be fully substantiated from both primary and secondary research.

Within their presentations candidates must clearly state what their selected product is, how they will promote it, where they will sell it, and what price they will charge for it. A lot of candidates lost marks because they merely stated what they 'might' do with no reference back to the research undertaken. An example would be –'I will charge 30-50p for the product '. The candidate makes no clear indication of how or why they have come to such a decision. Candidates are also required to change at least three parts of the marketing mix if they decide to develop a product which already has an established marketing mix. Often candidates who had decided to use Cadburys as their selected business just stated they would sponsor Coronation Street. This was often not even backed up with the current audience figures for this programme and, therefore, at best this can only achieve marks within Mark Band 1.

Assessment Objective Three

This assessment objective had a number of inherent problems. Candidates often failed to collect their primary research from the correct target audience. If the new product is aimed at people over the age of 19 the majority of the candidate's primary research should **not** be conducted within the 16-19 age range. Another problem was candidates who had collected vast amounts of secondary research which they then failed to analyse or use.

When analysing their data candidates must make reference to [section 1.2.3 Market Research] in the What You Need To Learn section of the specification. This clearly sets out the techniques candidates are expected to use in order to complete their statistical analysis. Particular attention is drawn to the fact that candidates are required to use the marketing tools SWOT and PEST. These should be used to draw together the candidate's research. Centres should also note that the Boston Matrix, Ansoffs' Matrix and the product life cycle are **not** requirements of this unit.

Too often candidates' analysis simply involved the production of pie charts and graphs through the use of computer software and then a simple explanation which consisted of the terms 'the majority', 'most people', etc. This type of evidence can, at best, achieve the lower end of Mark Band 2. Candidates must be encouraged to analyse their research clearly stating how it will inform the development of their marketing proposal.

Assessment Objective Four

Judgements on the potential success of the marketing proposal were often weak. They lacked the depth required to achieve Mark Band 3. In order to achieve the higher marks, candidates must consider their proposal making two sided judgements, considering both the possibility of success and failure. This was often lacking within the work of candidates seen at this stage. Candidates should be encouraged to consider the advantages and disadvantages, short term versus long term and the internal and external impact of their proposal on their selected business.

Within this section candidates need to focus on all of the elements of their marketing proposal. For example, will the price set for the new product meet the needs of their potential consumers, will the suggested promotional campaign reach these people? Too often candidates just focus on the potential success of their product and forget the other three elements of the marketing mix. Candidates should make reference to [section 1.2.6, How to Judge Potential Success] in the WYNTL section of the specification for guidance.

Unit 2: Recruitment in the Workplace

This unit remains quite a logistical challenge for some Centres. There was evidence of very good practice, but at the other end of the scale very little evidence of candidates' own work. The best portfolios were based on jobs which were realistic for the candidate to apply for. For example, receptionists, clerical positions or part time jobs based in shops. Where inappropriate jobs had been chosen, potential applicants found it very difficult to complete application forms as they did not have the necessary qualifications for the position being interviewed. It was also rather disappointing to witness some candidates failing to take the role play situation seriously and completing application forms with inappropriate information. Centres attention is also drawn to the final paragraph under section 2.2.2 page 21 of the specification. It states ''You will be assessed both on your ability to produce relevant and appropriate recruitment documentation specific to your chosen job role and recruitment documentation relevant to the post(s) advertised by your group peers.

This unit, at times, remained a logistical challenge for Moderators – often being unable to distinguish between original recruitment documents, candidates' own documents or those of the group. Centres must ensure that candidates clearly label each of their documents. They need to provide a road map for the Moderator – is this document one the candidate produced or the final one which was used by the group for the interviews? It is also recommended that candidates include copies of the original documentation of the selected business so that the Moderator can assess the degree of original and individual work.

Whilst candidates can work in groups to actually perform the interview they are required to produce individual evidence that they have met the requirements of the assessment grid. This was not the case in some of the candidates' work sampled. There was still evidence of Candidate B designing the job advertisement, and Candidate C designing the person specification, etc. This is not acceptable. Under the sub-heading AO2 there is a flow diagram which illustrates the process candidates should follow if they are (a) working individually or (b) working in a group.

Assessment Objective One

The majority of candidates sampled were able to produce a detailed description of the processes of recruitment and selection. Candidates' coverage of induction was often patchy ranging from extremely detailed to pure identification of the topics which would be covered in an induction programme. Candidates' coverage of motivation should focus on [section 2.2.5] of the WYNTL of the specification. They are only required to cover financial and non-financial motivators. Candidates do not need to cover motivational theorists. Coverage of the legal framework tended to focus on the acts at a basic level with very little application as to how these would impact on the recruitment and selection process. This area needs to be developed if candidates are to be awarded marks in the Mark Band 3 range.

Assessment Objective Two

This assessment objective assesses:

- the candidates' materials produced to recruit and select an individual – including job advertisement, person specification, job description, application form, letters inviting candidates to interview, interview selection documentation;
- the actual interview;
- the motivational package;
- the induction package;
- letters informing successful and non-successful candidates.

Version One **Candidate working alone**	**Version Two** **Candidate working within a group**
Candidate uses results of research conducted in AO3 to design the following documents: • job advertisement • person specification • job description • application form • letters inviting candidates to interview	Candidate uses results of research conducted in AO3 to design the following draft documents • job advertisement • person specification • job description • application form • letters inviting candidates to interview
	All members of the group bring their draft documents to a meeting. At the meeting the group analyses the good and bad points about each member's documents. From this discussion they go on and design the group documents as outlined above
The candidate will pass their documents on to the applicants they will be interviewing.	The group will now pass their documents on to the applicants they will be interviewing
The candidate at this stage may wish to design a short-listing form to help them analyse the quality of their applicants	The group at this stage may wish to design a short-listing form to help them analyse the quality of their applicants.
Having now received their applications the candidate needs to: • write letters inviting the candidate to an interview • design suitable questions • selection criteria and interview	Each member of the group now needs to draft out the following documents. • letters inviting the candidates to an interview • suitable questions • selection criteria and interview

assessment forms • task for the interviewees to undertake (optional) • offer of job and rejection letters	assessment forms • task for the interviewees to undertake (optional) • offer of job and rejection letters
	The group will have their second meeting to discuss the draft documents that each member has created. From this discussions the group documents will be produced.
Candidate will conduct interviews	The group will conduct their interviews. Each member of the panel must be involved with the questioning of the applicants.
Candidate will decide which applicant to appoint. They will send out the job offer and rejection letters.	The group will decide which applicant to appoint. The job offer and rejection letters will be completed and sent
The candidate will prepare the motivational and induction packages	Each group member will draft out their ideas for the motivational and induction packages.
	The group will meet to discuss each member's ideas for the motivational and induction package. From these discussions the group will produce the final motivational and induction package.

In order to aid the moderation process, each of the documents produced throughout the different stages must be clearly labelled within the candidate's assignment.

It is good practice to include a witness statement which identifies how the candidate conducted the interviews. This could be completed by peer observers. This evidence would also enable candidates to develop their AO4 evidence.

As stated above, candidates need to include copies of the recruitment documents they completed as part of their role as an interviewee.

Assessment Objective Three

A number of Centres still submit work where there is no evidence of research having taken place., Placing copies of other businesses recruitment and selection documents in an appendix does not count as analysis.

In order to achieve this assessment objective, candidates need to collect at least two of the following documentation:

- job advertisements;
- person specifications;
- job descriptions;
- application forms;
- different types of letters – illustrating correct business layout and terminology;
- motivational packages (if possible);
- induction packages (if possible).

Having collected this evidence, candidates are then required to analyse each document identifying what they feel are its good and bad points and whether they conform to equal opportunity legislation as identified in Section 2.2.6 of the WYNTL. Candidates are then required to explain how this analysis has helped to inform the design of their own documents. This last stage is vital if candidates are to achieve Mark Band 3. Sadly it was often lacking in some of the assignments sampled throughout this moderation session.

Assessment Objective Four

The weaker candidates sampled often only made judgements about their own performance during the interview process and weak judgements concerning the documentation produced and its fitness for purpose. A new trend has seen candidates evaluating every document they produced and omitting to cover the other bullet points found under section 2.2.8 of the specification. Very few candidates were able to consider the impact weaknesses within their recruitment and selection documentation would have on how the candidate performed at the interview. They made simple statements such as 'in our application form we did not leave enough room for the candidates to write their qualifications in'. They then failed to make a judgement about the possible impact this could have had on the interview process.

Candidates are also encouraged to make reference to Section 2.2.8 of the WYNTL section of the specification which develops the areas candidates could consider when making judgements concerning effectiveness.

Unit 5: ICT Provision in a Business

In order for candidates to successfully complete this unit it is paramount that the correct business is selected. Where case studies had been selected they often lacked the detail necessary to allow candidates to achieve much more than Mark Band 1. Candidates were still selecting businesses which currently use a substantial amount of ICT. This meant that all candidates could recommend was upgrading or an additional piece of ICT software or hardware. This does not constitute an ICT proposal.

Whichever route is selected for this unit, a real business, or a case study, candidates need to be able to find out the information outlined below in order to compile a detailed assignment which could achieve top Mark Band 3 grades.

- What ICT provision does the business currently have?
- How is ICT currently used in the business? For example, if the business has a word processing package, who and for what reason is this used. This information should also link into the different departments within the business and how they are currently making use of ICT.
- What does the business want to achieve by installing ICT? What different functions is the new package supposed to be able to perform?
- An estimated budget and timescale for the project.

Candidates also need to introduce the business – what it does, how big it is, etc. This is vital scene setting not just for the candidate to consolidate ideas but for the Moderator who finally looks at the assignment.

Assessment Objective One

This was most successfully achieved when it was tackled as a theory only section. Candidates are required to demonstrate their theoretical understanding of sections 5.2.1., 5.2.2, 5.2.3 and 5.2.4 of the specification. This will provide candidates with sufficient knowledge and understanding to develop their own ICT package. Candidates should be encouraged to develop the section on how the different functional areas could use ICT. This would aid candidates when recommending software for their own ICT proposal. Generally, the coverage of software was weak in that it did not state how the business might employ the various forms and what ultimate benefits it would/could bring to the business.

Assessment Objective Two

This assessment objective is achieved through the delivery of a presentation. Candidates must include their presentation slides, prompt cards, and where appropriate, notes used to accompany the presentation. Assessors must complete the witness statement supplied by OCR. The more detailed the evidence, the easier it is for the Moderator to agree the Centres' marks.

In order to achieve Mark Band 3, candidates' evidence must be clearly targeted to their selected business. The proposal must be fully substantiated from both their primary and secondary research. Candidates should have been able to clearly identify what their selected business hopes to achieve through the development of its ICT provision. This will then directly link to the hardware and software the candidate goes on to recommend during their presentation.

The ICT proposal must clearly outline both the hardware and software which is recommended, the reasons why the equipment and software have been recommended and the ultimate benefits and drawbacks the proposal will bring to the business. A lot of the candidates sampled merely stated that they would recommend various different computers, printers and servers with no explanation of why. Candidates also recommended different software packages, again without any explanation of how and why they would/could be used by the business.

Assessment Objective Three

In order to achieve this assessment objective, candidates are required to conduct a variety of primary research and secondary research. The first should focus on the business being investigated reflecting the points raised above. The second, where possible, should involve investigating a similar business to find out how it currently uses ICT and the benefits and drawbacks it brings to that business. Candidates may also find it useful to and interview someone who has ICT expertise who could offer suggestions concerning suitable packages. Secondary research should focus on the different types of hardware and software which the candidate could recommend when they finally present their ICT proposal.

Assessment Objective Four

Candidates would be well advised to make reference to section 5.2.7 of the specification which provides a framework on which to develop the evaluation. In order to develop an evaluation beyond Mark Band 1 candidates must back up their statements making reference to their research conducted for AO3.

Unit 6: Running an Enterprise Activity

Generally candidates appeared to have chosen suitable enterprise activities in order to complete this unit, with quite a few Centres amalgamating the unit successfully with Young Enterprise.

A considerable number of assignments moderated had combined the coverage of assessment objectives 1 and 2. However, Centres are encouraged to ensure that candidates do demonstrate clear and comprehensive theoretical understanding of the concepts being assessed within this section before awarding Mark Band 3 for assessment objective one. One example of good practice seen was where a written explanation of each bullet point section had been supplied and then the candidate had gone on to explain how their group had dealt with each individual aspect. For example, candidates had explained why it was important to have meetings and keep records of agendas and minutes and then showed evidence of their own agendas and minutes.

Assessment Objective One

As already stated the highest marks were gained by those candidates who had covered sections 6.2.1, 6.2.2, 6.2.3, 6.2.4, 6.2.5 and 6.2.6 of the specification in theory prior to applying the concepts to their own enterprise activity.

Assessment Objective Two

Candidates need to show clear evidence of how they have dealt with each of the sections listed in assessment objective one. Candidates lost marks as they often
failed to give sufficient detail of how they had dealt with these considerations when planning and running the profit-making enterprise activity. It was often obvious that the group had run a successful event, but the write up usually lacked sufficient detail to inform the reader of what had been happening. A particular weakness was 6.2.2, developing an effective team. Many candidates had applied Belbin but failed to back up their statements. For example, they simply stated …. 'Jane is well organised…..'. This statement needs to be backed up with examples which clearly illustrate that Jane is a well organised person. Another weak area concerned required resources. Candidates failed to clearly identify and describe the exact resources which they would require to run their event.

Assessment Objective Three

Within the AS specification this is the only time that AO3 is completed after AO2. Whilst candidates may need to undertake some research and subsequent analysis in order to find out what would be the most suitable enterprise to run, this does not count towards their AO3 evidence.

In order to achieve AO3 candidates must follow the guidelines as laid out in Section 6.2.7 of the WYNTL section of the specification. Candidates are required to research and analyse different stakeholder's opinions of their enterprise. This should include:

- surveys with the participants who took part in the enterprise activity;
- questionnaires to other group members on how they felt the group interacted throughout the activity;
- face to face discussion with a group member, getting them to carry out a SWOT analysis on your contribution to the activity;
- discussions with other stakeholders, eg suppliers.

The majority of Centres had carried out the correct research as outlined above. However, having conducted the required research, the written work was often descriptive rather than a true analysis of the information. Candidates need to begin considering the impact of the results from

their primary research on the future running of a similar event. This should help candidates develop their evidence for assessment objective four.

Assessment Objective Four

It was all too common to see candidates having undertaken detailed research into different stakeholders' opinions to then fail to use any of this evidence when considering potential future changes to the enterprise activity.

Candidates are strongly recommended to make reference to section 6.2.8 of the specification. Using the bullet points within this section they then must make judgements backing up their suggestions using their analysis conducted in assessment objective three.

Unit 7: Financial Providers and Products

In this series, Centres were able to choose which case study to use. Some centres chose to remain with Z-A Trucks Ltd and others opted to use Fidos Foods. Use of the latest stimulus material was not seen during this series. Using the information contained within any of the case studies, candidates are required to produce two financial packages. Generally candidates appeared to find Fidos Foods more accessible than Z-A Trucks, especially when compiling the financial package for the business. However, Centres must take note that when candidates used Fidos Food they often researched personal loans rather than business loans.

Assessment objective four is still proving problematic for Centres. It is the responsibility of the Centre to supply candidates with a suitable and realistic change of circumstance for the business and individuals involved within the case study being used.

Assessment Objective One

The candidates who scored Mark Band 3 for this assessment objective usually covered this as a purely theoretical exercise. Tackling the assignment in this fashion allows candidates to demonstrate their understanding of the financial services market and all the products and providers which are currently available in the market. Candidates are required to demonstrate an understanding of all the bullet points outlined in sections 7.2.1, 7.2.2 and 7.2.4 of the specification.

Assessment Objective Two

In order to achieve assessment objective two, candidates must produce two separate financial packages – one which meets the personal financial needs as outlined in the case study and one which meets the needs of the business. Within each financial package, candidates must recommend one product and provider rather than making general statements. For example, 'Lilly could get her mortgage from the Halifax or HSBC'. Candidate must clearly state which financial provider they recommend and why.

In order to access the higher Mark Band 3 marks, candidates should be quoting figures for the financial products being recommend. This should then lead into a costing statement which illustrates if the recommended packages are actually affordable.

Assessment Objective Three

This assessment objective is the research the candidate needs to undertake in order to recommend suitable financial packages. Candidates are required to research a number of different financial providers and packages and analyse their findings. Candidates should consider affordability and also constraints as outlined in sections 7.2.4 of the specification.

Candidate's recommendations in assessment objective two should be clearly linked to their analysis conducted within assessment objective three.

Assessment Objective Four

In order to achieve assessment objective four, Centres need to supply the candidates with a future change in circumstance(s) for both the individual and business described within the case study. The recommended change should reflect what could possibly happen within a five to ten year period. Candidates are then required to consider if the financial package they have recommended in assessment objective two will be able to meet these new financial needs. Candidates are not required to undertake any further research or come up with alternative financial packages.

Further guidance/ideas on how to tackle Z-A Trucks Ltd are found below.

General Points

Due to the complex nature of the case study it is wholly appropriate for teachers to give candidates structured guidance when discussing the financial position of Z-A Trucks Ltd and Ryan.

Whilst investigating the needs of the business, candidates are not expected to have any prior knowledge of accounts and, therefore, it is quite acceptable for teachers to explain to candidates how the business could raise the finance needed to undertake the expansion. The candidate's assessment evidence must then be focused on the financial package they have investigated to meet the needs of both the individual and business which are both clearly flagged up in the stimulus material. Due to the nature of the loan/mortgage required for Z-A Trucks Ltd, it is quite acceptable for candidates to investigate and suggest one type of mortgage/loan.

When investigating Ryan's needs, again it is appropriate for teachers to guide candidates to investigate the types of products which would be suitable and meet the financial needs as laid out in the stimulus material.

The Business

When looking into the current operations of Z-A Trucks Ltd, one might want to consider the following themes:

- number of trucks and drivers;
- working hours of shareholders and staff
- level of customer service;
- administration of the business;
- credit control;
- rent of premises;
- what can Howard offer Z-A Trucks Ltd?;
- possible expansion of Z-A Trucks Ltd with Howard's business – how could Z-A Trucks fund this expansion?;
- financial implications of expansion.

Financial Information
When considering the financial strength of Z-A Trucks Ltd one might wish to consider the following points;

- the combined profit of Howard's business and Z-A Trucks Ltd – consideration of the value of Howard's business (£250 000) plus net assets for Z-A Trucks Ltd (£336 142);

- calculation of a gearing ratio for the potential new venture;
- what kind of mortgage could Z-A Trucks Ltd utilise in, taking into account the rent it is already paying of £15 000.
  Considering some of the financial issues above will allow candidates to research and decide upon a suitable financial package for Z-A Trucks Ltd.

The Individual (Ryan)

When looking into Ryan's financial situation, one might want to consider the following points:

- his current financial needs as detailed in the stimulus material;
- his changing personal circumstances – twins on the way, meaning a possible need for a bigger house and new mortgage?;
- how would this bigger mortgage be financed – could savings be made on the domestic front which would generate the finance needed?;
- what about Ryan's dividends – what impact could these have on Ryan's future financial position?;
- if the expansion of Z-A Trucks Ltd takes place, what benefits could Ryan take from a much larger organisation achieving higher profits?;
- what about Ryan and Sue's savings – what contribution could these savings make to their financial future?

Financial Information

When considering the financial position of Ryan one might wish to consider the following points;

- Ryan's salary (£30 000) plus dividends (£3 000);
- twins on the way;
- value of house and any positive equity it could generate;
- mortgage requirements – borrow three to four times main salary;
- potential increase in salaries once the new business venture takes place;
- increase in mortgage monthly repayments could be offset by financial savings elsewhere – notably savings, 'additional', cable TV, etc.

Considering some of the financial issues above will allow candidates to research and decide upon a suitable financial package for Ryan.

The themes, as listed above, should provide candidates with enough contextual information to go on and meet the assessment evidence requirements for this unit. Ultimately, candidates need to research the financial services market and decide upon a suitable series of proposals which would be of use to both Z-A Trucks Ltd and Ryan. There is no right solution to the stimulus material – rather one is interested in tracking the thought process of the candidate as they progress through the unit – looking into the needs of both business and individual, investigating the financial services market and suggesting a suitable outcome for each context. Candidates may, through their investigations, suggest that certain financial products are inappropriate, given the financial circumstances of Ryan and his business – this approach is perfectly acceptable as long as the rationale is provided by the candidate as to why certain assumptions have been made in relation to the stimulus material.

Unit 8: Understanding Production in Business

In order to achieve this unit candidates' need to produce a report which illustrates how a business produces a particular item. Candidates do need to have undertaken a visit to a production company in order to successfully complete this unit.

Generally candidates sampled had undertaken a wide range of research and visited a varied number of production businesses.

If the Centre is able to establish a good link with a production business, this unit is relatively easy to complete. However, Centres must consider the demands of the specification prior to arranging a visit. If the potential company is unwilling to provide the information required, candidates are 'set up' to fail from the beginning. OCR realises that it is difficult to obtain all of the figures in order to evidence section 8.2.2, operational efficiency, and, therefore, some realistic 'made up' figures could be substituted. Candidates should be able to obtain the remainder of the information required to complete the unit. Special attention should be given to the information available on stock control, quality control and health and safety. Centres must ask themselves is this sufficient to enable candidates to complete the unit.

The majority of the Centres sampled tackled the unit in the same way combining assessment objectives one, two and three.

Assessment Objective One

In order to achieve this assessment objective, candidates need to clearly explain their theoretical understanding of the role of the production functional area, its interaction with other departments and different aspects relating to production, including operational efficiency, organising production, ensuring quality, stock control and legal constraints. The theory section was generally covered well and in detail by the majority of candidates.

Assessment Objective Two

The usual practice was for candidates to apply their understanding of each section directly below their theoretical coverage. On the whole, the higher achieving candidates did this extremely well. The lower ability candidates' work tended to be more theoretical with a lack of application to the selected business. The major area of weakness was section 8.2.2, operational efficiency. Candidates who had participated in an 'unsuccessful' visit were often unable to apply each section to their selected business due to the lack of information available. This had the effect of dramatically reducing their mark for this section of the unit. Candidates' coverage of stock control and health and safety is also often found to lack depth of application.

Assessment Objective Three

Candidates achieve this objective through their development of assessment objective two. Those candidates who took detailed notes throughout their visit/tour should be able to develop assessment objective two to Mark Band 3 and also score highly for this assessment objective.

Assessment Objective Four

Assessment objective four pulls the whole unit together by assessing the candidate's ideas on how the different sections investigated could be improved. It is once again recommended that candidates should be guided by the bullet points as outlined in section 8.2.8 of the WYNTL of the specification. The higher scoring candidates do need to make clear reference to their initial research into the production process when making judgements.

Recommendations to Centres

- Please adhere to deadlines for submitting MS1 forms and candidate work to the appointed Moderator
- Please ensure that marks entered on MS1 forms match marks awarded on the Unit Recording Sheet
- Please ensure that the total marks for all strands of a unit are correctly totaled on the Unit Recording Sheet
- Please ensure that all sections of the Unit Recording Sheet have been completed accurately including candidate number, Centre number, Assessor comments and location of evidence.
- Where there are 10 or fewer candidates for any unit, send all the candidate portfolios with the MS1 forms to the Moderator.
- If assignments are used, please include copies of assignment briefs with the work of the candidates
- Assessors should provide clear written feedback to candidates, including what has and what has not been achieved.
- Candidates should be encouraged to adapt a structured approach to their work and present evidence clearly, eg. use of headings, page numbers and a contents sheet.
- Please include page numbers within the location section of the Unit Recording Sheet.
- Please encourage the use of Assessor annotation of candidate work.
- Please ensure that Assessors check the authenticity of evidence. Pages downloaded from the Internet do not constitute evidence.
- Ensure that internal moderation is carried out prior to external moderation.

F248 Strategic decision-making

General comments

It is clear that most candidates found the paper very accessible and, most of it, relatively straight forward. There were, as ever, familiar problems with candidates' ability to analyse and evaluate – certainly in the context of the case study – and those who did were highly rewarded. Knowledge of every aspect of the specification is essential and it was clear that there were issues with a number of candidates having little knowledge of Porter's work or of critical path analysis.

1

(a) The candidates who did not score maximum marks on this part of the question were those who referred to directors or shareholders. This is before any consideration of becoming a private limited company is established.

(b) Generally very well answered. Most candidates explained issues well, but not all got as far as three marks because of a lack of detail. Many candidates achieved full marks.

2

(a) A minority of candidates simply could not calculate break-even. One mark was, crucially, often lost because candidates rounded down and not up (ie the firm would not, technically, break-even).

(b) (i) The own figure rule was often given for the correct method, but incorrect numbers. Most candidates obtained full marks.

(ii) Most candidates who got this part of the question correct went for the 'P=R-C' route. Very few candidates took the contribution approach. Many, unfortunately, got it wrong.

(c) Better answers challenged the fact that fixed costs are not, forever, fixed and neither are prices. Most candidates scored full marks, but some went no further than simply stating the issue.

(d) The intention of this part of the question was to get candidates to use contribution to start the answer and then to look at other issues. Many did this, but assumed that it was all part of question 2(a/b) and that the fixed costs of £200,000 still had to covered. This meant that some answers were 'profit' based and others 'contribution' based. Most candidates discussed other issues successfully and, hence, achieved Level 3.

3

(a) (i) A wide range of responses were accepted so long as they were a 'first year' objective.
(ii) Again, most candidates scored a mark for a longer term objective.

(b) If candidate's did not know and understand Porter's Generic Strategies (and not Five Forces) then they did not score. Most had some idea, but it was a minority who actually answered the question, ie. actually wrote about Wid Fiyah in context.

4

(a) Many candidates scored full marks. A number dropped marks on the non-critical route.

(b) (i) and (ii) Candidates who grasped the critical path tended to get both floats correct. Some had no idea, others used their own (incorrect) numbers and achieved through the 'own figure rule'.

(c) Most candidates had a general idea of how to improve efficiency but many got confused with the specifics of moving people from non-critical to critical activities. The best answers gave particular examples from the case.

5

Most candidates scored three or four marks. Those who scored three tended to add, not subtract, the 250,000.

6

(a) Well answered. Vague approaches scored one.

(b) Candidates clearly read the question and focused on human resource issues. The vast majority, therefore, scored Level 3 and some, who had clearly been taught the relevant skills, managed to evaluate the issues. More candidates need these skills developing.

7

There were a number of approaches to this large question and candidates often , 'threw the kitchen sink' at it! There were a number of issues to discuss and most aspects were covered by most candidates – at least at Level 3. Those who scored the lower marks tended to look only at one option in depth or generally 'listed' issues. To achieve the highest marks, it was essential that the candidates did exactly what the question asked and used both quantitative and qualitative arguments. Few used a detailed quantitative approach (contribution, break even, data from the appendices, etc) and thus limited their answers. As ever, detailed, thorough evaluation was at a premium.

F256 Business Law

As in the June 2007 series, examiners were looking to reward candidates who demonstrated a good knowledge of business law and who were able to apply relevant points to the vocational context of the case study. For higher marked level of response questions, examiners were also looking for a fully supported judgement. It was a pleasure to see that more Centres give full attention to the requirements of the specification and this meant that candidates were able to focus more on the relevant aspects of the law.

However, it was clear that some questions caused *all* the candidates at particular Centres difficulty and consequently were not answered adequately or were simply not answered. Again, there was a noticeable lack of knowledge about the content of the Company's Acts in relation to the formation of companies. It is worthwhile remembering that knowledge of the legal setting up process of each of the forms of business organisation identified in the specification is required.

Comments on Individual Questions

1 (a) (i) and 1 (a) (ii) These parts of the question about the content of the Memorandum and Articles of association were not answered well by many candidates. Knowledge is required of the content of the legal documents needed to set up a company, as well as the process of legal formation. Centres should make their candidates fully aware of requirements of the Company's Acts and the content of the documents required. The content of the Partnership Act 1890 and the Deed of Partnership also need to be taught.
.
1 (b) This part of the question was generally well answered by candidates with most understanding that limited liability means shareholder's liability is limited to the funds invested in the shares in the company and personal assets are not at risk. Some weaker candidates explained unlimited liability rather than limited liability which meant
1 (d) was not answered well.

1 (c) This part of the question on setting up on a charitable basis rather than as a company was generally well answered. Please note the paperwork to set up a charity is *not* less complicated than a company so such statements achieved no marks.

1 (d) This part of the question was marked by way of levels of response and the best answers showed a clear progression within responses from identifying an issue, to explaining it in relation to the context, analysing it and finally reaching a judgement on the main factor(s) which may have affected the decision made by the private limited company to stay as a private limited company or to change status and become a public limited company. Where the marks awarded were low, this was frequently because candidates simply made a point, e.g. the change to a public company would enable SS Ltd to raise more finance from the public, rather than **analysing** and **evaluating** the impact in relation to the context of the case study. For example, given that the business was expanding, extra finance would be required. However, as public limited companies tend to have more shareholders, there may be a loss of control as the shareholders can have a say in the way a business is run. Since Steve has had very little interference in the direction of the business before, this may cause conflict, although this may be outweighed by the extra finance generated.

2 (a) The answers tended to be good on this part of the question and many candidates achieved full marks as they knew the process of creating an Act of Parliament. Many candidates also showed good examination technique by identifying the stages and then explaining them.

2 (b) Again, most candidates achieved well on this part of the question. Many candidates could identify offer, acceptance, consideration, capacity as the elements required to make a contract legal.

2 (c) Many candidates scored well on this part of the question about terminating a contract, but needed to develop their answers more fully to gain a third mark. Good examination style is to identify the way, e.g. breach of contract, explain the concept and then give an example related to the case.

2 (d) The concept of intellectual property rights is a relatively new concept for the Business Law specification. Some candidates knew the concept well and issues surrounding copyright and patents, however; there was a long tail of candidates who struggled to get high marks.

3 (a) Most candidates understood the concept of discrimination and could relate the case to the precise issues of the Sex Discrimination Act, Disability Discrimination Act and age legislation.

3 (b) The main principles of the Health and Safety at Work Act (HASWA) were generally well understood by candidates. Some struggled to get three principles and some were a little vague. It is worth making sure the candidates understand these principles fully.

3(c) Again, this was a level of response marked question which asked the candidates to **evaluate**. It was evident from this part of the question that many candidates did not have a full understanding of the meaning of '**evaluate'** but it is good to see that many more were attempting the higher order skills required for this type of question. Such candidates would benefit from studying the difference in key question terms such as 'explain', 'describe', 'analyse', 'evaluate'. Candidates were required to **judge** SS Ltd's current position regarding health and safety law. The evidence needed to be weighed up, e.g. although Steve did have some simple health and safety measures in place such as the students to phone using mobiles if there was an accident, these were not extensive and it would appear obvious in such a hazardous environment that new and inexperienced employees should be given extensive training.

3 (d) Many candidates confused the question about occupier's liability with vicarious liability. It is important that candidates know the difference between these and contributory liability. Candidate understanding can easily be enhanced by using real life examples from websites such as bbc.co.uk.

3 (e) Quality of Written Communication was awarded here. Questions on fair, unfair and constructive dismissal are common on business law papers. Most candidates were able to make points and analysed these well.

4 (a) The question on the liquidation of companies is often asked. It is clear that some Centres may have not given full attention to this aspect of the specification, which is disappointing. However, where liquidation had been taught effectively, high marks were achieved. For future teaching it is worth identifying the difference between administration, voluntary and compulsory liquidation.

F257 Managing risk in the workplace

General comments

Overall, the responses to this paper were pleasing. In general, candidates were able to complete the examination paper in the allocated time, with better candidates being able to express their thoughts in detail evaluative questions. However, as with previous papers, Level 4 marks seemed to elude many candidates with the majority of them only scoring in Levels 1-3 on the 13 mark evaluative questions. Whilst knowledge of health and safety seemed to be well demonstrated, understanding of strategic risk seemed less strong. Centres preparing candidates for this unit should be aware that both strategic risk and health and safety risk are tested in this paper in equal measure.

1 (a) Many candidates answers focused on risk assessment or health and safety issues rather than on strategic risk. The definition of 'risk management' is clearly outlined in the specification and Centres are advised to use the specification as a guide when teaching such terms.

(b) Although some knowledge given was apparent, a lack of detail in many answers, eg the Health and Safety Act was given as a response rather than the Health and Safety at Work Act 1974. Whilst the year was not necessary, the full name of each law or regulation was necessary in order to acquire marks.

(c) Although there were some good answers here, many candidates failed to address the questions by explaining why on the job training was beneficial rather than how; other candidates gave benefits of off the job training.

(d) Candidates who had a good working knowledge of the Health and Safety Executive performed well on this part of the question. However, it was clear that this had not been taught in some Centres as candidates took the Health and Safety Executive to be an internal health and safety officer, thus producing answers dwelling upon issues such as risk assessment and good housekeeping rather than viewing the Health and Safety Executive as an external body operating in a monitoring and advisory capacity.

2 (a) Many candidates scored well in this part of the question, but many considered a fire to be extremely likely.

(b) Although candidates demonstrated a range of issues in context and, therefore, achieved Level 2 reasonably quickly, others listed a large range of measures but did not go on to analyse the impact of measures on businesses. Very few Level 4's were achieved. The grading criteria focuses on the quality of the response, rather than the number of issues raised by a candidate.

3 (a) As with question 1(a), many candidates confused health and safety risks with strategic risk. However, amongst those who understood this difference, many discussed the strategic risk caused by the uncertainty of entering a new market, thus producing good quality responses.

(b) Candidates demonstrated a good understanding of contingency planning. However, many candidates seemed to be unable to apply the concept to potential future scenarios which might occur. Weaker candidates often repeat themselves without the idea of a fallback plan being put into an appropriate context. As these candidates did not analyse the impact of using contingency planning in this circumstance, only Level 1 and 2 responses were provided and few Level 3 or 4 responses were rewarded.

4 Many candidates gave answers about why the business should provide off the job training, not how it could be done in TimberLand. Some candidates misread the question and looked at the advantages and the disadvantages of this type of training rather than at the methods.

5 (a) Candidates responded well to this part of the question with many achieving full marks. However, some suggested inappropriate issues, such as offering more pay as a way of catering for workers' needs.

(b) Industrial action is frequently covered as an examination question. However, many candidates were unable to define this term, making responses to 5(c) difficult to complete.

(c) Few candidates gained three marks for each point, mainly due to a lack of application to the context. However, those Centres that had taught the topic well enabled those candidates to achieve high marks in this part of the question.

(d) This part of the question was well received by candidates, although many still considered strikes and picketing to be separate activities, although a picket is a part of strike activity.

(e) Better candidates were able to score highly on this part of the question, although many of them explained the benefits and drawbacks of diversifying, not the ways it could have been managed better. Weaker candidates struggled with developing a retrospective view of what problems could have been avoided if Angus's management style and decision making process had been modified.

A2 Principal Moderator's Report

The majority of the Centres which submitted work for this moderation series followed OCR procedures, adhered to set deadlines and accurately completed documentation which enabled the moderation process to progress smoothly. However, many Centres did not adhere to the 10 January deadline for the receipt of the completed MS1 by the allocated Moderator and failed to inform OCR or the Moderator of the delay. This did cause difficulty for Moderators in the scheduling of their work. Centres should note that it is their responsibility to forward MS1 forms and candidate work to the allocated Moderator by the set deadlines, eg the sample must be returned within three days of receiving the sample request. It was noted that some Centres were taking up to a further 10 days to send the requested assignments to their Moderator. Centres should note that any failure to meet such deadlines could delay the receipt of results for their candidates.

Where there are 10 or fewer candidates for any unit, Centres are required to send the candidate portfolios with the MS1 forms to the Moderator by 10 January.

Centres must ensure that all sections of the Unit Recording Sheet have been completed accurately, including correct total marks for the unit, candidate number and Centre number, teacher comments and location of evidence, in order to facilitate the moderation process. This information helps moderators understand the rationale behind the marks awarded for each assessment objective. Centres must also ensure the marks on the MS1 form match the marks on the Unit Recording Sheet for each candidate and each unit.

Assessment

Many Assessors demonstrated good practice by annotating candidate work with assessment criteria references and by giving clear and constructive written feedback. The teacher comments section of the Unit Recording Sheet enabled Assessors to justify the marks awarded for each assessment objective. It was helpful when page numbers were included within the location section of the Unit Recording Sheet. Some Assessors failed to provide written comments or annotate candidate work. In these circumstances, it was not clear to the Moderator how assessment decisions had been made.

Where assignments had been used, it was most helpful for copies to be submitted with the actual work. This gave a clear indication of the tasks which were given to candidates. It was generally noted that where Centres had followed the assignments produced by OCR, candidates' work was generally more structured enabling them to provide the correct evidence for each assessment objective.

It is the responsibility of Assessors to ensure that each candidate has produced authentic/original evidence. A Centre Authentication Form for Coursework (CCS160) must be signed by the Assessor(s) and must accompany each unit submitted.

Candidates must ensure that any material used from the Internet is correctly attributed. Where material is taken directly from the source, candidates must supplement with their own explanation, demonstrating their understanding. Where candidate work contains inaccuracies, Assessors should annotate the work to this effect, thus enhancing the candidate's own learning.

Assessors are reminded that they should make reference to the assessment objective amplification grids when assessing candidates work.

OCR has released a detailed assignment for each of the portfolio units found within the A2 specification. Centres may find it useful to make reference to these in order to help structure their own assignments. These can be downloaded from OCR's website.

Unit 10: A Business Plan for the Entrepreneur

The banner of the assessment evidence grid requires candidates to produce a business plan for a new business enterprise of their choice. Candidates often selected business ideas which were way above their capabilities. This greatly limited their ability to create a realistic plan in order to achieve AO2. The best plans were created by candidates who had selected small enterprises based on their own knowledge, interests and experience. This point is further clarified within the specification on page 112, third paragraph.

Assessment Objective One

In order to achieve this assessment objective, candidates are required to provide theoretical coverage of sections 10.2.1, reasons for construction of a business plan; 10.2.2, information within a business plan: and, finally, 10.2.5 constraints which impact on implementation.

To help candidates achieve Mark Band 3 this is best tackled as an independent section with candidates using generic examples to help them demonstrate their knowledge and understanding of sections10.2.1 and 10.2.2. In order to complete sections10.2.5, candidates should be encouraged to relate this section to their own business idea. Clearly identifying the constraints relevant to their own business plan at this early stage will help them evaluate their impact in AO4.

Assessment Objective Two

This section is the actual business plan and as such should be presented as a 'stand alone' document which could be shown to a potential stakeholder. If candidates have decided to use a business plan format provided by a third party they must ensure that it allows them to fully meet the requirements of section10.2.2. This could involve adapting the layout or adding extra information. The information used within the business plan must be fully supported/justified through the research and subsequent analysis carried out in AO3.

There were a significant number of business plans which were based on unsubstantiated ideas and comments. Some of the common problems are outlined below.

- Failure to fully research media selected for advertising – for example, if a newspaper had been selected? What is its target market, what are its readership figures?
- Lack of justification for price to be charged – what are competitors charging? Decisions should not just have been based on what 10 people stated in the candidate's primary research.
- Lack of research in to the machinery and equipment required. Only one set of prices researched. What would be the best buy? Why select that particular product?
- Lack of justification and often unrealistic figures used for the number of the products the business would sell/number of people who would use the service. No reference to competitor numbers. Usually just based on the primary research or candidates own assumptions and gestations.
- Very few candidates considered the different stages of production in sufficient detail.
- Little consideration of timing of production to meet customer needs.
- Break even forecasts were often difficult to understand as there was no explanation of where the figures had come from. Figures were often 'plucked out of thin air' and not based on analysis of research.

- Cash flow forecasts, although completed correctly, were often based on figures which appeared to be candidates own assumptions and gestations.' Candidates must fully justify their sales and expenses.

These points are further clarified within the specification under section 10.4 Guidance for Teachers pages 112 and 113.

Assessment Objective Three

Centres should pay attention to section 10.2.3 of the specification which clearly states that candidates need to ensure that research is wide-ranging'. This must include both primary and secondary research as laid out within this section.

Candidates are then required to analyse the information, drawing out key information which should be included in their own business plan. Candidates should be advised that in order to access the higher marks, each of their decisions should be supported by at least two different types of research. Candidates too often relied solely on their limited primary research to inform decisions within their business plan. Some business plans were based on extremely limited research and lacked any sense of viability or realism. Clarification of the depth of analysis required is further explained within the specification on page 113, fourth paragraph.

Candidates are required to use a variety of statistical techniques when analysing their data. The frequent use of '10 out of 20 stated', and 'the majority of respondents said' will only achieve Mark Band 1 for analysis. Frequently, candidates produced pages of computer generated graphs and charts which lacked analysis and gained no marks. Candidates should be drawing conclusions throughout their analysis of the primary and secondary data which will then be used within their own business plans.

Assessment Objective Four

In order to achieve this AO, candidates are required to prioritise the constraint they feel will have the greatest impact on their business plan. This was lacking in the work of the weaker candidates. If there is no evidence of prioritisation candidates cannot achieve Mark Band 3.

Having prioritised the constraints, candidates must then consider the impact each one would have on the implementation of their plan. Reference to initial research must be made. Candidates were unable to access the higher grades as they often failed to consider the 'knock on' effect that a constraint might have on other aspects of their business plan. For example, if we consider finance as the main constraint - without adequate funds the business may not be able to undertake the marketing it initially identified. This might then limit the number of customers who would become aware of the business and, hence, decrease the number of sales. Candidates often only considered 'short term' impacts and failed to consider the 'long term' implications of some constraints. For example, environmental concerns are currently headline news and possible legislation could have an impact on the business in the long term.

Unit 11: Managerial and supervisory roles

This unit is a complex unit to complete and candidates need clear guidance as to how to differentiate their evidence for assessment objectives 2 and 3. Candidates need to be very clear about the information they are trying to obtain from their selected manager/supervisor.

The unit has the same behaviour patterns as unit 8, Understanding Production, in the AS specification. Candidates need to undertake their research following section 11.2.3 of the specification. They should then produce a basic analysis of their questionnaire – pulling out examples which will support their report. Having completed their research, candidates should

then complete their report which forms AO2. Some of their analysis will be evident within this report and, therefore, credit for assessment objective three can be awarded here as well.

The main problem with the unit, at this stage, is candidates muddling their assessment objective 2 and 3 evidence. There is often no stand alone report produced. Some candidates only focused their analysis and subsequent conclusions on management styles and motivational theorists. They omitted to describe how their manager performs their role (11.2.1) – planning, organising, etc.

The higher scoring candidates were those who had been able to gain good access to their selected manager/supervisor through work experience or work shadowing. Candidates who had only interviewed a manager/supervisor were less able to gain sufficient information to fully cover section 11.2.1 due to lack of observation of their selected manager/supervisor 'in action'. The knock on effect of this was that candidates were often unable to substantiate the statements they were making through the use of examples.

Assessment Objective One

In order to achieve this assessment objective, candidates need to produce theoretical coverage of sections 11.2.1 (both sets of bullet points) – the business context in which the report will take shape, 11.2.3, the last section under secondary research; different types of managerial/supervisory styles, motivational theorists; and, finally, 11.2.5 evaluation of the factors which can influence the environment in which a manager/supervisor performs her/his role.

The theoretical section under 11.2.3 (research) also forms part of the candidates' assessment three evidence. It was often apparent that candidates had only used one source when researching different manager/supervisor styles and motivational theorists. This had the impact of potentially lowering their AO3 mark.

Generally candidates completed this section successfully. The higher performing candidates used examples to illustrate section 11.2.5 which worked particularly well and demonstrated their depth and breadth of understanding.

Assessment Objective Two

Candidates should produce a stand alone report which clearly outlines how their selected manager/supervisor approaches his/her current managerial/supervisory role within the selected business. This report should be fully supported through the analysis undertaken by the candidate in AO3.

In order to gain the higher marks, candidates need to ensure that their report includes the following points:

how their selected manager/supervisor:

- plans
- organises
- motivates
- monitors and directs
- problem solves
- trains and mentors
- appraises.

All of these bullet points need to be supported with examples. For example, the candidates should use a scenario which clearly outlines how the manager/supervisor plans their day, week, month, etc.

The next stage is for the candidate to consider how each of the following affects the managerial/supervisory set-up within the selected business:

- culture of the organisation
- objectives of the organisation
- structure of the organisation
- availability of resources within the organisation.

This section could form part of the candidate's introduction to their report.

The final stage involves the candidate describing which type of management style(s) their manager uses and how this links to motivational theorists.

The candidates sampled during the session generally had made good links with businesses and arranged interviews with relevant managers. Their questionnaires were often correctly targeted but failed to provide sufficient information for the candidate to cover the first set of bullet points in sufficient depth. The higher scoring candidates were those who either worked with the selected manager/supervisor or who were able to work shadow their selected manager/supervisor. In order to achieve Mark Band 3, candidates will be required to provide examples of how their manager deals with each of the sections outlined above.

Assessment Objective Three

In order to achieve this assessment objective, candidates need to focus on sections 11.2.2 and 11.2. 3 of the specification (page 117). Primary research focuses on interviews with the selected manager and fellow workers. Secondary research informs both AO3. Part of AO3 is written up within AO1 when the candidate is looking at the different types of managerial/supervisory styles and motivational theorists.

Candidates sampled this session had achieved a face to face discussion with their selected manager/supervisor and often also fellow workers. There was also evidence of candidates following the guidelines on the type of questions which should be asked during the interviews. However, candidates were not always able to analyse this information in order to compile their report. Their analysis should enable them to cover section 11.2.1 of the specification.

Assessment Objective Four

Candidates must make reference to section 11.2.5 (page 118) of the specification before tackling this AO.

This section does not lend itself particularly well to prioritisation. Candidates often have to use possible scenarios in order to evaluate the factors which they think would have the greatest influence on the environment in which the manager/supervisor performs his/her role. It was, therefore, considered that Mark Band 3 could be awarded for this unit without the clear demonstration of prioritisation. However, candidates will still need to consider the short term and long term impacts of their statements in order to achieve Mark Band 3.

The key word in this section is 'influence the environment'. Therefore, candidates need to link the analysis of their research into the current culture, objective, structure and availability of resources (11.2.1) when undertaking this section.

Unit 12: Launching a business on line

The interpretation of the evidence candidates need to produce has caused a number of Centres a few problems. The banner clearly states that – 'You will produce an e-commerce strategy for a business which has yet to develop e-commerce provision'. Some Centres had selected businesses which already had a website and provide the facilities for customers to purchase their products on line. The subsequent consequence of this was that candidates were merely reiterating what the business was actually already doing.

Candidate's success in this unit is going to be linked to the selection of the correct business. It is a unit which could lend itself to a case study as long as it is sufficiently detailed to enable candidates to access the higher marks available.

Assessment Objective One

This assessment objective states – 'Your understanding of how e-commerce would be used by your chosen business, the benefits and drawbacks of e-commerce provision to your business and the issues in setting up and running a website.' Ultimately, OCR will be accepting evidence which is either linked to the selected business or presented in purely theoretical terms. Candidates need to ensure they cover the three distinct sections of 12.2.2 – how e-commerce would be used by the business, benefits and drawbacks of such a policy and 12.2.5 the issues involved with setting up and running a website. Both sections must be covered here, front end and back end.

In order to help candidates achieve the higher marks, OCR would suggest that this section is tackled from a theoretical view point, with candidates using a variety of examples taken from a range of different businesses to demonstrate clear and comprehensive coverage.

Assessment Objective Two

Candidates are required to produce the front end of the website, which is directly applied to the requirements of the selected business. The front-end of the e-commerce strategy can be presented in one of three ways:

- PowerPoint slides
- Internet itself
- concept board with accompanying text.

It was good to see some excellent practice with candidates clearly illustrating how their website would work – this included the front page right through to the point of sale. Some candidates had only produced the home page of their website giving limited explanations of the recommended hyperlinks. As stated above, candidates need to produce a variety of slides, concepts or web pages which clearly show how at least one hyperlink would work right through to the final purchase of the product/service.

There should be clear evidence that the proposal is based on the analysis of their research undertaken in assessment objective three.

In order to secure top marks for this assessment objective, candidates should consider explaining how their website would meet all the bullet points listed under section 12.2.5 - Front End. This will also enable the candidates to clearly link their research to their final product.

Assessment Objective Three

Candidates must show evidence of planning their research in order to fulfil the demands of section 12.2.3 – planning the strategy. A well laid out plan should enable candidates to correctly target their research.

Candidates' primary research should focus on the questionnaires and surveys with potential customers, discussions with website designers and, finally, a discussion with the selected business concerning what it hopes to achieve through the development of an e-commerce provision.

Candidates' secondary research should analyse similar websites which are marketing a similar portfolio of products to the selected business. Candidates should use the following headings when analysing competitor's websites:

- availability
- image
- product information
- accessibility
- security
- user-friendliness
- aesthetics
- ease of payment.

In order to achieve the higher marks, candidates should then draw a conclusion from their analysis, clearly stating how this research will influence the development of their own website.

Top scoring candidates had used the above bullet points to structure their analysis clearly stating how their findings would influence the development of their own website. Unfortunately, a lot of candidates had completed a simplistic analysis of competitor websites often failing to follow the bullet points above. Having completed their analysis, they failed to draw conclusions concerning how this would influence the development of their own website.

Assessment Objective Four

Candidate's evaluations should focus on what measures they would take to deal with the manageability of the back end of the website. Candidates should be guided by the bullet points under section12.2.5 – back end (page 129). Candidates need to prioritise the issue they feel would have the greatest influence on the manageability of the website for their selected business.

Candidates can only achieve Mark Band 3 if their statements, conclusions and evaluations make direct linkage to the research undertaken in assessment objective three. They also need to consider short term, long term, success and potential failure whilst drawing their conclusions.

Unit 13: Promotion in Action

This is a particularly popular unit. However, there does appear to be some misunderstanding about the evidence candidates are expected to produce. Candidates are required to produce a promotional strategy (at least two promotional media) for promoting a new product or service of their choice. On page 141 of the specification it clearly states that candidates should 'choose a business with an already varied product portfolio, allowing them to suggest a new product to add'. It also states 'It would also help if the product chosen allowed candidates to demonstrate creative skills by coming up with an original idea, as otherwise candidates will be tempted to stick too closely to current promotional activity used by their chosen business.

Candidates must remember that this is a unit based on promotion and not just another re-run of their original marketing assignment. There was a lot of evidence of candidates appearing to be confused about what they were actually trying to achieve whilst conducting their research. There was also evidence of candidates trying to 're-vamp' their marketing assignments in order to achieve this unit. Unfortunately, this does not work as the research will have the wrong emphasis with candidates merely demonstrating a need for the new product or service rather than ideas concerning how it could be effectively promoted.

Assessment Objective One

Candidates are required to provide theoretical coverage of section13.2.5 – the various forms promotional activity can take and how and when each form of promotional activity is used. From section 13.2.6 they need to cover internal and external factors which can influence promotional activity. OCR would encourage all candidates to use a wide range of examples throughout this section in order to demonstrate their breadth and depth of understanding.

On the whole this section was completed well by the majority of candidates. Some had chosen to link this section to their selected business which is quite acceptable as long as each aspect is covered in sufficient depth.

Assessment Objective Two

Candidates are required to produce two final concepts of their promotional material and the rationale behind their development.

When moderating the portfolios, it was often extremely difficult to see the links between the candidate's research and their final products. All too often candidates failed to produce any form of rationale for their choice of media. The main reason for this was their lack of targeted and accurate research carried out in assessment objective three.

Assessment Objective Three

The starting point for this assessment objective is section 13.2.3, the planning of the strategy. The second set of bullet points should help the candidates focus on the type of questions they should be asking within their questionnaires.

If the candidates have not described how promotional activity takes place within their chosen business for its current range of products/services in assessment objective 1 they need to do so as an introduction to this section. This evidence could support their assessment objective one mark.

Candidates need to make reference to section 13.2.4 to establish the kind of research they should be conducting. When conducting their primary research, their main focus should be on the second bullet point. Candidates need to ensure that they focus on the types of promotional features which attract customers to purchase products or services. They should also try and establish what types of promotional campaign will meet the second set of bullet points in section 13.2.3. Too often candidates slanted their questionnaires too heavily to finding out what type of product/service customers wanted. To some extent candidates need to assume there is already a demand for their selected new product or service and concentrate on how they are going to encourage people to 'buy in' through the use of promotional media.

Candidates' secondary research should focus on how other businesses especially competitors promote a similar range of products or services. When analysing this data candidates should use the following headings:

- aesthetics
- message
- fitness of purpose
- originality
- communication.

Evidence of the use of these headings was often lacking in the lower scoring candidates.

Candidates' final analysis was often sadly lacking. A wide range of candidates who had used Cadburys only wanted to advertise through the continued sponsorship of Coronation Street. They failed to state what the viewing figures were, what age ranges watched this programme – did this actually match their target audience? In order to achieve Mark Band 3, candidate's recommendations must be supported by their analysis of their wide ranging and focused research. This should include readership numbers, age profiles, cost, etc. Some candidates designed leaflets but failed to consider the cost of distribution or even how and to whom they were going to be distributed.

Often this section of candidates' work lacked detailed analysis and was, therefore, unable to access the higher marks.

Assessment Objective Four

Candidates need to prioritise the internal and external influences which they feel would have the greatest impact on their promotional activity. Their evaluations must clearly link back to initial research. Often candidates were unable to fully evidence the internal constraints as they had not clearly stated what these were at the beginning of the assignment. Few candidates were able to show any understanding of costing due to weak research.

Candidates' coverage of external influences was generally better as they could relate these areas to their own strategies.

Once again very few candidates considered possible failure and often did not consider a chain of events or short and long term implications.

Unit 14: Creating a Financial Strategy

Candidates had all correctly used the new stimulus material supplied by OCR.

Generally, Centres were better prepared to cope with this unit. The work submitted by Centres demonstrated a wide range of marks which represented candidates' ability to grasp the concepts being assessed. However It was still worrying to see that in some Centres all the candidates' work contained the same errors. This is an area that needs addressing before further submissions. If work is found to be identical in future submissions, the Centre may be reported for malpractice. There was still evidence of good practice where Centres had made candidates work under test conditions and their work covered the full range of marks.

Although OCR does not specify how the unit should be tackled, identical work for assessment objective two would not be anticipated – except where it is 100% correct.

As the unit currently stands, it does require a specialist accounts teacher to teach the unit or at least be available for help and guidance. Some of the tasks within the case study do require a sound understanding of double entry bookkeeping and this lack of specialist knowledge by teachers led to the downfall of some candidates.

There have also been a lot of comments that qualified accountants have also found the case study challenging, which of course they would as they are sufficiently qualified to only interpret accounts and pay other people to prepare them. This is the angle from which this case study has been written.

Assessment Objective One

Candidates achieve this objective through the coverage of Task A. Candidates are required to provide detailed coverage of each of the sub-sections (i)–(v). Whilst candidates often provided detailed theoretical coverage of sections (i) and (ii), the depth of the work often tailed off from this point. Candidates often completely missed out the second section of (iii) – 'you need to demonstrate your understanding that this information can be found from various source documents, including invoices, credit notes, bank records, eg direct debits and till receipts'. The evidence produced for (iv) had been completed with various degrees of success. Those candidates who had produced the book-keeping guide for 'dummies' often did this section particularly well. Others merely copied examples out of the textbook. Section (v) was often missed by Centres or coverage was weak. This was supported by candidates' inability to correct errors through the use of the Journal and suspense account. More in depth teaching of this section would give candidates greater skills went completing the activities set in assessment objective two.

Assessment Objective Two

Candidates achieve this assessment objective through the completion of tasks B, C and D.

Task B – There was a mixed response to this task. There were obvious cases where Centres had delivered this section as a class exercise with candidates all producing identical accounts and errors. Other Centres had undertaken the section under examination conditions with candidates producing very individual work. It was surprising to see that few Centres made use of the three column cash book preferring to use separate bank, cash, discount received and discount allowed accounts.

Mark scheme for Series 2, Kutz Ltd will be included within the Principal Moderator's report for June 2008.

Assessment Objective Three

This assessment objective was based on responses to Tasks E and F.

There was a wide variety of evidence produced for task E, all of which was acceptable to meet the requirements. Where candidates had collected a variety of different final account templates, it would have been nice to have some form of analysis. Some Centres must place more emphasis on this task as it does count towards the grade which can be awarded for this assessment objective.

Within Task F, the 'own figure rule' was applied. Generally, candidates were able to correctly calculate the relevant ratios. Their interpretation of these ratios was, however, rather mixed.

Some candidates simply stated the theory behind the ratio and failed to make any linkage to the case study. The higher scoring candidates did try and relate their evidence back to the case study. It was surprising how many candidates did not understand that an increase in sales, on

its own, will not necessarily increase profit margin. Very few candidates were able to link ratios together – for example – gross profit margin will have an impact on net profit margin. They were, therefore, unable to access Mark Band 3 because of a failure to demonstrate integrated and strategic thinking.

Assessment Objective Four

Task G had to completed in order to achieve this assessment objective. Although the case study did not indicate that candidates should prioritise their ideas, this is part of all assessment objective 4 criteria. Candidates were not penalised for omitting to do so during this moderation session. It is, however, a point which Centres should consider for future submissions.

A lot of candidates improved their initial assessment objective 3 mark here, as they began to fully develop the analysis and the impact of the ratios calculated in assessment objective 3.

It was pleasing to see that even those candidates who had not scored highly throughout assessment objective 2 were able to score well in this section. These candidates had made excellent use of the case study when deciding the best way for the business to move forward.

Candidates should remember that this task does direct them to write a report. Often their evidence was not presented in this format.

Unit 15: Launching a New Product or Service in Europe

In the January series no work was seen for this unit. It is a difficult unit for candidates to access if they do not have an excellent link with their selected business.

One of the main problems with the work seen in the summer was the fact that candidates were trying to do this unit without an established link with their business. Research from the Internet will not provide candidates with sufficient detail to meet the demands of this unit.

OCR would recommend that Centres get candidates to start off their assignment by giving a brief overview of their selected business, product and to where they intend to export their product or service. This will enable teachers to ascertain if the candidate is able to gain sufficient information to meet the rigors of the unit.

Assessment Objective One

This section is based on the theoretical coverage of section 15.2.2 and should focus on general trends within the European Union as a whole. Some candidates only focused, in detail, on the selected country to which they intended to export their product or service.

Assessment Objective Two

This is the candidates' written summary which will show how their selected business will deal with the many issues it needs to consider when launching a product or service in European markets. Candidates should follow the bullet points outlined in section 15.2.4 – second set of bullet points (page 162). The candidates' written summary must be based on the analysis of their research carried out in assessment objective 3.

Unfortunately, a lot of candidates simply stated that their selected business would have to deal with each of these points, but failed to provide their own strategy of how this might happen. Candidates really struggle to cope with this section due to their lack of research or inaccessibility to the information that is required to meet the rigors of this section.

Assessment Objective Three

Candidates must start off this section by showing evidence of planning their research, 15.2.3. Within their plan, candidates must consider their objective(s), types of research, and the sources of information they will use. Candidates should then be guided by section 15.2.4 when selecting the type of research methods they will use. Special attention should be given to the bullet points found on page 162 of the specification. These are the main aspects which candidates need to research in order to be able to compile their written summary for assessment objective two.

The main failing within this section was the fact that all too often candidates were trying to gain this information from a business' website. They had no inside contact and, therefore, the quality and depth of their information was insufficient for them to be able to complete a detailed analysis which would feed into their assessment objective 2 evidence.

Assessment Objective Four

Candidates are required to prioritise the bullet points found under section 15.2.6, clearly stating which one they feel would have the most influence on the effectiveness of their strategy. As always, evaluations should be fully supported through the research conducted in assessment objective three.

Unfortunately, the quality of the research undertaken for this unit was often weak and, therefore, the ability to develop a detailed evaluation was almost impossible.

Unit 16: Training and Development

The key to this unit is the link which candidates are able to build within their selected business. In order to complete the unit successfully, candidates need to be able to gain the following information:

- what competencies does the job the person they are going to interview require – this is usually taken from job descriptions, person specifications.
- what skills does the selected member of staff feel they have in relation to those stated on their job description/person specification.
- what skills does the selected member of staff feel they are lacking
- what type of training would the potential employee feel would be beneficial to them.
- why does the selected business wish to upgrade the skills base of its staff – what will be the ultimate benefits to the business.

Unfortunately, this information was not available to a wide variety of candidates who attempted this unit.

Assessment Objective One

Candidates should provide theoretical coverage of sections 16.2.2, the business context within which the strategy will take place; 16.2.5, production of an action plan – candidates need to focus on the different training methods and initiatives that businesses could use; and, finally, 16.2.6, evaluation of effectiveness. In order to help demonstrate depth and breadth, candidates could include generic examples to develop the overall content of their theory.

The majority of candidates sampled completed this section satisfactorily.

Assessment Objective Two

Candidates are required to produce training and development programmes for their two chosen functional areas. These must be directly related to their skills gap analysis conducted in assessment objective 3.

Candidates need to provide a detailed outline of exactly what their training programmes will entail. If they are intending to run 'internal courses' this should include information on the length of the course, aims and objectives, what workshops will take place, what these will entail and the learning outcomes for each. This is outlined in section 16.2.5. If candidates are recommending external training courses these should be fully explained.

The internal training programmes put forward for this series often lacked detail and did not directly link back to research undertaken. They were often too general with very little description of what the training was hoping to achieve for the individuals or the business. Other candidates simply stated they would be sending employees on external courses. They failed to provide detailed descriptions of the aims and objectives of theses courses, costs or impact on the business.

Assessment Objective Three

Whilst planning their research, candidates must be aware of the different types of training programmes that are available. They should consider that different employees will have preferred styles of learning and in order for training to be successful an attempt must be made to meet these individual needs.

Candidates' primary research should focus on their skills gap analysis, analysing the short, medium and long term business objectives and management views on possible training.

Candidates' secondary research should focus on the different types of training which are available. They should analyse a variety of courses in order to either select a suitable external course or to help them create in-house courses of their own.

Unfortunately, the majority of candidates sampled had been unable to obtain sufficient information in order to produce a detailed and useful skills gap analysis. Often the information gained from their questionnaires was vague and did little to inform their final training and development programmes. Candidates were also unable to link their analysis of how meeting employees training needs would ultimately benefit the business.

Assessment Objective Four

This section evaluates how the effectiveness of the candidate's training and development strategy could be affected by internal and external constraints. Candidates should be encouraged to use the bullet points in section 16.2.6. In order to gain Mark Band 3, there must be evidence of prioritisation – which of the constraints does the candidate feel would have the greatest impact on the effectiveness of their training and development programme? Candidates often considered how the internal influences would affect overall training within the selected business rather than their own training strategy.

Within the portfolios there was often very little linkage here back to research undertaken in assessment objective three. Candidates were also unable to consider a possible chain of events, short and long term impacts of their proposed training and development programme.

Grade Thresholds

Applied GCE (Applied Business) (H026/H226/H426/H626)
January 2008 Examination Series

Coursework Unit Threshold Marks

Unit		Maximum Mark	A	B	C	D	E	U
F240	Raw	50	42	37	32	27	22	0
	UMS	100	80	70	60	50	40	0
F241	Raw	50	42	37	32	27	22	0
	UMS	100	80	70	60	50	40	0
F244	Raw	50	42	37	32	27	22	0
	UMS	100	80	70	60	50	40	0
F245	Raw	50	42	37	32	27	22	0
	UMS	100	80	70	60	50	40	0
F246	Raw	50	42	37	32	27	22	0
	UMS	100	80	70	60	50	40	0
F247	Raw	50	42	37	32	27	22	0
	UMS	100	80	70	60	50	40	0
F249	Raw	50	42	37	32	27	22	0
	UMS	100	80	70	60	50	40	0
F250	Raw	50	42	37	32	27	22	0
	UMS	100	80	70	60	50	40	0
F251	Raw	50	42	37	32	27	22	0
	UMS	100	80	70	60	50	40	0
F252	Raw	50	42	37	32	27	22	0
	UMS	100	80	70	60	50	40	0
F253	Raw	50	42	37	32	27	22	0
	UMS	100	80	70	60	50	40	0
F254	Raw	50	42	37	32	27	22	0
	UMS	100	80	70	60	50	40	0
F255	Raw	50	42	37	32	27	22	0
	UMS	100	80	70	60	50	40	0

Examined Unit Threshold Marks

Unit		Maximum Mark	A	B	C	D	E	U
F242	Raw	100	83	75	67	59	51	0
	UMS	100	80	70	60	50	40	0
F243	Raw	100	82	74	66	59	52	0
	UMS	100	80	70	60	50	40	0
F248	Raw	100	79	71	63	55	48	0
	UMS	100	80	70	60	50	40	0
F256	Raw	100	84	76	68	60	53	0
	UMS	100	80	70	60	50	40	0
F257	Raw	100	75	67	60	53	46	0
	UMS	100	80	70	60	50	40	0

Specification Aggregation Results

Uniform marks correspond to overall grades as follows.

Advanced Subsidiary GCE (H026):

Overall Grade	A	B	C	D	E
UMS (max 300)	240	210	180	150	120

Advanced Subsidiary GCE (Double Award) (H226):

Overall Grade	AA	AB	BB	BC	CC	CD	DD	DE	EE
UMS (max 600)	480	450	420	390	360	330	300	270	240

Advanced GCE (H426):

Overall Grade	A	B	C	D	E
UMS (max 600)	480	420	360	300	240

Advanced GCE (Double Award) (H626):

Overall Grade	AA	AB	BB	BC	CC	CD	DD	DE	EE
UMS (max 1200)	960	900	840	780	720	660	600	540	480

Cumulative Percentage in Grade

Advanced Subsidiary GCE (H026):

118 candidates were entered for aggregation this series

A	B	C	D	E
2.54	24.58	52.54	81.36	97.46

Advanced Subsidiary GCE (Double Award) (H226):

49 candidates were entered for aggregation this series

AA	AB	BB	BC	CC	CD	DD	DE	EE
0.00	4.08	16.33	24.49	36.74	57.14	73.47	85.71	91.84

Advanced GCE (H426):

8 candidates were entered for aggregation this series

A	B	C	D	E
0.00	12.50	62.50	87.50	87.50

Advanced GCE (Double Award) (H626):

4 candidates were entered for aggregation this series

AA	AB	BB	BC	CC	CD	DD	DE	EE
0.00	0.00	0.00	0.00	25.00	25.00	25.00	25.00	25.00

For a description of how UMS marks are calculated see:
http://www.ocr.org.uk/learners/ums_results.html

Statistics are correct at the time of publication.

OCR (Oxford Cambridge and RSA Examinations)
1 Hills Road
Cambridge
CB1 2EU

OCR Customer Contact Centre

14 – 19 Qualifications (General)
Telephone: 01223 553998
Facsimile: 01223 552627
Email: general.qualifications@ocr.org.uk

www.ocr.org.uk

For staff training purposes and as part of our quality assurance programme your call may be recorded or monitored

Oxford Cambridge and RSA Examinations
is a Company Limited by Guarantee
Registered in England
Registered Office; 1 Hills Road, Cambridge, CB1 2EU
Registered Company Number: 3484466
OCR is an exempt Charity

OCR (Oxford Cambridge and RSA Examinations)
Head office
Telephone: 01223 552552
Facsimile: 01223 552553

© OCR 2008