



General Certificate of Education

Business Studies 2131

**BUSS4 The Business Environment and
Managing Change**

Report on the Examination

2010 examination - January series

Further copies of this Report are available to download from the AQA Website: www.aqa.org.uk

Copyright © 2010 AQA and its licensors. All rights reserved.

COPYRIGHT

AQA retains the copyright on all its publications. However, registered centres for AQA are permitted to copy material from this booklet for their own internal use, with the following important exception: AQA cannot give permission to centres to photocopy any material that is acknowledged to a third party even for internal use within the centre.

Set and published by the Assessment and Qualifications Alliance.

General Comments

This was the first series for this synoptic examination. The entry figure for the unit was low although this was not particularly surprising as it is expected that most centres will enter students in the summer for BUSS4.

Section A of the examination focuses on a pre-released research theme and it is essential that students have prepared for this. General, unsubstantiated points will not achieve high marks; students are expected to demonstrate that they have researched the theme in the areas specified. Students have guidance notes specifying the different aspects of the theme that need to be studied and the questions in the examination will be related to these. The quality of the answers is expected to reflect the fact that students have had time to research these areas in advance; this series, many students did not seem to have undertaken much research in preparation for the exam.

In **Section B**, students choose one essay from three. As with **Section A**, students this series seemed unprepared and struggled to develop arguments relating to Unit 4 topics such as culture, leadership and change. Students are strongly advised to spend time choosing the right title for them to answer and planning their response. Writing more is not the key to a high mark; answering the question is.

Section A – Pre-Released Research Theme

Students have a choice of two questions on the pre-released research theme. The first question which asked whether a strategy of targeting emerging markets was a 'good one' was, by far, the most popular choice. Far fewer students debated whether income per head was likely to be the biggest constraint for firms operating in emerging markets in terms of them achieving their objectives.

The fundamental issue with most students' responses was that they did not demonstrate much evidence of research. This, inevitably, limited their ability to apply their answers and to demonstrate any supported judgement. Many students were writing about what 'might' be true or what 'could' be the case and seemed to lack the knowledge or evidence to support their claims. General theoretical discussions on how cultures can differ between countries or how there may be political and legal problems were unconvincing given that these areas had been part of the guidance notes; one might reasonably expect students to know whether, for example, the currency of their chosen BRIC economy was strong or weak, what cultural barriers actually exist, what the state of their chosen economy was and the demographic issues in the country rather than writing about these factors 'could be'. In some ways, the responses resembled an answer to case study questions where the candidate had not actually read the stimulus material. In many cases, the level of understanding of emerging markets was that they might be 'big', 'had low wage costs' and spoke 'different languages'. This was extremely disappointing.

Another issue in **Section A** was that students often lost focus on the question. For example, students might write why emerging markets presented an opportunity or threat rather than focus specifically on whether a strategy targeting emerging markets was a good one. In the second essay, there was a tendency to list all the factors that could be a constraint without debating their relative importance. Simply adding more and more paragraphs about possible factors other than income per head does not significantly improve the quality of the debate. Overall, it is essential that students research the pre-released theme and examine the guidance points in some detail. A 'general knowledge' approach is likely to be very limited.

To gain the higher grades students need to bring in their own research findings to support their arguments.

Better answers:

- highlighted that emerging markets differ and examined the significance of different conditions between, and indeed, within them
- provided evidence to support their argument's claims, for example, data on economic growth rates, GDP per capita, population sizes and trends, or an analysis of companies that had difficulties or been successful in such markets
- when referring to case study examples, a good answer does not simply describe what has happened but analyses and evaluates the issues; for example, if one business was successful and another was not what was the underlying reason for this? What are the implications of this for other businesses?

Section B – Essays

- 3** This essay focused on the possible effects of recent changes in the UK economy on long-term profitability. Many students showed some understanding of economic changes; they usually focused on the recession. The level of awareness of changes in GDP and other factors in the economy, such as interest rates and government intervention, was often reasonable. However, in many cases, students simply analysed the effect of this on current sales and profits rather than debating the potential impact on long term profitability. Better answers clearly focused on the wording of the question; they considered issues relating to short-term versus long-term profitability and discussed factors such as the way managers responded to the recession, the nature of the industry and the future state of the economy.
- 4** Most students answering this essay tended to focus very narrowly on businesses developing new products. However, the question referred to an 'innovative culture' and so required an understanding of cultural issues. Better answers discussed issues such as the relationship between an innovative culture and management style, organisational structure, flexibility, decision making and strategy. An innovative culture was seen to relate to developments in all areas of the business not just the development of a new product. A large number of responses demonstrated no understanding at all of culture which was very disappointing. This suggested that students had not studied culture as part of Unit 4 but were instead responding with a Unit 3 knowledge of research and development.

In terms of the structure of the essay, many students started with an explanation of why innovation was beneficial and then switched quickly to a fairly descriptive list of other factors that might influence future success instead. For example, students wrote at length about general Political, Economic, Social, Technological and Legal factors. This suggested a 'learnt' and pre-prepared' approach in which students argue one point then automatically run through a list of other factors that might be important. This did not usually work well and produced unbalanced and unfocused responses. A consideration of other factors is valid but must be debated in relation to an innovative culture. Claims that one is more important than another needed supporting, for example. A long list describing 'other factors' does not lead to an analytical and evaluative response. Students wanting to pursue this approach need to select key factors and debate them given the context of an innovative culture and future success.

- 5** Many students answering this question focused on “things that a business can do to sell more”. This highlighted the importance, again, of always relating the answer to the question and thinking carefully about the context. This question was actually about the ease of changing a struggling business into a more successful one. Simply describing how it might be done is not the same as discussing how easy it is to do. Students need to check their essay technique and make sure that what they write is directly answering the question set. A key issue was, of course, the fact that the business was struggling and that the change agent was a Chief Executive, but surprisingly few responses touched on these issues. Once again, simply adding more descriptive paragraphs does not enhance the quality of the response greatly. In most responses, there was very little discussion of change and the problems of bringing about change or a consideration of the role of Chief Executive in such a situation. Several responses simply described Apple.

Summary

Many essays in Section A and B were quite long, but did not show much evidence of planning. There is plenty of time in this examination for students to plan what they are going to write and there is no doubt many responses would have benefited from this. A real focus on ‘long-term profitability’, ‘an innovative culture and future success’, ‘a Chief Executive and a struggling business’ or whether the strategy of targeting emerging markets was ‘a good one’, for example would have been valuable. The danger is that students write answers which lack this focus; many wrote responses explaining ‘why sales fall in a recession’, ‘how a new product increases sales’, ‘how a business can sell more’ and the ‘opportunities and threats created by emerging markets’. These responses often lacked application and evaluation. In better answers, it was pleasing to see effective use of theory, models and concepts such as the Ansoff Matrix, the Boston Matrix, Porter’s cost leadership and differentiation strategies. Porter’s five forces, opportunity cost, economies and diseconomies of scale and risk. Reference was often made to the concept of ‘elasticity’ but rarely was it made clear whether price or income elasticity was relevant and understanding of, eg income elastic or inelastic, remains imprecise. The skill of essay writing needs practice and students need to remain focused on the question and use their time to plan a relevant and developed answer, finding opportunities for debate and discussion. Pre-prepared responses which consist of an extensive number of ‘points’ being made but not related to the title or used to build an argument will not score highly.

Mark Ranges and Award of Grades

Grade boundaries and cumulative percentage grades are available on the [Results Statistics](#) page of the AQA Website.