

Version



**General Certificate of Education (A-level)  
January 2012**

**Business Studies**

**BUSS3**

**(Specification 2130)**

**Unit 3: Strategies for Success**

***Report on the Examination***

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## **General Comments**

The paper was accessible to the vast majority of students and this led to a general improvement in the skill of application. There was evidence of students making better use of the information available either by linking sets of data or through numerical analysis.

As with previous papers, the stronger students were those that revealed good subject knowledge, and were able to combine this with well developed selective arguments that were consistently focused upon the question, supported by evidence from the case study. This enabled these students to write well supported recommendations (when required) that addressed the question set.

## **Question One**

Although most students provided accurate definitions of innovation, a significant number discussed the arguments for and against launching a new product. Better students recognised that adopting a strategy of innovation had implications for the other functional areas and made good use of material from the case study.

Common weaknesses included, misunderstandings between market research and research and development, and in asserting that innovation is mainly the responsibility of the marketing department. Some students wasted time by writing lengthy evaluative conclusions which they were not required to do.

## **Question Two**

The majority of students gained marks for good application by correctly calculating the most relevant ratios, those being, dividend per share and dividend yield. They were also able to make valid comments regarding the increase in profits and the share price. Stronger students recognised the effect of the 'one-off' item on the company's financial performance in terms of profit quality. Analysis was generally weaker than application, with students describing their results rather than analysing how they might be interpreted by the shareholders. Many students were awarded marks for reasonable evaluation as their conclusions were supported by their previous calculations.

Common misconceptions included 'reserves' as a source of finance and that a rising share price would result in more revenue for the business.

## **Question Three**

The majority of students recognised the current 'hard' HR approach and were able to discuss the strengths and weaknesses of this strategy. Many students made effective use of the data and scored highly for application by linking separate items of data to illustrate their points. For example, students would often link the limited training budget to the higher than average number of defective products.

Weaker students tended to simply describe the data provided and failed to analyse its significance. Also, some students misread the question by referring to the arguments for the proposed HR strategy rather than assessing the effectiveness of the current one.

#### **Question Four**

There was more evidence of students spending time planning their answers in this examination. Furthermore, more students are writing structured answers with the use of subheadings. Most students were able to identify valid arguments both for and against the proposal and made use of the case study material to support these arguments. They also wrote recommendations which were supported by their previous arguments.

Better students made selective arguments which they were able to analyse fully. There were also many answers which revealed impressive analysis of the numerical data. For example, stronger students performed calculations such as the payback period for the proposal as well as working out the break-even. Furthermore, some students also calculated the effect upon the capacity utilisation of the factory from the smartphone production and made perceptive comments. Candidates are encouraged to focus on a few key arguments and develop these in depth.

There is still a tendency for weaker students to write lengthy, unstructured answers. Typically, they will identify several valid points but fail to explain them in any depth. Application is also weak as their answers tend to describe the data or repeat case study material rather than combine data and analyse its significance. Recommendations tend to be unsupported and often include new arguments rather than referring to previous ones.

Overall, the skill of evaluation still has room for improvement. Even better students tend to simply summarise their previous arguments rather than prioritising which ones are the strongest either for or against the proposal. Only a minority of students were able to make recommendations regarding what the business needs to consider for the proposed strategy to be adopted or to identify alternative options.

#### **Mark Ranges and Award of Grades**

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