GCE

Business Studies

Advanced GCE **A2 H430**

Advanced Subsidiary GCE **AS H030**

Report on the Units

January 2009

H030/H430/MS/R/09J

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Advanced GCE Business Studies (H430)

Advanced Subsidiary GCE Business Studies (H030)

REPORTS ON THE UNITS

Chief Examiner Report

This was the first assessment session of the "new" specification. A significant entry for F291 was expected. The large entry for F292, however, came as a surprise; the expectation was that candidates would sit this paper in June. However, a unitised approach does allow for flexibility and those centres which opted to use this session for F292 no doubt had very good reason for doing so.

The only significant departure from the assessment regime for the legacy specification is that these units are now marked online. Consequently, candidates use a printed question paper and answer booklet. The space allowed for answers reflects the anticipation of how much writing is expected. It is the candidate's prerogative to use less, as it is their prerogative to use more space if they feel that is necessary. The only cautionary note that needs to be made is for those who write more, and so use a supplementary answer sheet; candidates should clearly identify to which question this additional material relates. A clear note in the left hand margin at the start of each item of additional material would be sensible and a great aid to the examiner.

Both Principal Examiner Reports offer detail of candidate performance and, as such, they are commended to colleagues.

F291

General Comments

The new specification has obviously been covered in its entirety and, indeed, well taught by the vast majority of centres. Centres would appear to have taken account of the content changes from Unit 2871. It is pleasing to report that F291 has obviously 'worked' in terms of both centres' ability to deliver it and, for the overwhelming majority of candidates, to answer the questions set. There was no evidence of time pressures and the 'higher mark' questions discriminated well. It is worth mentioning that the space allocated on the answer booklet gives an indication of approximately how long a candidate's response should be – although there is, of course, no reason why more should not be written, if it is thought appropriate. Future F291 papers will be very similar in terms of the length of the data provided and the mark allocations for the questions set.

At INSET, the following question was often asked: "What sort of detail should I/my students go into when delivering/answering a question on….". Broadly speaking centres have got their delivery correct. For initial support, the specification should be the first port of call since it includes 'candidates should be able to…' amplification – even if this is rather brief. Therefore, centres should certainly be making use of the F291 Support Materials Booklet that is designed to accompany the specification and is available for download from the OCR website. This offers a considerably greater degree of guidance as well as ideas for delivery of the specification - including ICT and 'stretch and challenge' opportunities.

Mention needs to be made of the quality of written communication. In many cases this was very poor. A large number of candidates presented their work in a very sloppy manner and adopted a "you decipher this" attitude. Alternatively, some wrote in such large spidery letters that they only managed around four or even three words per line. Examiners do try to give the benefit of the doubt, but some scripts were, in part, unreadable. Furthermore, candidates do themselves no favours when they fail to write in paragraphs and/or write sentences which last for half a page or more.

Where writing is extremely poor – for whatever reason – centres are advised to speak to their Examinations' Officer to seek guidance on whether the use of a word processor might be appropriate.

Comments on Individual Questions

1   The majority of candidates had the knowledge to score full marks on this question.

2   (a)   Technical marketing terms were not necessary and this new addition to 'the first paper' was answered confidently by most candidates; the vast majority reached at least Level 2 of the mark scheme. Using market research, Tesco can consider (eg) trends, market share, customer profile, customer needs/wants, competition, the best way to package, the best way to promote, the right price to charge, etc.

For Level 3, as on any question requiring analysis, some consequence of carrying out the research was necessary to take a candidate to this level. An analytical statement could, therefore, be along the lines of: "…by supplying what the customer wants, they will keep coming back to Tesco and this will increase revenue…" or "…Tesco can see if a promotion worked and, therefore, if it is worth spending money to do it again…".

The most common mistake here was to explain the methods that Tesco might use to research the market, rather than considering why the research should be undertaken.

2 (b) This question gave candidates significant opportunity to display their skills. Candidates could answer in the context of Tesco as 'a corporate entity' or/and as 'an individual store'. Answers could be drawn from a wide range of areas of the specification. Possibilities were, therefore, adequate/appropriate finance for expansion, adequate cash flow, a good relationship with suppliers, meeting customer needs in terms of prices charged, products demanded, etc. acting (and being seen to act) ethically, etc.

Less able candidates produced a long list of influences with little reference to success. These were rewardable only at Level 2. More able candidates mentioned what form 'success' was likely to take and analysed the consequence of the chosen influences on, for example, repeat custom revenue and profit.

Few candidates really got to grips with the concept of evaluation. The same problem which has been observed on Unit 2871 for many years was also evident here. After some sound analysis a very large number of candidates simply stopped rather than even attempting an evaluation.

Evaluation could have been along the lines of which influence(s) were the most significant and why or/and a consideration of the impact of the influences in the short and long term.

3 This question was less well answered. Economies of scale (and indeed diseconomies) were not on the previous 'first unit', ie Unit 2871, and a few centres had ignored the change. This was quite apparent from those who easily picked up the marks by writing a few words and those who had clearly taken a wild guess.

Examples of both internal and external economies were acceptable, although most candidates gave examples of internal economies such as purchasing (Examiners accepted "buying in bulk"), Financial (Examiners accepted "get better deals on loans"), managerial (Examiners accepted "can get the best managers"), risk bearing (Examiners accepted "operates in different markets"), marketing (Examiners accepted "can advertise lots of products at once/cheaply") and technical (Examiners accepted "they can afford the best equipment/technology").

4 Some candidates answered as if the question had asked "explain some suitable objectives for Tesco" and these were not going to score highly since, at best, the answer was going to be tangential to the question actually set. It is important for candidates to take a few moments to consider their response to the question which has been set.

References to tactical/or/and strategic objectives were acceptable as were references to Tesco as a whole or at branch level. There was no necessity to work within the SMART framework, although many candidates chose to do so.

For the highest level of the mark scheme it was necessary to analyse what the benefit(s) to Tesco actually were likely to be, rather than simply providing a generic list of advantages of any business setting objectives.

5 (a) It was rather disappointing to see that a number of candidates did not even attempt this part of the question and that many of those who did clearly had little idea of what they were being asked to do. A common error was a confusion of demand with

supply and even when these were correctly labelled, there was often a failure to indicate the equilibrium price and quantity on the (pre-printed) axis.

'The market' is an important part of the specification and, therefore, candidates can expect to be examined on it. A detailed knowledge of microeconomics is not necessary but candidates need to be able to understand the nature and importance of demand and supply for a business - and also to understand the effects of changes in each of these.

5   (b)   The characteristics of different types of market structure is an addition to AS level. Once again, candidates from those centres who had taught this new area of the specification unsurprisingly performed better than those who obviously had not – and who were, therefore, forced to hazard a guess.

Technical microeconomic terminology and knowledge were not necessary here. Any of the basic characteristics of a monopoly were acceptable eg a business with more than 25% of the market (or a single firm in 'classical' monopoly), the ability to erect barriers to entry, productively inefficient, a price setter etc. However, even if these were not explicitly stated candidates making statements such as "…does not act in the interest of the consumer…", "…it is inefficient…" gained the marks. Positive points such as "…employees (and/or other stakeholders) may be more secure…" and "…can get economies of scale…" were also valid.

5   (c)   This sort of question was common on Unit 2871 and its transition to Unit F291 proved successful - and one that discriminated well. Essentially the answer revolved around "which stakeholders benefit the most/least?"

As with Question 2b, there was a sharp difference between those who simply produced a list of possible stakeholder benefits and those who actually analysed or evaluated those benefits. Good answers identified the distinction between short and long term impact (as is implied in a question on growth) and this was usually picked up with respect to shareholders and/or customers.

Evaluation was, again, rarer than it should have been. It was important that candidates formed a judgment on which stakeholders benefit the most if they wanted the highest marks. This did not need to be a lengthy process and could have been achieved through a consideration of the time period involved, eg in the long run Tesco may achieve a strong monopoly position which will severely disadvantage suppliers and customers thus wiping out any short term advantages they might enjoy.

On an 18 mark question such as this which may prove to be 'make or break' in terms of the top two grades, the importance of producing a supported judgment cannot be over emphasised.

F292

General Comments

This was the very first session for this new unit and it was no surprise that the entry was just 33 candidates; this unit is designed to be taken after F291. Hence, most candidates will be expected to take the examination in May/June. Given this fact, it was no surprise that the general standard of candidate responses was quite poor; many answers did not show evidence of the skills necessary to gain high marks.

The only significant difference between this new unit and its predecessor (Unit 2873) is the introduction of six short generic questions in Section A of the paper. These questions require good levels of knowledge and understanding of basic business terms, without any need to analyse or answer in context. They do, however, need to be answered briefly, which was not the case in many scripts. For example, in Question 1(c), two single word answers would have been sufficient. However, in many cases, answers were a couple of sentences for each method, even though only two lines were provided in the answer booklet.

There will always be two questions (one in each section of the paper) which require a numerate response. This means it is essential that candidates take a calculator into the examination; some candidates had clearly not done so on this occasion.

Comments on Individual Questions

1   (a)   Market share is a very basic term which many candidates failed to define clearly.

(b)   This was generally well answered by candidates, although many answers were too long, with attempts to explain the functions of a wholesaler, even though the question only required them to be stated.

(c)   Again, many answers were far too long, with unnecessary explanations. It was also disappointing to find that a large number of candidates had no idea whatsoever about how a business may be structured.

(d)   This was well answered by most candidates. However, a significant minority gave an answer of 24,000 units (which was for 12 months rather than one month). Others did not know that break-even is a measure of output and so gave an answer of £2,000. Both of these answers only gained three marks.

(e)   There were some good answers about flow production, although a significant minority of candidates had no knowledge of the term. A number of candidates suggested that flow production leads to higher quality, rather than referring to the increased standardisation that the method allows.

(f)   There were a number of excellent answers. However, a worrying number of candidates did not know what quality assurance is.

2   (a)   This part of the question was generally well answered, although many candidates failed to indicate that the variance was adverse (or negative), so only gained three marks.

(b)   There were many generic answers to this part of the question, as well as others which had very little knowledge of what budgets are used for.

However, there were also some very good answers which used the available context well to discuss how budgets would never be very helpful for QVL as long as Evan was giving random discounts to customers. Another route into Level 4 which was seen was with reference to the difficulty of producing budgets for a company that is growing so quickly.

(3)   It was both surprising and disappointing to find a significant number of candidates had no idea what lean production is. Others produced very descriptive answers without using any of the context available.

However, there were some very good answers which questioned the appropriateness of lean production at QVL - unless it improved the reliability of its suppliers. Better answers also discussed how lean production may assist QVL in reducing its cash flow and warehousing problems.

(4)   This was probably the least well answered question in Section B; many candidates produced long descriptive answers about how Evan worked and what he was doing wrong. However, these candidates failed to answer the question and rarely made any reference to leadership styles which Evan does, or could, use. These answers generally read as a list of things that Evan should do differently.

Other candidates had clearly been prepared to suggest that QVL had been very successful, even with Evan's detached leadership style, although they failed to justify their statement or recognise that the upcoming changes may negate this argument.

(5)   This question about the marketing mix was similarly not very well answered. There were lots of descriptive and generic answers which failed to answer the question set. Candidates tend to approach this sort of question by trying to discuss every single component of the marketing mix, which is not necessary. A good answer would be perfectly possible by looking at just two or three issues. A number of candidates also took this opportunity to talk about the idea of Evan setting up franchises for his business, without any attempt to link this to the marketing mix at all.

Summary

- Many answers in Section A were far too long.
- A calculator must be taken into the examination room.
- In Section B, the
- use of context to make answers non-generic is vital. Too many answers were completely theoretical or just described what QVL is currently doing.
- Questions 1(e), 4 and 5 were the least well answered.

Grade Thresholds

Advanced Subsidiary GCE (Business Studies) (H030)
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Unit Threshold Marks

Unit		Maximum Mark	A	B	C	D	E	U
F291	Raw	60	43	38	34	30	26	0
	UMS	80	64	56	48	40	32	0
F292	Raw	90	61	54	48	42	36	0
	UMS	120	96	84	72	60	48	0

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