



**General Certificate of Education (A-level) Applied
January 2011**

Applied Business

BS03

**(Specification
8611/8613/8616/8617/8619)**

**Unit 3: Financial Planning and Monitoring
(External Test)**

Report on the Examination

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General Comments

Some responses to this paper were of the highest quality with candidates combining knowledge and examination skills to good effect. The candidates who achieved the highest marks demonstrated sound knowledge of the unit, made effective use of the pre-release material and associated tasks as well as the information in the items in the examination paper.

Candidates demonstrated good examination technique in a number of ways. The quality of responses to calculations continues to improve with most candidates displaying at least some understanding of these aspects of the unit. It is also noticeable that an increasing number of candidates are using the results of their calculations in developing arguments when answering subsequent questions. It is also pleasing to see the increased willingness of candidates to offer supported judgements when tackling questions calling for evaluation.

However, there are still aspects of preparing for, and taking this examination paper, that can be improved. When carrying out the pre-release tasks, centres should ensure that candidates focus precisely on the tasks set. This will assist candidates in responding effectively to the questions in the examination; some responses suggest that this is not always the case. Equally as important centres should encourage candidates to respond to questions calling for analysis by developing a small number of arguments as fully as possible. Unfortunately, it is common for candidates to list a series of points of varying relevance but not to explain them in the context of the question which means that they cannot score high marks. Finally, candidates should take care in reading questions carefully to make certain that they respond to their exact requirements.

Question One

This question differentiated well and elicited a full range of marks. The best responses used information in the pre-release material, such as the delay in sending out invoices for large sums of money, and used this to develop a relevant line of argument. However, there were a number of common errors. Some candidates proposed actions that would incur additional costs causing further cash outflows and did not recognise this in subsequent arguments. Others proposed a list of actions (of varying relevance) that could be taken but made little or no attempt to develop these. Finally, a disappointing proportion of responses either discussed profits or moved between profits and cash flow as if these two terms were synonymous.

Question Two

- (a) There were many entirely correct responses to this calculation. It was pleasing to see most candidates demonstrating relevant knowledge either by stating the profit formula or through carrying out a relevant calculation of revenue and/or costs. Most errors were down to poor arithmetic rather than a failure to understand the topic. Candidates should ensure that they have a calculator and take care to add the correct number of zeros when conducting calculations.
- (b) There were many poor quality answers to this question. A disappointing proportion of candidates appeared not to understand the term 'sources of information' and offered answers which were, in many cases, entirely irrelevant. Another sizeable group of candidates offered suitable sources but failed to relate these to the scenario thereby limiting the marks scored.

- (c) There were two major weaknesses in candidates' responses to this question. Too many candidates wrote poorly focused answers often discussing cash budgets despite the wording of the question. The other common shortcoming was the failure of candidates to develop their arguments to explain why or why not a particular action might be the best to ensure the future success of the business. Many candidates opted for quantity rather than quality when responding to this question. It is important for candidates to spend a little time planning responses to this type of question and to select a small number of the most relevant arguments and to develop these fully.

Question Three

- (a) There were many answers to this question which were entirely correct. A common error lay in candidates calculating the wrong variances with many calculating sales revenue variances for two months. Other candidates were unable to state correctly whether the variances they had calculated were adverse or favourable. There was evidence to suggest that some centres may not have taught this area of the unit. Over time this paper will cover all the topics set out in the specification.
- (b) This was another question that produced a number of poor quality answers. Many candidates appeared unsure about the meaning of the term 'business software' and wrote about other types of software. Another group of responses entirely ignored the context although they identified relevant software packages. Explanations from this type of response were generic and often limited to saying that it would be quicker or easier. It is important for centres to encourage candidates to apply their answers to the context that is provided.

Question Four

This question produced good answers from many candidates. Most responses focused on the question and drew on material from throughout the paper, including the results of earlier calculations, to apply their arguments. It was good to see that most candidates made a decision as called for in the question. The major weakness in the answers of many candidates was the failure to develop arguments fully. Too often a strong argument was raised only for its potential not to be realised because the candidate failed to develop it to explain why it would be a reason to accept, or not to accept the offer to sell, the photography business. In responding to questions such as this, it is essential for candidates to select their best arguments and to make sure they explain them fully bearing in mind the precise requirements of the question.

Mark Ranges and Award of Grades

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