

Examiners' Report/
Principal Examiner Feedback

Summer 2012

GCE Applied Business (6916)
Paper 01

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General Comments

Following the style and format established in previous series, this question paper had the same Assessment Objective (AO) and Mark Band (MB) weightings. It was the fifth assessment for 6916 to be based on the revised specification Issue 2 – May 2009 which introduced the assessment of the quality of written communication (QWC) in papers for this unit. Questions which carry marks for QWC were indicated by an asterisk (*) shown next to questions 1d and 2b and a statement on the front of the question paper. The structure of the paper also matched the sample assessment material issued June 2009, which included exemplars for the extended writing questions that are now an integral part of the assessment for this unit. In every other way the requirements of the question paper should be directly comparable with previous series.

Examiner reports are a valuable resource for helping prepare candidates for external assessment. In addition to reading and taking any notes or advice from this report, it is recommended that Examiner Reports for previous series are read also, as they contain lots of general advice that is still relevant and likely to be useful for staff and students in preparation for future papers.

This report is designed to help future teaching and learning, and I hope that it does not come across as unduly negative. Judging from the many papers and answers that I have seen, most candidates have indeed worked hard on their studies and the paper is just designed to give candidates the opportunity of demonstrating, within the terms of the Assessment Objectives for this Unit, just how much they have learned. I offer my congratulations to all students, whatever grade they may ultimately achieve.

The theme of this paper is based on various business activities that affect Michal Pavlicek, who owns and runs a local branch of *Grillaz Burgers* in Swindon, a franchise that he has bought from the American parent company *Grillaz Inc.* Despite the focus on one type of business in one sector, none of the questions needed specialist subject knowledge, and the subject does not appear to have caused any problems for candidates.

My own general observations, supported by reports from all examiners who worked on this paper, may appear to repeat problems or advice that has been raised in previous reports. However, any repetition is due to the fact that these issues continue to reappear in papers and have not been resolved or even show signs of improvement, based on the work seen from the summer 2012 cohort of candidates. The issues are as follows:

Learners need to be reminded that this is a written paper, within an Applied Business qualification, so it is essential that candidates are able to communicate their answers in the written form – this means making sure

that examiners can actually read the handwriting. From reports, my own marking experience and from samples sent to me for 'review' I can confirm that the handwriting of many candidates is extremely poor, this is despite the fact that candidates are expected to demonstrate a reasonable level of QWC in this paper. The issue of poor handwriting does not appear to concern the candidates themselves, or they would attempt to improve matters. Many clearly assume that it is acceptable, and no disadvantage, to produce handwriting that is hard for others to read.

All examiners will make an effort to decipher handwriting, but there is a danger that candidates may miss vital marks if the handwriting is so bad that it cannot be read. The danger of producing answers in poor handwriting is that it is sometimes impossible to mark some answers, and marks may be lost as there is no way of reading the knowledge or application that they may contain.

The problem may be made worse by a tendency to rush to finish the paper and write as fast as possible, with the inevitable deterioration. Please reassure candidates that there should be sufficient time for them to complete the paper without the need to rush. As part of the production process the paper is sat and completed by reviewers who make sure that the paper can be completed within the time allowed, 1½ hours. Candidates need to remember that despite the widespread use of keyboards, screens and electronic communication, there is still a requirement for clear and legible hand writing in the workplace. In addition, it is important to inform candidates that QWC carries marks in this paper, marks that will be lost if the handwriting is indecipherable. Please see the revised Issue 2 specification dated May 2009 for full details.

Another issue that was apparent in this paper was the tendency for some candidates to provide generic, theoretical answers rather than apply their answer to the given scenario or the situation described in the question. As a result, some answers may have been accurate in terms of general business practice, but were totally inappropriate for the given situation, and consequently missed out on marks. It would be an advantage for some candidates to read back their answer to confirm that a) they are actually answering the question asked, and b), that their answer actually makes sense.

As noted in previous reports, some candidates seem to treat this paper as a general knowledge quiz, and assume that general answers, peppered with a few business terms, concluding with '...to make a profit', will suffice for an answer. Please inform candidates that the insertion of the word 'profit' into every answer is not the way to gain additional marks, and although important, profit is not always the answer. In fact it would be useful if candidates were clear what is meant by 'profit' in a business context – some candidates seem to use the terms 'profit' and 'sales' interchangeably.

Understanding of basic business terms remains low, with many candidates mixing limited and unlimited liability, as well as the features of private limited and public limited companies, in Q1b.

Candidates should also be told that just stringing together a few meaningless business terms such as '...this will increase...profit, turnover, sales, employees, savings, motivation...' is not an answer and markers will not pick out the appropriate word on behalf of candidates in some kind of multiple choice exercise. Candidates also need to be reminded that this is an AS level examination and most answers are expected to show some development and application. This means that unless specifically asked for, simplistic answers at the level of single words such as 'easier', 'cheaper', 'quicker', 'faster', etc. are not really acceptable and unlikely to score any marks.

Many candidates were again wasting time and potential marks by not adhering to the requirement specified in the question. If a question asks for 'one way' or 'one example', marks will only be available for one way/example – no matter how many other ways or examples the candidate crams into their answer. This means that markers are put in a position of having to choose which examples to mark from a long list provided by the candidate, inevitably some correct and some incorrect. Answers should not be a multiple choice for markers.

A similar problem arises when a candidate uses the abbreviation 'etc.' in an answer. This is very bad practice - who knows what they mean by this? Presumably there is an assumption made by candidates who use 'etc.' within an answer, that markers will give them the benefit of the doubt and believe that they know all about the given subject. This cannot be the case, as markers are trained to 'mark what you see' rather than the mark what they may or may not imagine the candidate knows.

The difference between 'how' and 'why' needs to be explained to some candidates. This is an Applied Business unit and questions 1e, 3c, 3b, 3e, and 3f all asked 'How...' providing candidates with the opportunity to demonstrate their ability to apply their knowledge to the given business situation. Many candidates missed marks by giving reasons 'why' such and such a thing occurred, rather than answering 'how' a business responds.

Most of these issues can be overcome to some degree by preparing candidates' exam technique, which is very important.

For the majority of candidates, questions for which they choose their own business continue to work well. As in previous papers, candidates who choose smaller, local businesses tend to produce better answers than candidates who choose large national or international 'famous name' businesses. It was also obvious, from the depth and quality of answers, where a candidate had work experience - the answers were much more applied, and somehow 'in the business' rather than just based on theory.

However, there were too many instances where the business chosen was inappropriate, candidates just writing what they know about the subject of the question with no application to named business ignoring the context that a 'chosen business' should provide, and just basing answers on the topic or theory mentioned in the question. As a result, some answers were not appropriate to the chosen business, for example, in Q1e; many

candidates chose to outline how the 'production' worked together with other business functional areas, such as finance, marketing or sales. This could have formed the basis of a good answer, if the business chosen was a manufacturer. However, if the chosen business was a retailer, links between the retailers' 'production' and other functional areas became somewhat theoretical, and consequently more difficult to write about. Similarly, in Q3f, some candidates were suggesting a company car as a non-financial incentive – fine if appropriate to their named business - but not appropriate if the named business was newsagent or café. Some choices based on personal interest (sport) rather than business studies, again, making it difficult to produce answers which were correct in the context of the question asked.

Comments on individual questions

1a. Following the introductory scenario, this question asked candidates to simply *'Identify two stakeholders of the Swindon branch of Grillaz Burgers that are mentioned in the above information.'* Most could identify two stakeholders from the information given in the scenario, however it was somewhat disturbing that many mistakes – incorrect spelling being the prime example - were made in just copying the names from a couple of lines above. Some candidates seemed to be incapable of copying the names correctly. It is surprising how many candidates ignored the specific request within the question and just jotted down any type of 'stakeholder' that they happened to think of – rather than reading the information given and identifying two stakeholders from the number that they had been given in the scenario. Some candidate, in all seriousness, gave 'national advertising campaign' as a stakeholder. This opening question proved to be the first of many examples of candidates not reading the question, just jumping to conclusions as soon as they see a 'trigger' word like 'stakeholder'. As this was the first question on the paper, and to avoid penalising candidates unreasonably, candidates who named a realistic stakeholder were given the mark, whether it was mentioned in the scenario or not.

1b. Most, but by no means all, candidates could give a good reason why Michal would choose 'private limited company as the form of ownership, the most common reason given being 'limited liability'. Many candidates who knew the words 'limited liability' missed the second mark as they seemed to have no idea what this actually meant, in the context of a business – just noting '...they will not lose everything' (What? Why?). There was some confusion over the differences between being a private limited company and a public limited company; some candidates did not differentiate between being a sole trade and a private limited company. The fact that some candidates stated that a reason was '...because the business is publicly owned' suggests a weakness in the coverage of this, basic, low-level knowledge about forms of business ownership which should be well known by learners on this course at this level.

1c. Lots of muddled thinking going on – confusion between aims and objectives – many candidates missed (or ignored) the fact that the question asks for an objective that could be set for *counter staff*. As a result, lots of answers give a general objective for Michal or the business itself. There were also lots of generic ‘improve customer service’ type answers: How? How much? By when? etc. did not come into the answers. Objectives were often poorly stated and failed to state how they supported the aim or the business. Occasionally it was all too customer orientated or to make a profit or increase market share direction. This comes down to not reading the question.

1d. The first extended answer question on the paper, which also included marks for QWC. Pleased to report that candidates do not appear to have any trouble answering this style of question, most providing a full page answer, differentiating well, showing the full range of levels. Candidates were asked to discuss the advantages and disadvantages to the franchisee of operating a franchise business. Candidates demonstrated good general knowledge of franchises as a business option, but some demonstrated confusion by attributing features of a private limited company (limited liability, etc) to a franchise. Most candidates knew the basic advantages and disadvantages of a franchise to the franchisee. Many candidates started their answers by lifting the information from the original scenario of the paper; this gave them the basics to expand on. Some referred to other franchises rather than the one described throughout the paper, others tended to mix up the franchisee and franchisor parts. Overall, this question enabled the stronger candidates to build up marks, the weaker candidates finding their own level within their answer.

1e. Candidates were asked to outline how two functional areas work together to make their chosen business successful. A poor choice of functional areas caused problems for some candidates who just described the basic activities of a couple of disparate functions - then just said that they need to communicate to make business successful. Another problem was the naming of functional areas which were not appropriate for the business chosen – lots of reference to production, within a retail business, without really explaining how or where production related to the retailer, then linking production to distribution – fair enough for a manufacturer, but for a retailer the link became more tenuous. Some examples tried to link sales and production within a car dealership, which is not realistic. Lots of candidates chose marketing and finance, described each function, and then just stated that they worked well together – rather than outlining how they worked together. All in all, not well answered, but candidates who did make a realistic choice and linked together functional areas that really did work together, rather than try to force functions together in a general way, tended to score higher marks for their answer.

1f. This question asked candidates to describe the organisational structure of a centralised business that they have studied. This proved to be a difficult question: either candidates were not clear what is meant by a 'centralised' business, or their reading of the question stopped after the words 'organisational structure' either way, most answers seemed to focus on the describing organisational structure with little to no reference to it being 'centralised' either in the choice of business or the answers given. Most candidates did manage to gain some marks by talking about the structure; a small proportion did know about centralisation with 'chains' and could talking about decision making being feed down to regional and then area managers and thence onwards to operatives. Many answers suffered from not being read back, as some of the answers did not make much sense e.g. talking about a tall matrix structure or a flat hierarchy. Others, may have chosen what they thought was a 'centralised' business, but then went on to describe the structure of a business that is far from centralised, such as an independent sole trader with no employees. Again, a poor choice of business can make it very difficult to gain marks. Basic learning about organisational structures would have helped a great many candidates achieve better marks: this conclusion is based on examples where I saw answers from the same centre, where candidates had chosen the same business, but their descriptions of the (same) structure ranged through tall, flat, matrix or hierarchical – apparently randomly, just using words without any understanding of what they mean.

2a. This question was not answered that well considering all the information given in the scenario. Too many answers reflected the generic reasons to recruit rather than looking at the business conditions and working there. Many of answers simply restating the information about working terms and conditions given in the question, without any reference as to why the terms and conditions could equate to the need to recruit counter staff regularly, stronger candidates (perhaps those who have worked for a fast-food outlet) recognised the transitory nature of employees in this kind of establishment as well as the tough terms and conditions which tend to prompt a high turnover of employees.

2b. This was the second extended answer/QWC question. Candidates were asked to Analyse the personal qualities Michal will look for when recruiting his counter staff. The main issue here was candidates giving 'skills' rather than 'qualities', many candidates using personal qualities and skills interchangeably, with no apparent differentiation. Both 'skills' and 'personal qualities' are identified as separate entities in the specification, and candidates need to be clear what is meant by each. Most answers related to the generic communication skills for customer service. That said, some candidates did produce good, thoughtful answers, many written from experience and observation of counter staff. Overall this question was quite well answered, although some candidates did stray into the recruitment process rather than answering the question.

2c. A few candidates just repeated the stem about 'food safety certificate', some knew about apprenticeships, NVQ's and had been taught about training schemes to more marks. Good answers from stronger candidates demonstrated that they had a good awareness of the value of qualifications and the benefits that qualified employees could bring to a business. In general there was a lower understanding of the 'national' aspect of the qualifications. Some candidates missed marks by giving answers based on the advantages for the employee – this is not what the question asked.

2d. This question simply asked candidates to describe two documents the business uses to recruit employees. In general candidates showed good knowledge of documents used for recruitment, but in the process of trying to show just how much they knew, many candidates went beyond documents used for recruitment and strayed into documents used for selection, such as CV's or references, and even further, by writing about interviews, psychometric tests, aptitude tests etc. Candidates that read the question, and actually gave answers based on what had been asked, could pick up full marks, but there was a large proportion of candidates who only got one or two marks because they had not read the question from the perspective of the business using documents, and just relating CV's from the candidates' perspective.

2e. The paper progressed, to ask candidates to describe the recruitment process that their chosen business uses to recruit a senior manager. Most answers applied to general recruitment, which would apply to any position – only the strongest candidates made any reference to the particular requirements or methods which would apply when recruiting senior management. Candidates just not reading the thirteen words in the question from start to finish.

3a. Candidates were given details of the wages and working hours at the restaurant, and then asked to discuss the effect of this on employee motivation. This produced many good answers, candidates seemed to relate to the situation described in the question and responded with sensible answers based on application backed up with knowledge of some of the theories behind motivation, and how they would fit the situation described. Most candidates could pick up the effect on motivation and it is surprising how many felt that the wages and conditions were a boost to motivation to work harder to get promoted, some candidates even giving both sides of the argument.

3b. Asked to discuss how maternity and paternity rights for employees could affect Michal's business, candidates could see clearly the issues for an employer when staff take maternity and paternity leave. Some candidates spent too much time, and space on the page, writing about the facts and details of maternity/paternity rights – and not focussing on the effect that this would have on the business, not answering the question, wasting time and losing marks.

3c. Brought out a good awareness of the environmental issues caused by litter/rubbish around the restaurant; having achieved this, candidates then had some difficulty converting the issue to how the business would be affected, but stronger candidates gave good, thoughtful answers.

3d. Lots of good answers, considering that although based on knowledge of a motivation theory, candidates were expected to apply their knowledge to the given situation – the football team – markers reported that in general, they felt really pleased with candidates' responses. Some candidates missed marks as they did not identify which motivational theory they were using to answer the question, and this was not always clear or implied by their answer – simply answering the question and naming the theorist chosen would have helped clarify their answers and likely to have resulted in higher marks. Some weird and wonderful ideas attributed to different theorists at times but usually Maslow or Mayo quoted here. Some failed to address the effect of the team on employ motivation but in general answered well. One last point, some candidates are clearly confused between 'physiological' and 'psychological', using the terms interchangeably when referring to one of the levels in Maslow's hierarchy of needs.

3e. In this question, candidates were asked to describe how one stakeholder in this (chosen) business influences its employees. Some candidates appear to have no idea what is meant by a stakeholder, judging by the randomness of some of the answers. There is some confusion between stakeholders and shareholders, minority of candidates interpreted question as one stakeholder referring to a single stakeholder, as a result they had some difficulty expressing how stakeholders influence employees; stronger candidates produced better answers, making this question a good discriminator. Some candidates missed the 'employee' part altogether. Some even gave 'employees' as the stakeholder but others could see that the 'manager' might influence the employees more and could give a good response here.

3f. In the final question on this paper, candidates were asked to use examples to show how non-financial incentives are used by this (chosen) business to motivate its employees. Most answers did reflect some non-financial incentives although many gave staff discounts as well. Although an economist may argue that all incentives can be translated into a financial benefit, for the purposes of this question non-financial incentives referred to any that were not directly translatable as cash by those that received the incentive i.e. not salary, cash, bonus etc. Always a difficult area and there were some unrealistic non-financial incentives mentioned for very small companies, such as company cars or extravagant holidays. This is something that Centres need to think about in choosing a suitable organisation – is the answer realistic for the organisation stated. Also, some candidates gave statutory rights, such as rest breaks or time off as incentives, which demonstrates a low level of understanding of incentives and how they are designed to work.

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