GCE

Applied Business

Advanced GCE **A2 H426/H626**

Advanced Subsidiary GCE **AS H026/H226**

Examiners' Reports

January 2011

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This report on the Examination provides information on the performance of candidates which it is hoped will be useful to teachers in their preparation of candidates for future examinations. It is intended to be constructive and informative and to promote better understanding of the specification content, of the operation of the scheme of assessment and of the application of assessment criteria.

Reports should be read in conjunction with the published question papers and mark schemes for the Examination.

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EXAMINERS' REPORTS

Chief Examiner's Report

Reports by the Principal Moderator and Principal Examiners for the January 2011 series follow this report. It is important that these reports are studied carefully by centres as they contain specific advice on how to prepare candidates for assessment in every unit of the qualification.

The best pieces of work which the assessment team were privileged to see, once again, embodied the very philosophy of applied qualifications – candidates applying what they had learned to a particular business under consideration. Centres and candidates should be extremely proud of the high quality, indeed, professional standard of the work which these candidates presented.

Changes in UK legislation, especially in relation to matters of workplace discrimination and the Equality Act 2010, have had implications for many of the units on this qualification. Whilst candidates will be given credit for knowing now outdated legislation, best practice dictates that centres update their schemes of work to embrace the new legislation. It is only by keeping up to date that candidates can meaningfully apply their knowledge to real business scenarios and truly uphold the applied nature of the course.

Internally Assessed Units

It was pleasing to see an increasing number of centres choosing to submit their coursework portfolios for moderation using the OCR Repository, making work more quickly available to moderators. Some centres, however, appeared to use the wrong entry code causing administrative difficulties for the moderating team. Centres should note that when entering candidates for portfolio units, code 01 indicates an intention to submit the unit using the OCR Repository, whilst code 02 indicates an intention to submit the unit using the traditional postal route. Centres who choose to continue to submit work to moderators via postal/courier services should ensure that the postal charges are fully paid. Moderators cannot be expected to pay for the receipt of coursework materials.

Whichever method is chosen it is important that where a centre has ten or fewer candidates entered for a particular unit the candidates' work, and not just the corresponding MS1, is submitted to the moderating team by the MS1 deadline. Centres should not wait for a request for the work to be sent to the Moderator as the entry is too small for sampling to be used and all portfolios must be submitted. Centres which have more than ten candidates entered for a particular unit will receive the appropriate sample request by email, to the centre's registered email address. The requested sample should be submitted for moderation within three working days.

Many centres have encouraged candidates to submit well structured pieces of coursework, with many candidates usefully using the sub-headings given in the specification to achieve this. This organised approach, coupled with the use of a contents page and page numbers, facilitates the tracking of evidence that the unit demands. Where an assignment brief has been used by candidates, it would be helpful if a copy could be submitted to the Moderator. In units which require a presentation, witness statements should be provided to assist moderators in agreeing centre-awarded marks. Detailed completion of the teacher comments section on the Unit Recording Sheet justifying the marks awarded, and accurate annotation of each candidate's work with the appropriate assessment criteria, is time well spent. Such practice makes it more likely that the Moderator can agree the centre-awarded marks.

Centres should note that, for units with some numerical data to analyse, the achievement of mark band 3 for AO3 requires the use of a range of statistical techniques. Percentages and mode/mean are entirely sufficient but some candidates are still avoiding these techniques preferring to use phrases such as 'the majority' or 'on average' and thus limiting the marks which they can be awarded. Likewise, for units which require prioritisation for the achievement of mark band 3 for AO4, centres should note that ranking alone is insufficient. Candidates need to explain why a factor will have the greatest, least, or an insignificant impact, etc. not just to state that it will.

Externally Assessed Units

The nature of the Applied Business course requires that candidates apply their knowledge and understanding to the business context given to them on the examination paper. On both compulsory units AS F242 and A2 F248 and optional AS unit F243 this business context is pre-issued to candidates in the form of a case study. It is essential on these three papers that candidates are familiar with the scenario before they enter the examination. Candidates without this knowledge are at a significant disadvantage and it is important that re-sit candidates are not overlooked. For the A2 optional units F256 and F257 it is recommended that candidates have trialled past papers in order to acquire the skills of writing answers in a scenario context in timed conditions. Centres should stress to candidates that to achieve marks at Level 2 and above their answers must be written in context, simply mentioning the name of the business is insufficient.

In all examinations candidates need to ensure that they answer the question set and not a similar question which has not been set. Candidates need to take careful note when a question demands an answer from a particular perspective; for example, the advantages to a business or the advantages to a customer, or the advantages to employees. The indicative content for each of these perspectives is likely to be significantly different. Candidates must ensure that they answer from the correct perspective as no marks will be awarded for answering from an alternative perspective.

Evaluation questions which ask 'the extent to which' seem to be particularly difficult for candidates. Candidates need to be taught that when weighing up their findings they need to provide an argument about 'extent', rather than just provide a summary of previous findings. On most other types of evaluative questions candidates seem to have grasped the need to make a judgement which matches the question in order to access Level 4. There does, however, appear to be a worrying trend to provide a judgement without first giving the supporting analytical argument. A judgement cannot be justified if it is not backed up by analytical comment. Candidates are likely to benefit from more practice in their centre in timed conditions at writing conclusions to evaluative questions.

Specific information for each unit is given in the following reports from the Principal Moderator and the Principal Examiners. Careful reading, taking action where appropriate, should lead to candidates being well prepared for assessment in future sessions of this Applied Business qualification.

Centres may also find the following sources of use to them in helping to build upon good practice:

- Principal Moderator's report
- individual centre reports on moderation
- past examination papers
- previous examination series reports
- INSET offered by OCR
- coursework consultancy service (OCR)
- e-Community – OCR website
- sample schemes of work and lesson plans – OCR website
- further guidance for teachers – OCR website.

F242 Understanding the Business Environment

General Comments

Centres had prepared candidates well in terms of the nature of F4T's business and the strategic options considered by the owner, Jeremy. There has been a significant improvement in most candidates' ability to respond in context; especially on the level of response questions.

Analytical skills, however, were still generally disappointing across the cohort. The majority of candidates were able to make a judgement, but often this was not backed up by previous analysis. Level 4 cannot be awarded without analysis and it is vital that centres address the need to develop this skill. For Level 3 to be awarded, candidates are required to develop their arguments, analysing how the issue under discussion could impact on a business' success, eg increasing sales revenue, increasing profit, etc. This is a prerequisite to any judgement made.

Performance on the numerical questions was generally disappointing, especially Question 2(b), with around half of the candidates failing to achieve any marks. Only candidates with a good working knowledge of percentages could access the higher marks. The high number of candidates who did not achieve any marks for Question 3(c) indicates that there is a need for candidates at this level to continue to improve their understanding of how sales revenue is calculated. The calculation of break-even was slightly better on Question 3(b) but yet again this simple question was only accessible to candidates who had a good knowledge of manipulating fractions.

Comments on Individual Questions

1(a) This part of the question was well answered on the whole; a high number of candidates achieved full marks. The most common error was the calculation of the closing balance for January. Where this was the case, most candidates were able to carry their own figure forward as February's opening balance. It was evident from some answers that the weaker candidates were confused by the negative net cash flow figure and opening balance for April and failed to calculate the closing balance for that month correctly.

1(b) Most candidates achieved Level 2, only the more able ones achieved Level 3, with very few awarded Level 4. The ability to analyse was weak and should become the focal point of the delivery of examination techniques if higher levels are to be accessed. Without analysis, candidates will not be able to achieve Level 4. Misinterpretation of the rubrics was evident where candidates' answers focussed on expansion rather than sources of funds. Otherwise, most candidates' knowledge of sources of finance available to a business such as F4T was sound and the majority clearly understood that long-term finance for a substantial sum of money is needed here. It was pleasing to see that some candidates were able to apply their knowledge of the current economic climate to the chances of F4T borrowing from banks.

2(a) The majority of the candidates were able to identify two types of budgeting correctly showing that they had read the case study thoroughly and prepared themselves accordingly based on the issues indicated. However, the understanding of the advantages and disadvantages of each type of budgeting was, on the whole, poor, especially in relation to zero-based budgeting. Few candidates achieved full marks. Vague answers which were not specific to the budgeting methods identified were not rewarded, so were statements made on the methods. This highlights the need for candidates to read the questions carefully; this question asked the candidates to give the advantages/ disadvantages.

2(b) The figures which most candidates were able to calculate accurately were the variance in £ for sales and website development. The majority were able to recognise that the variance for website development was adverse, but most failed to realise that the variance for sales was also adverse. This shows the common misconception that all negative variances must be adverse. Few candidates could calculate the variance in percentage terms accurately showing weak numeracy skills. This weakness was again evident in most candidates' answers for the actual and variance figures for computer hardware/software and mortgage repayment. A sound knowledge of how percentages are calculated and used is vital to the success of a business and this makes it an aspect on which candidates should focus. It is essential for a good Business Studies candidate to be proficient in the use and calculation of percentages in day-to-day business scenarios.

2(c) Most candidates were able to identify the reason for an increase in F4T's mortgage repayment correctly. The most common answer being an increase in interest rates, while common errors included inflation and tax increases. However, the impact of this on F4T proved to be more difficult, as only a minority of candidates explained the likely impact of an increase in mortgage repayment on Jeremy's expansion plan.

3(a) This was a straightforward question on which most candidates gained full marks.

3(b) Overall, the performance on this part of the question was disappointing, as only the stronger candidates were able to work out the break-even point accurately. The calculation of fixed costs was accessible to the majority of candidates; the calculation of variable cost and therefore unit contrition, however, posed a problem for most candidates. Most candidates scored at least one mark for writing down the formula. This good practice must continue.

3(c) This was another question which most candidates found difficult, and a high proportion either failed to score any marks or omitted this part of the question. The understanding of how sales revenue is calculated is limited amongst most of the candidates at this level. The own figure rule applied when candidates used their own break-even figure from part (b).

3(d) The advantages and disadvantages of providing an online shopping service were well-understood and, in most cases, thoroughly discussed achieving a good Level 2 mark. It was pleasing to see that most candidates used the break-even figure they had calculated in part (b) to back up their answers. To achieve Level 3 candidates were required to develop their arguments further, eg 'it could widen F4T's customer base (L2), this is likely to lead to an increase in sales revenue (L3)'. In short, analysis is the impact on F4T of providing an online shopping service, preceded by an advantage or a disadvantage. Level 4 cannot be awarded without analysis which makes this a very important skill to acquire.

4(a) Responses showed most candidates were well-prepared for this question showing a sound understanding of the disadvantages of being a franchisee.

4(b) There was some apparent misinterpretation of the rubric as some candidates identified three advantages of being a franchisee. However, there were some good answers showing a good understanding of the advantages of being a franchisor.

4(c) As the issue of ownership was indicated in the case study, most candidates were well-prepared for this question in terms of the coverage of theory. However, the responses tended to be of a generic nature. Most candidates' ability to analyse was, again, disappointing. As in Question 3(d), Level 3 is about how the benefits/drawbacks of being a plc could impact on a business such as F4T. Candidates should avoid discussing common misconceptions such as 'a plc can sell shares to generate more income/profit' or 'shareholders bring more ideas'.

5(a) Most candidates were able to identify two external stakeholder groups of F4T correctly. 'Community' was not awarded a mark, it needs to be qualified, eg 'local community'.

5(b) The consequences of ignoring stakeholder interests were well-understood amongst candidates at this level but, unfortunately, the question asked for the ways in which stakeholders could influence Jeremy's expansion plan. This question, therefore, required candidates to identify and explain a method which could be used by the stakeholder groups identified in part (a), which the majority of candidates failed to do. Some candidates described the interests of stakeholders which was not acceptable.

6(a) Most candidates scored at least three marks; 'economical' being the most common mistake. Technical was not accepted either.

6(b) On the whole, candidates' responses showed a sound understanding of SWOT analysis. Most candidates achieved Level 2 by carrying out a SWOT analysis on F4T. Strengths and weaknesses were usually discussed in great detail. However, there were still a large number of candidates who failed to recognise that opportunities and threats are external factors instead of, for example, internal decisions to expand. In order to achieve Level 3 candidates were required to discuss the likely success of the expansion given F4T's strengths, weaknesses, opportunities and threats, eg Jeremy's lack of ICT skills was a weakness (L2) which would increase the costs of expansion as he would need training (L3). In general, candidates should be encouraged to develop any point which they have made before moving on to the next one. It is better to discuss a couple of points thoroughly than to write a long list of undeveloped points. Candidates should also avoid making exaggerated statements such as 'expansion will/would increase customers/revenue'. A good Business Studies candidate should recognise that sales are not guaranteed by merely expanding a business. Words such as 'could', 'might', 'likely to' should be used instead.

7(a) This part of the question was well-answered. Most candidates were able to recognise that laws are set by the government, while ethics are moral issues.

7(b) Most candidates were able to give good, clear examples of F4T's legal obligations. Non-specific examples should be avoided in relation to a question of this nature, eg 'having a good knowledge of the law' is not acceptable.

7(c) This was a well-answered question. Most candidates were able to identify a benefit and develop it in order to gain full marks.

F243 The Impact of Customer Service

General Comments

The format and level of difficulty of this examination was consistent with previous series. There was a wide spread of marks which was due, in the main, to candidates failing to contextualise their response to the case study. This is an observation which has been identified in previous series reports.

There is again an issue relating to candidates either not reading, or not understanding the question which has been set. This was evident on Questions 2(c) and 5.

Question 2(c) asked for the candidates to take the customers perspective, yet many took the business' perspective. On Question 5 the majority of the candidates did not understand the term 'criteria', although this is to be expected of AS/A2 candidates.

Such issues had a strong detrimental effect on the performance of many candidates across the question paper. The issue around candidates' understanding a question was reported in the previous three Principal Examiner's reports for this paper. To prevent a continuance of this trend, centres are encouraged to tutor learners in their understanding and interpretation of the requirements of a question.

Whilst some candidates did progress from Level 2 to Level 3. the majority did not. Grade A candidates would be expected to reach Level 4 through an explicit link to the content of the case study.

Comments on Individual Questions

1(a) This was a straightforward question with which to begin the paper, which the majority of candidates had no problem answering.

1(b) The majority of candidates also had no problem answering this part of the question as they were able to extract specific information from the case study.

1(c) Some candidates answered up to Level 2, but there was a significant number whose answers were not in context. This restricted most marks to Level 1 only, despite some very good written answers. Those candidates who reached Level 2 tended to provide some analysis.

2(a) This part of the question was reasonably well answered with the majority of the candidates providing generic needs which were acceptable.

2(b) This part of the question was very well answered by the vast majority of candidates. This does demonstrate that candidates had read the case study and could extract relevant information.

2(c) In general candidates understood the question; however, a few answered from the business' perspective and quite a few more answered only in general terms, ie with no context, and so achieved few marks.

3(a) Generally this part of the question was generally well answered, although there were many cases of incorrect titles, particularly 'Health and Safety Act' rather than the Health and Safety at Work Act.

3(b) Again, on this part of the question there was a lack of context which was a problem for quite a number of the candidates. Many did not progress to Level 2; however, those who did tended to reach Level 3.

3(c) Some weaker candidates did not consider the appropriateness of their response. Some simply stated 'the government' which is too vague. Others gave unofficial organisations such as 'Which?'. However, the majority of the candidates were able to identify at least one appropriate organisation.

4(a) The majority of candidates scored maximum marks on this part of the question.

4(b) Candidates still tend to submit 'questionnaire' without stating which particular type. Where a method was correct some candidates did not describe the method adequately, simply rewording the method, eg 'suggestion box for putting suggestions in'.

4(c) The majority of candidates achieved two or three marks in response to this part of the question.

4(d)(i) and 4(d)(ii) These two parts of the question attracted the weakest responses. This was, in the main, the result of the stated advantages and disadvantages not being specific to the use of a website.

5 This question caused problems for a number of candidates who obviously did not understand the word 'criteria' (although it should be appropriate for AS/A2 candidates). It was not a particularly well answered question.

6 This question was quite well answered with the majority of candidates scoring at least two marks. Those achieving maximum marks gave responses which were explicitly linked to the case study.

7 Again there were some problems with context, thus limiting the marks which could be achieved. Few candidates answered about <u>specific aspects</u> of customer service, but rather about customer service in general. Some candidates did reach Level 4 but the majority achieved Level 2.

A/S Principal Moderator's Report

The majority of centres which submitted work for this moderation session followed OCR procedures, adhered to set deadlines and accurately completed documentation which enabled the moderation process to progress smoothly. Centres do need to note that when entering candidates for the qualification using the code 01 this means the centre is going to submit its work via OCR Repository. Some centres are still using this code but submitting work via post. The code for postal moderation entries is 02. This error does cause some problems with administration.

Some centres still did not adhere to the 10 January deadline for the receipt of the completed MS1 by the allocated Moderator and failed to inform OCR or the Moderator of the delay. This did cause difficulty for Moderators in the scheduling of their work. Centres should also note that for entries of 10 candidates or less the portfolios of all of the candidates should be sent straight to the Moderator with the MS1 form. Centres should also note that it is their responsibility to forward MS1 forms and candidate work to the allocated Moderator by the set deadlines and, if a sample is required, it must be returned within **three** days of receiving the sample request. Requests for a sample are now emailed to the centre's registered email address.

Centres should note that failure to meet such deadlines could delay the receipt of results for their candidates. Centres must also check that they are sending their work to their allocated Moderator and not using labels from a previous series. A number of centres sent their work to the incorrect Moderator. This does slow the process down quite considerably as the allocated Moderator then has to contact the centre to see where the work is and then get the work delivered from the old Moderator. Another problem which is beginning to arise is that parcels are being sent with the incorrect postage being paid and in some case no postage. This means the Moderator has to pay to receive the parcel.

Centres must ensure that all sections of the Unit Recording Sheet have been completed accurately, including the correct total marks for the unit, candidate number and centre number, teacher comments and the location of evidence, in order to facilitate the moderation process. Centres must also ensure the marks on the MS1 form match the marks on the Unit Recording Sheet for each candidate and each unit.

Assessment

Many Assessors demonstrated good practice by annotating candidate work with assessment criteria references and by giving clear and constructive written feedback. The teacher comments section of the Unit Recording Sheet enabled Assessors to justify the marks awarded for each assessment objective. It was helpful when page numbers were included within the location section of the Unit Recording Sheet. Some Assessors failed to provide written comments or to annotate candidate work. In these circumstances it was not clear to the Moderator how assessment decisions had been made. Without this information it becomes more difficult for the Moderator to confirm the marks awarded to the candidate.

Where assignments had been used, it was most helpful for copies to be submitted with the actual work. This gave a clear indication of the tasks which were given to candidates.

It is the responsibility of Assessors to ensure that each candidate has produced authentic/ original evidence. A Centre Authentication Form for Coursework (CCS160) must be signed by the Assessor(s) and must accompany each unit submitted.

Candidates must ensure that any material used from the Internet is correctly attributed.   Where material is taken directly from the source, candidates must supplement it with their own explanation, demonstrating their understanding. It is surprising how many candidates cut and paste diagrams and pictures from the Internet (Boston Matrix, product life cycle, Maslow's hierarchy of needs, etc.) without sourcing the evidence. Where candidate work contains inaccuracies, Assessors should annotate the work to this effect, thus enhancing the candidate's own learning. This also indicates to the Moderator that the work has actually been assessed accurately.

Assessors are reminded that they should make direct reference to the unit specifications when writing assignments and seeking clarification of the type of evidence candidates' are required to include within their portfolios. When assessing candidate's work Assessors should make reference to two documents – One the performance descriptors which are found on pages 109 – 110 of the specification, and the assessment objective amplification grids which are located on pages 112 – 122 of the specification.

It was also noted that those centres which had followed the assignments written by OCR had, on the whole, been able to better structure their candidates work enabling them to access the higher grades. The teaching and learning support materials can be downloaded from the website.

Unit 1: Creating a Marketing Proposal

The banner of the assessment evidence grid requires candidates to produce a marketing proposal to launch a new product or service. Some candidates are still failing to choose suitable products and are often merely trying to re-launch an established product. This ultimately results in candidates only changing, at best, two parts of an already established marketing mix. In some cases the product was actually currently available and the only modifications being specified were a new colour. Centres should check the suitability of candidates' proposed new products/services prior to them completing their initial research. This should help prevent candidates selecting products which are (a) unsuitable or (b) already available on the market.

Centres should also note that candidates are not required to develop a brand new product. If they do it makes their research very difficult. For example, candidates are often asking respondents if they would buy a product, eg a 'new ice cream' when, in fact, they have no idea what it would actually look or taste like. It is much better if candidates select a product which is already available but not sold by their selected business. It could be a form of diversification.

Assessors are also required to use the witness statement supplied within the OCR specifications to justify the marks awarded for AO2. This is now located on pages 140-141 of the specification.

The banner states that candidates are required to investigate a medium to large sized business. However, it was noted that the majority of candidates who achieved the highest marks for this unit in previous moderation sessions had focused on small/medium sized businesses which were locally based. This enabled them to conduct relevant research which was used to good advantage throughout their delivery of AO2. These candidates also found it easier to develop their judgements as to the likely success of their marketing proposal.

On reflection, it is now felt that candidates could extend their investigations into smaller local businesses, as long as they are able to gain sufficient information in order to meet all the assessment objectives.

Assessment Objective One

This section, on the whole, was covered well by the majority of candidates sampled. Assessors must remember that this section does not need to be directly related to the selected business and mark band 3 marks can be achieved by the candidate who produces purely theoretical coverage which is considered to be clear and comprehensive. Candidates should be encouraged to use generic examples to help demonstrate breadth and depth of coverage of each section.

It was evident through this series that candidates had a much better understanding of the role functional areas play in supporting marketing activity. There was less evidence of candidates simply explaining the role of each department with no or little linkage to marketing.

Candidates often found the use of a 'made up' scenario, for example the selected business is just about to launch a new product, helped them demonstrate a clear and comprehensive understanding of this section.

Candidates do appear to struggle with the concept of marketing objectives. Coverage of this section was often muddled with the general aims and objectives of a business. Candidates often explain the aims and objectives of their selected businesses under the heading of marketing objectives – which frequently they are not.

Candidates need to demonstrate that they understand marketing objectives are one of the techniques a business will use to achieve its overall aims. For example, the overall aim of a business might be to increase profit by 6% over the next six months. The marketing department would then be set the objective of running an advertising campaign during, say, July and August in order to increase repeat custom of product X by 5%. Alongside this the production department would be set the objective of reducing wastage by 3% throughout the next six months. Both of these objectives would ultimately help the business achieve its initial aim of increasing profit by 6%.

The marketing mix was often covered in detail and fully explained with candidates demonstrating a clear and comprehensive understanding of this section of the assessment objective.

Candidates should be encouraged to use generic examples to demonstrate a clear and comprehensive understanding, allowing them easier access to mark band 3.

Assessment Objective Two

Candidates must include their presentation slides, prompt cards and, where appropriate, the notes used to accompany the presentation. As mentioned above, Assessors are required to complete the witness statement supplied by OCR. The more detailed is this evidence, the easier it is for the Moderator to agree the centres' marks. It was a surprise to find that some candidates' portfolios still did not contain a witness statement or any other evidence to indicate that the presentation had actually taken place. It then becomes impossible for Moderators to agree the marks awarded for this assessment objective.

In order to achieve mark band 3, candidates' evidence must be clearly targeted to their selected customer and every section of their marketing proposal must be fully substantiated from **both** primary and secondary research.

Within their presentations, candidates must clearly state what their selected product is, how they will promote it, where they will sell it, and what price they will charge for it. These decisions must be supported by **primary and secondary research**. A lot of candidates lost marks because they merely stated what they 'might' do with no reference back to the research undertaken. An example would be – 'I will charge 30 – 50p for my product '. The candidate makes no clear indication of how or why they have come to such a decision. Candidates are also required to **change** at least **three** parts of the marketing mix if they decide to develop a product which already has an established marketing mix. Centre s must remind candidates to fully research their proposed methods of promotion. For example, if the candidate wishes to promote their new product in a magazine the candidate must state which one. Their decision should relate to who the target audience is for the magazine and also the readership numbers and, where possible, a link between potential costs and budget available.

A surprising number of candidates failed to investigate the competition as a method of justifying their marketing proposal.

A problem which occurred this series was that some centres had awarded candidates mark band 3 marks with the decision being supported by an extremely detailed witness statement. The witness statement implied each part of the marketing mix had been supported by primary and secondary research. Upon further investigation into the candidates work there was no evidence of this research and the candidate's evidence to support the presentation also lacked this information. It then becomes very difficult for the Moderator to agree the marks awarded by the centre.

Assessment Objective Three
This assessment objective had a number of inherent problems. Candidates often failed to collect their primary research from the correct target audience. If the new product is aimed at people over the age of 19, the majority of the candidate's primary research should **not** be conducted within the 16 – 19 age range. Another problem was candidates who had collected vast amounts of secondary research which they then failed to analyse or use.

When analysing their data candidates must make reference to section 'Research in a market' on pages 15-16 of the specification. This clearly sets out the techniques candidates are expected to use in order to complete their statistical analysis. Particular attention is drawn to the fact that candidates are required to use the marketing tools SWOT and PEST. These should be used to draw together the candidate's research and focus on the new product/service not the business. Centres should also note that the Boston Matrix, Ansoffs' Matrix and the product life cycle are **not** requirements of this unit and as such do not attract marks.

Too often candidates' analysis simply included the production of pie charts and graphs through the use of computer software and then a simple explanation which consisted of the terms 'the majority', 'most people', etc. This type of evidence can, at best, achieve the lower end of mark band 2. Candidates must be encouraged to analyse their research clearly, stating how it will inform the development of their marketing proposal.

Candidates need to be aware that in order to achieve mark band 3 their suggested product, price, place and promotion must be supported through primary **and** secondary research.

Assessment Objective Four
Judgements on the potential success of the marketing proposal were often weak. They lacked the depth required to achieve mark band 3. In order to achieve the higher marks, candidates must consider their proposal making two sided judgements, considering both the possibility of success and failure. This was often lacking within the work of candidates seen. Candidates should be encouraged to consider the disadvantages and advantages, short term versus long term and the internal and external impact of their proposal on their selected business.

Within this section, candidates need to focus on all the elements of their marketing proposal. For example, will the price set for the new product meet the needs of the potential consumers; will the suggested promotional campaign reach these people? Too often candidates just focus on the potential success of their product and forget the other three elements of the marketing mix. Candidates should make reference to the section 'How to judge potential success' found on page 17 of the specification.

Unit 2: Recruitment in the Workplace

This unit remains quite a logistical challenge for some centres. There was evidence of very good practice, but at the other end of the scale very little evidence of candidates' own work. The best portfolios were based on jobs which were realistic for the candidate to apply for. For example, receptionists, clerical positions or part time jobs based in shops. Where inappropriate jobs had been chosen, potential applicants found it very difficult to complete application forms as they did not have the necessary qualifications for the position being interviewed. It was also rather disappointing to witness some candidates failing to take the role play situation seriously and completing application forms with inappropriate information. Centres attention is also drawn to the final paragraph under section headed 'The recruitment process', on page 19 of the specification. It states 'Please note: candidates will be assessed both on their ability to produce relevant and appropriate recruitment documentation specific to their chosen job role and recruitment documentation relevant to the post(s) advertised by their group peers'.

This unit, at times, remained a logistical challenge for the Moderators – often being unable to distinguish between original recruitment documents, candidates' own documents or those of the group. Centres must ensure that candidates clearly label each of their documents. They need to provide a road map for the Moderator – is this document one the candidate produced or the final one which was used by the group for the interviews? It is also recommended that candidates include copies of the original documentation of the selected business so that the Moderator can assess the degree of original and individual work.

Whilst candidates can work in groups to actually perform the interview, they are required to produce individual evidence that they have met the requirements of the assessment grid. These are the documents which their AO2 mark should be based upon. This was not the case in some of the candidates' work sampled. There was still evidence of Candidate B designing the job advertisement, and Candidate C designing the person specification, etc. This is not acceptable. Under the sub-heading AO2 there is a flow diagram which illustrates the process candidates should follow if they are (a) working individually or (b) working in a group.
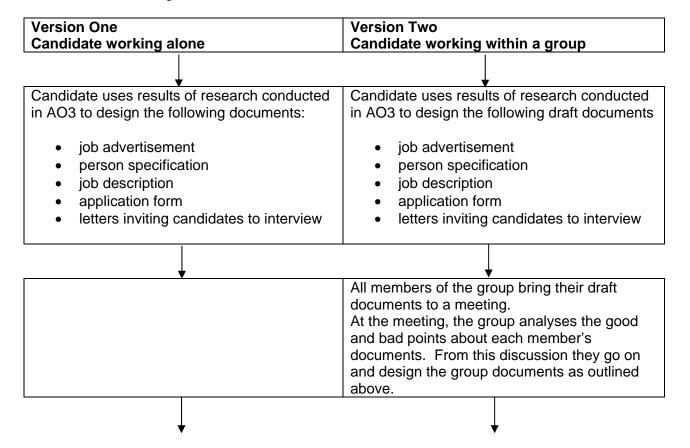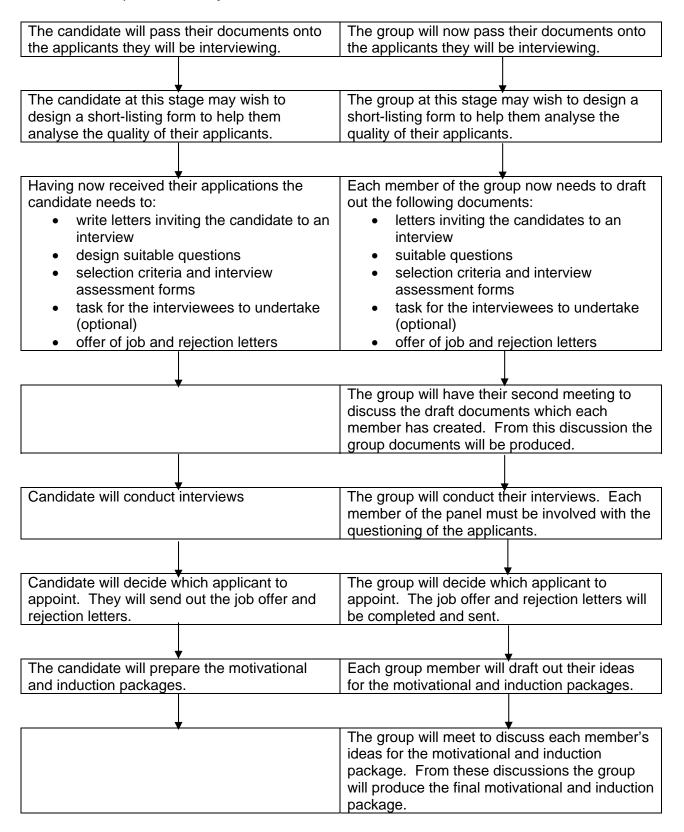
Assessment Objective One
The majority of candidates sampled were able to produce a detailed description of 'The recruitment process' but coverage of 'The selection process' was often be patchy. Candidates do need to ensure that they cover all of the required bullet points found within this section. Candidates' coverage of induction was patchy ranging from extremely detailed to simply a pure identification of the topics which would be covered in an induction programme. Candidates' coverage of motivation should focus on the section 'Employee motivation' found on page 20 of the specification. Candidates are only required to cover financial and non-financial motivators. Candidates do not need to cover motivational theorists. Coverage of the legal framework is still the section which gives centres the most problems. Centres should also note that in the new specification candidates are now required to cover The Employment Equality (Age) Regulations 2006. Candidates do not need to describe the acts. They are required to consider how each act would impact on their recruitment and selection process. For example, when designing the job advertisement what factors would they have to consider – could they state Young Energetic Male required? If not why not – which acts would this statement breach? How will each act affect the way in which they run their interview – what do they have to consider when designing their questions? This aspect needs to be developed if candidates are to be awarded marks in the mark band 3 range. Centres should also note that theoretical coverage of the section 'Job roles', is not required.

Assessment Objective Two
This assessment objective assesses:

- the candidates' materials produced to recruit and select an individual – including job advertisement, person specification, job description, application form, letters inviting candidates to interview, interview selection documentation;
- the actual interview;
- the motivational package;
- the induction package;
- letters informing successful and non-successful candidates.

Version One Candidate working alone	Version Two Candidate working within a group
Candidate uses results of research conducted in AO3 to design the following documents: • job advertisement • person specification • job description • application form • letters inviting candidates to interview	Candidate uses results of research conducted in AO3 to design the following draft documents • job advertisement • person specification • job description • application form • letters inviting candidates to interview
	All members of the group bring their draft documents to a meeting. At the meeting, the group analyses the good and bad points about each member's documents. From this discussion they go on and design the group documents as outlined above.

The candidate will pass their documents onto the applicants they will be interviewing.	The group will now pass their documents onto the applicants they will be interviewing.
The candidate at this stage may wish to design a short-listing form to help them analyse the quality of their applicants.	The group at this stage may wish to design a short-listing form to help them analyse the quality of their applicants.
Having now received their applications the candidate needs to: • write letters inviting the candidate to an interview • design suitable questions • selection criteria and interview assessment forms • task for the interviewees to undertake (optional) • offer of job and rejection letters	Each member of the group now needs to draft out the following documents: • letters inviting the candidates to an interview • suitable questions • selection criteria and interview assessment forms • task for the interviewees to undertake (optional) • offer of job and rejection letters
	The group will have their second meeting to discuss the draft documents which each member has created. From this discussion the group documents will be produced.
Candidate will conduct interviews	The group will conduct their interviews. Each member of the panel must be involved with the questioning of the applicants.
Candidate will decide which applicant to appoint. They will send out the job offer and rejection letters.	The group will decide which applicant to appoint. The job offer and rejection letters will be completed and sent.
The candidate will prepare the motivational and induction packages.	Each group member will draft out their ideas for the motivational and induction packages.
	The group will meet to discuss each member's ideas for the motivational and induction package. From these discussions the group will produce the final motivational and induction package.

In order to aid the moderation process, each of the documents produced throughout the different stages must be clearly labelled within the candidate's assignment.

It is good practice to include a witness statement which identifies how the candidate conducted the interviews. This could be completed by peer observers. This evidence would also enable candidates to develop their AO4 evidence.

As stated above, candidates need to include copies of the recruitment documents they completed as part of their role as an interviewee.

Assessment Objective Three
A number of centres still submit work where there is no evidence of research having taken place. Placing copies of other businesses' recruitment and selection documents in an appendix does not count as analysis.

In order to achieve this assessment objective, candidates need to collect at least two of the following documents:

- job advertisements;
- person specifications;
- job descriptions;
- application forms;
- different types of letters – illustrating correct business layout and terminology;
- motivational packages (if possible);
- induction packages (if possible).

Having collected this evidence, candidates are then required to analyse each document identifying what they feel are its good and bad points and whether they conform to equal opportunity legislation. Candidates are then required to explain how this analysis has helped to inform the design of their own documents. This last stage is vital if candidates are to achieve mark band 3. Sadly, it was often lacking in some of the assignments sampled throughout this moderation session.

Assessment Objective Four
The weaker candidates sampled often only made judgements about their own performance during the interview process and weak judgements concerning the documentation produced and its fitness for purpose. A new trend has seen candidates evaluating every document they produced considering its fitness for purpose. They then omit to cover the other bullet points found under section 'How to judge effectiveness' on page 21 of the specification. Very few candidates were able to consider the impact weaknesses within their recruitment and selection documentation would have on how the candidate performed at the interview. They made simple statements such as 'in our application form we did not leave enough room for the candidates to write their qualifications in'. They then failed to make a judgement about the possible impact this could have had on the interview process. Candidates must be reminded that they need to consider how each of the bullet points would impact on the effectiveness of their recruitment and selection process.

Candidates are also encouraged to make reference to the section 'How to judge effectiveness' on page 21 of the specification which develops the areas candidates could consider when making judgements concerning effectiveness.

Unit 5: ICT Provision in a Business

In order for candidates to successfully complete this unit it is paramount that the correct business is selected. Where case studies had been selected they often lacked the detail necessary to allow candidates to achieve much more than mark band 1. Candidates were still selecting businesses which currently **use** a **substantial amount of ICT**. This meant that all candidates could recommend was upgrading or an additional piece of ICT software or hardware. This does not constitute an ICT proposal.

Whichever route is selected for this unit, a real business, or a case study, candidates need to be able to find out the information outlined below in order to compile a detailed assignment that could achieve top mark band 3 grades.

- What ICT provision does the business currently have?
- How is ICT currently used in the business? For example, if the business has a word processing package, who uses it and for what reason is it used. This information should also link into the different departments within the business and how they are currently making use of ICT.
- What does the business want to achieve by installing ICT? What different functions is the new package supposed to be able to perform? How does the business envisage it improving efficiency?
- An estimated budget and timescale for the project.

Candidates also need to introduce the business – what it does, how big it is, etc. This is vital scene setting not just for the candidate to consolidate ideas but for the Moderator who finally looks at the assignment.

Assessment Objective One
This was most successfully achieved when it was tackled as a theory only section. Candidates are required to demonstrate their theoretical understanding of sections 'How ICT is used by businesses, 'The forms ICT can take', 'Benefits/drawbacks of introducing ICT provision, and 'Contingency planning. These can be found on pages 30-31 of the specification. This will provide candidates with sufficient knowledge and understanding to develop their own ICT package. Candidates should be encouraged to develop the section on how the different functional areas could use ICT. This would aid candidates when recommending software for their own ICT proposal. Generally, the coverage of software was weak in that it did not state how businesses might employ the various forms and what ultimate benefits it would/could bring to the businesses.

Assessment Objective Two
This assessment objective is achieved through a presentation. Candidates must include their presentation slides, prompt cards, and, where appropriate, the notes used to accompany the presentation. Assessors must complete the witness statement supplied by OCR. This is found on page 142-143 of the specification. The more detailed the evidence produced by the candidates and assessor, the easier it is for the Moderator to agree the centres' marks.

In order to achieve mark band 3, candidates' evidence must be clearly targeted to their selected business. The proposal must be fully substantiated from both their primary and secondary research. Candidates should have been able to clearly identify what their selected business hopes to achieve through the development of its ICT provision. This will then directly link to the hardware and software the candidate goes on to recommend during the presentation.

The ICT proposal must clearly outline both the hardware and the software which is recommended, the reasons why the equipment and software have been recommended and the ultimate benefits and drawbacks the proposal will bring to the business. A lot of candidates sampled merely stated that they would recommend various different computers, printers and servers with no explanation of why. Candidates also recommended different software packages, again without any explanation of how and why they would/could be used by the business.

Assessment Objective Three
In order to achieve this assessment objective candidates are required to conduct a variety of primary research and secondary research.   The first should focus on the business being investigated reflecting the points raised above. The second, where possible, should involve investigating a similar business to find out how it currently uses ICT and the benefits and drawbacks it brings to the business. Candidates may also find it useful to interview someone who has ICT expertise who could offer suggestions concerning suitable packages. Secondary research should focus on the different types of hardware and software which the candidate could recommend when they finally present their ICT proposal. This should include potential suppliers and the possible cost of the hardware and software being recommended.

Assessment Objective Four
Candidates should make reference to the section 'How to judge viability' on page 32 of the specification which provides a framework on which to develop the evaluation. In order to develop an evaluation beyond mark band 1, candidates must back up their statements making reference to their research conducted for AO3.   This will only be possible if candidates have been able to conduct detailed primary research into the workings of the selected business.   The last bullet point cannot be evidenced if the candidate fails to calculate the cost of their ICT proposal.

Unit 6: Running an Enterprise Activity

Generally candidates appeared to have chosen suitable enterprise activities in order to complete the unit, with quite a few centres amalgamating the unit successfully with Young Enterprise.

A considerable number of assignments moderated had combined the coverage of AO1 and AO2. However, centres are encouraged to ensure that candidates do demonstrate a clear and comprehensive theoretical understanding of the concepts being assessed within this section before awarding mark band 3 for AO1. One example of good practice seen was where a written explanation of each bullet point section had been supplied and then the candidate had gone on to explain how their group had dealt with each individual aspect. For example, candidates had explained why it was important to have meetings and keep records of agendas and minutes and then showed evidence of their own agendas and minutes.

Assessment Objective One
As already stated the highest marks were gained by those candidates who had covered sections 'Setting aims and objectives', Building and developing an effective team', 'Time management', Required resources', 'The need for regular meetings', and 'Possible constraints' in theory prior to applying the concepts to their own enterprise activity.

Assessment Objective Two
Candidates need to show clear evidence of how they have dealt with each of the sections listed in AO1. Candidates lost marks as they often failed to give sufficient detail of how they had dealt with these considerations when planning and running the profit-making enterprise activity. It was often obvious that the group had run a successful event, but the write up usually lacked sufficient detail to inform the Moderator of what had been happening. A particular weakness was the section 'Developing an effective team'. Many candidates had applied Belbin but failed to back up their statements. For example, they simply stated …. 'Jane is well organised…..'. This statement needs to be backed up with examples which clearly illustrate that Jane is a well organised person. Another weak area concerned required resources. Candidates failed to clearly identify and describe the exact resources which they would require to run their event.

Assessment Objective Three
Within the AS specification this is the only occasion in which AO3 is completed after AO2. Whilst candidates may need to undertake some research and subsequent analysis in order to find out what would be the most suitable enterprise to run, this does not count towards their AO3 evidence.

In order to achieve AO3 candidates must follow the guidelines as specified in the section 'Research and analysis' on page 36 of the specification. Candidates are required to research and analyse different stakeholders' opinions of their enterprise. This should include:

- surveys with the participants who took part in the enterprise activity;
- questionnaires to other group members on how they felt the group interacted throughout the activity;
- analysis of their own strengths and weaknesses of their own contribution to the group activity;
- face to face discussion with a group member, getting them to analyse the strengths and weaknesses of the candidate's contribution to the group activity;
- discussions with other stakeholders, eg suppliers.

The majority of centres had carried out the correct research as outlined above. However, having conducted the required research, the written work was often descriptive rather than an analysis of the information. Candidates need to begin considering the impact of the results from their primary research on the future running of a similar event. This should help candidates develop their evidence for AO4.

Assessment Objective Four
It was all too common to see candidates having undertaken detailed research into different stakeholders' opinions to then fail to use any of this evidence when considering potential future changes to the enterprise activity.

Candidates are strongly recommended to make reference to the section 'Potential effects of future changes to the enterprise activity' on page 36 of the specification. Using the bullet points within this section, they then must make judgements backing up their suggestions using their analysis conducted in AO3.

Unit 7: Financial Providers and Products

Centres are now able to choose between a number of different case studies in order to complete this unit. Using the information contained within any of the case studies, candidates are required to produce two financial packages. Centres must be aware that if a loan is required for the selected business, candidates must at least try and research the cost of a business loan rather than a personal loan. If the information for a business loan is not accessible, candidates must explain why they have had to use figures quoted for personal loans. Due to the very fast pace of change in the current financial markets, centres are advised to date candidates work so that the Moderator is aware when the research was conducted.

AO4 is still proving problematic for centres. It is the responsibility of the centre to supply candidates with a suitable and realistic change of circumstance for the business and the individuals involved within the case study being used.

Assessment Objective One
The candidates who achieved mark band 3 for this assessment objective usually covered this as a purely theoretical exercise. Tackling the assignment in this fashion allows candidates to demonstrate their understanding of the financial services market and all the products and providers which are currently available in the market. Candidates are required to demonstrate an understanding of all the bullet points outlined in sections 'Customers of financial services', 'Financial service providers and products and 'Constraints affecting the provision of financial services' found on pages 37 – 40 of the specification.

Assessment Objective Two
In order to achieve this assessment objective, candidates must produce two separate financial packages – one which meets the personal financial needs as outlined in the case study and one which meets the needs of the business. Within each financial package, candidates must recommend one product and provider rather than making general statements. For example, 'Lilly could get her mortgage from the Halifax or HSBC'. Candidates must clearly state which financial provider they recommend and why.

In order to access the higher mark band 3 marks, candidates should be quoting figures for the financial products being recommend. This should then lead into a costing statement which illustrates if the recommended packages are actually affordable.

Assessment Objective Three
This assessment objective is the research the candidate needs to undertake in order to recommend suitable financial packages. Candidates are required to research a number of different financial providers and packages and analyse their findings. Candidates should consider affordability and also constraints as outlined in the section headed 'Constraints affecting the provision of financial services' on page 39 of the specification. Candidate's recommendations in AO2 should be clearly linked to their analysis conducted within AO3. Most candidates only base their analysis of the different products on the potential cost of each product. They appear to spend very little time reading the 'small print' and making informed decisions which product would actually best suit the needs of their client. Cost is often not the only criteria that is or should be used when making financial decisions.

Assessment Objective Four
In order to achieve this assessment objective, centres need to supply the candidates with a future change in circumstance(s) for both the individual and business described within the case study. The recommended change should reflect what could possibly happen within a five to ten year period. Candidates are then required to consider if the financial package they have recommended in AO2 will be able to meet these new financial needs. Candidates are not required to undertake any further research or come up with alternative financial packages.

General points on Wilson Builders

Business – This is quite a complex case study especially in terms of the business. It is a partnership of two brothers one aged 55 and the other 58. Their renovations and repair business has been hit by the recession and they are looking into diversification. This is going to take the form of buying in houses which need renovation for approximately £70 – £90,000 and then selling some for to commercial landlords for £130,000 and keeping others for rent.

The business starts with £200,000. It would buy 12 properties in the year, the amount to be recouped from selling seven of them. So the financing would need to cover the time between purchase and sale. The time would depend on the market, but these are not high priced properties so should 'move' reasonably quickly even in a difficult market.

So let us say that they buy 4fourhouses at £90,000 each before they sell one – £360,000. And, estimating a month to refurbish and three months for the sale to go through.

There is also the deficit on the business to finance. So they are probably looking to borrow £200,000 – £250,000 for the first year. Possibly £300,000 but it depends on timing. It would probably be more acceptable to the bank to match the amount the brothers have in savings in the current climate than to take a larger share.

In the second year they might not even need to borrow at all, but if events do not match their plans they might like to build in a contingency of, say, £100,000.

To summarise:
- bank loan – candidates are expected to calculate how much
- commercial mortgages – would be required if going to retain for rent
- candidate's need to acknowledge the fact that there is a deficit in the original business – could impact on borrowing
- bank overdraft
- if renting – will need to consider possible insurances – buildings especially
- case study raises possibility of grants
- incorrect rental calculations – this could throw candidates as the information lacks specifics.

Personal – This is clearly outlined in the case study and includes:
- mortgage for £40,000
- hire purchase for fixtures and fittings non-specified £10,000
- honeymoon – Hawaii needs £6,000 loan
- return on savings
- personal insurances
- pension provision – no age given for Brenda or details of her own pension provision.

General Points on McCoy's Precision Engineering Ltd

Business – the case study clearly identifies that MPEL is suffering from serious cash-flow problems. The business is obviously profitable but without liquid funds it will soon become insolvent. The candidate's main investigations should focus on the possibility of debt factoring. Candidates should be able to explain how debt factoring would work and the advantages and disadvantages this would have for the business. A loan could be considered, but generally this would just increase outgoings rather than address the immediate problems of MPEL. If a loan is recommended candidates must also consider how the business could improve its overall credit control in order to collect its outstanding debts.

Candidates wishing to achieve mark band 3 for AO2 and AO3 should be able to give detailed estimates of the actual cost of debt factoring.

Jim's Individual Needs – the case study clearly identifies the products which need investigating in order to help Jim resolve his own financial problems. Candidates should consider consolidating his credit card debts with a personal loan which should attract a lower rate of interest. The loan could also include the £3,000 needed to take his parents to Australia. Travel insurance is another product which will be required. This might be quite expensive given the age of his parents. Due to the recent economic down turn and decrease in mortgage rates it may be difficult for candidates to improve on his mortgage payments. However, candidates should be encouraged to investigate mortgage providers if only to prove that his current repayments cannot be beaten in today's economic climate.

General Points on 'Dustless'

Business – the case study clearly outlines that Colin will need to consider every aspect of starting up a new business venture independently. He might need to investigate a small bank loan in order to cover his start up costs. Candidates must investigate business loans and not personal loans. He will need to consider the best banking arrangements for the business. Colin will also need to investigate the type and cost of insurance which he will need for the business.

Colin's individual needs – the first part of this element is to consider how much money Colin would need to live and if the potential earnings from 'Dustless' will be sufficient. Colin will then have to investigate different banking opportunities. The first decision needs to be which financial institution would be the best one in which to invest his student loan. He will also need to consider if he wants an overdraft, and/or a credit card as well as a debit card. A further angle might be savings schemes and personal insurance.

There is no right solution to any of the stimulus material – rather one is interested in tracking the thought process of the candidate as they progress through the unit – looking into the needs of both business and individual, investigating the financial services market and suggesting a suitable outcome for each context. Candidates may, through their investigations, suggest that certain financial products are inappropriate, given the financial circumstances of the individual and the selected business. This approach is perfectly acceptable as long as the rationale is provided by the candidate as to why certain assumptions have been made in relation to the stimulus material.

Unit 8: Understanding Production in Business

In order to achieve this unit, candidates' need to produce a report which illustrates how a business produces a particular item. Candidates do need to have undertaken a visit to a production company in order to successfully complete this unit.

Generally, the candidates sampled had undertaken a wide range of research and visited a varied number of production businesses.

If a centre is able to establish a good link with a production business, this unit is relatively easy to complete. However, Assessors must consider the demands of the specification prior to arranging a visit. If the potential company is unwilling to provide the information required candidates are 'set up' to fail from the beginning. OCR realises that it is difficult to obtain all of the figures in order to evidence the section 'Operational efficiency', and, therefore, some realistic 'made up' figures could be substituted. Candidates should be able to obtain the remainder of the information required to complete the unit. Special attention should be given to the information available on stock control, quality control and health and safety. Prior to the visit, the Assessor must ask themselves are the candidates going to be able to collect sufficient information in order for them to complete the unit.

The majority of the candidates sampled tackled the unit in the same way combining AO1, AO2 and AO3.

Assessment Objective One
In order to achieve this assessment objective, candidates need to clearly explain their theoretical understanding of the role of the production functional area, its interaction with other departments and different aspects relating to production, including operational efficiency, organising production, ensuring quality, stock control and health and safety. The theory section was generally covered well and in detail by the majority of candidates.

Assessment Objective Two
The usual practice was for candidates to apply their understanding of each section directly below their theoretical coverage. On the whole the higher achieving candidates did this extremely well. The lower ability candidates' work tended to be more theoretical with a lack of application to the selected business. The major area of weakness was the section on operational efficiency. Candidates who had participated in an 'unsuccessful' visit were often unable to apply each section to their selected business due to the lack of information available. This had the effect of dramatically reducing their mark for this section of the unit.   Candidates' coverage of stock control and health and safety is also often found to lack depth of application.

Assessment Objective Three
Candidates achieve this assessment objective through their development of AO2. Those candidates who take detailed notes throughout their visit/tour should be able to develop AO2 to mark band 3 and also score highly for this assessment objective.   It is also useful if candidates include their notes from the visit and records of questions asked in order to support the mark awarded for this section.

Assessment Objective Four
This assessment objective pulls the whole unit together by assessing the candidate's ideas on how the different sections investigated could be improved. It is once again recommended that candidates should be guided by the bullet points as outlined in the section 'Potential production improvements' found on pages 43-44 of the specification.   The higher scoring candidates do need to make clear reference to their initial research into the production process when making judgements.

F248 Strategic Decision-making

General Comments

Pleasingly, the majority of candidates showed good knowledge of the case study and were able to use pertinent points from the scenario to reinforce their answers to many of the questions set. Candidates, however, need to be reminded that it is not sufficient to mention points from the case study in order to achieve Level 3. A Level 3 response must contain analysis of the points raised in the case study; eg the implications to the business – the impact on sales, profits, costs, customer loyalty, staff motivation, etc.

Where questions required evaluation it was pleasing to see that most candidates at least attempted a conclusion. To be awarded Level 4 marks the conclusion needs to be more than just a summary of previous points made – it needs to contain judgements which are, preferably, specific to the factors given in the case study. These judgements must also match the question set, candidates need to make careful note of whether the question asks 'to what extent' or 'should or should not' or 'importance', etc and tailor their conclusion accordingly.

Once again this session the numerical questions were, on the whole, well answered. The majority of candidates scored full marks on the wastage ratio and critical path questions. Most also scored at least half marks on the decision tree and payback period questions.

Surprisingly, the aspects which caused the most problems on this paper were Ansoff's Matrix and marketing planning, despite both topics being taught at AS, as well as at A2; disappointingly candidates' knowledge appeared to lack both clarity and depth.

Comments on Individual Questions

1(a) The vast majority of the candidates showed a clear understanding of the meaning of the term 'business objective'. Those who did not appeared to confuse objectives with the overall aims of the business.

1(b) Most of the candidates were able to give a negative impact, eg loss of customers and a reason, eg cheaper prices and thus achieved full marks.

1(c) Candidate responses to this part of the question fell into two groups – those who simply appeared not to have a clue as what contingency planning is and those who gave accurate answers relating to its proactive nature.

2(a)(i) and (ii) Pleasingly, the vast majority of candidates achieved full marks on this part of the question. Those who did not appeared to have either used the formula the wrong way up (despite the formula being given to them on the question paper), or mis-transcribed the number of zeros.

2(b) Despite being able to calculate the wastage ratios, very few candidates were able to suggest reasons for the differences. Many assumed, incorrectly, that higher sales automatically meant less wastage. This is not true as it depends on the stock reordering policy.

2(c) This part of the question was generally well answered with most candidates showing they understood that labour turnover referred to employees resigning from their positions. Increased pay was by far the most common correct answer and, if explained, achieved full marks.

3(a) (i) and (ii) The majority of candidates calculated the expected values for each option and inserted the highest value into the square, thus achieving full marks. Where candidates did not achieve full marks the difficulty did not appear to be in calculating the expected values but rather in selecting which option to choose. Far too many candidates correctly calculated the expected values and then chose the lowest value as the best option rather than the highest, revealing their misunderstanding.

3(b) (i) and (ii) These two parts of the question caused little problem and they were generally well answered by the vast majority of the candidates.

3(c) Many answers to this part of the question were generic and, therefore, failed to achieve marks. Responses such as 'relies on estimates' and 'is only as good as the data used' apply to all quantitative strategic decision-making tools and as such were not rewarded. Acceptable answers need to be more specific, eg 'probabilities of success and failure are difficult to judge'.

4(a)(i) to (iii) These part of the question were generally well answered. Option 2, Smoothies and Soups, caused the most difficultly with candidates incorrectly translating a quarter of a year (0.25) as four months rather than three months.

4(b) Most candidates achieved Level 2 on this part of the question by firstly explaining what the payback period means and then giving a couple of advantages/disadvantages of calculating it. To achieve Level 3 or Level 4 candidates needed to look at the implications of these advantages and disadvantages to Trevor, eg is Trevor's main interest likely to be payback or profitability given his intention to retire in the near future?

5(a) and (b) These two parts of the question were not well answered. Surprisingly many candidates did not seem to be familiar with Ansoff's Matrix, or worse, confused it with Porter's theories. The best advantages centred around the indication of risk and the development of appropriate marketing strategies. The best disadvantages centred around the lack of financial data and the difficulty in determining into what quadrant an option should be placed.

5(c) This part of the question asked the candidates to recommend an option, or combination of options, for Greengages to take. Almost all candidates showed a good knowledge of the case study and achieved at least Level 2. For many this is where they stopped. The use of salient points from the case study, eg 'will use up shop floor space', 'recruit new staff', 'increased demand' or comparing the options eg 'more risky', 'cheaper', 'shorter payback' is only Level 2. There needs to be analysis of these points for Level 3, eg 'will use up more shop floor space, therefore, is likely to provide a poorer experience for current fruit and vegetable shoppers leading to a reduction in sales and customers choosing an alternative place to shop'.

6(a) This part of the question was generally well answered with the majority of candidates scoring at least half marks.

6(b) Most candidates were able to give (or use) the formula for calculating total float. Those who did not achieve full marks appeared to confuse which quadrant the EST is in and which quadrant the LFT is in, resulting in an incorrect calculation.

6(c) This part of the question was generally well answered, although a worrying number of candidates simply left the answer blank when taking a guess would have been the sensible option.

6(d) Unlike the similar Ansoff's Matrix question this part of the question was well answered. Most candidates were able to state two advantages and most managed to develop their answers into a full explanation.

7(a) The two most common answers were 'to increase awareness' and 'to increase sales'. Other answers such as 'to increase profits' or 'portray the business in a positive light' were equally acceptable. Responses which scored no marks centred on what marketing is rather than its purpose.

7(b) A marketing strategy is the integration of the marketing mix. Candidates who referred to any of the strands of the marketing mix achieved one mark. Very few understood that these strands need to work in harmony, those who did, achieved full marks.

7(c) Most candidates achieved full marks on this part of the question. Those who did not tended either to give external factors, eg competition in the area, supplier prices or refers to marketing factors, eg advertising, promotion, special offers which were excluded by the wording of the question.

7(d) Many candidates answered this part of the question by referring to planning in general, some even referred to contingency planning, far too few focused on marketing planning. Of those who did refer to contingency planning, answers tended to talk about what should be planned rather than the importance of the planning.

F256 Business Law

General Comments

Whilst candidates are showing a marked improvement in their ability to analyse and evaluate, their underpinning knowledge of law appears to be weakening. Candidates cannot achieve marks for analysis or evaluation – if they have not given any legal principles on which to build their responses.

Gaps in knowledge across the specification are becoming more apparent. On this paper candidates' lack of legal knowledge has been significant in the following areas: the Partnership Act, the creation of common law, employer duties under common law and wrongful dismissal. There has, however, been a notable improvement in candidate responses to questions concerning liquidation and contributory negligence.

Comments on Individual Questions

1(a) Most candidates were able to name and describe two documents and achieved full marks on this part of the question.

1(b) Many candidates talked about the general tasks of a director's role rather than the legal requirement to run the company in the interest of the shareholders.

1(c) This part of the question was generally well answered with most candidates referring to 'insolvency'. It should be noted, however, that simply 'being in debt' is not a reason to go into compulsory liquidation, it is the inability to pay that debt.

1(d) There were some pleasing answers to this part of the question with most candidates achieving at least half marks.

2(a) Despite questions being frequently set on the legal provisions of the Partnership Act, this part of the question was poorly answered. Many candidates are still confusing the Partnership Act with a Deed of Partnership and, therefore, achieving few, if any, marks.

2(b) Strong candidates clearly understood that the main limitation Elspeth and Janette faced was the lack of limited liability. This point alone could be analysed and evaluated to achieve Level 4 marks.

2(c) Most candidates were able to state two provisions of the Consumer Credit Act. The most common answers were 'interest rate needs to be stated' and 'terms given in writing'.

2(d) Many candidates were able to name four ways of terminating a contract, but far too few went on to explain what this meant in the context of the contract between Lightening Lunches and Origin Ltd, thus limiting themselves to half marks. A candidate who suggests 'breach' as a method needs to explain it, eg 'for example, if Lightening Lunches did not pay the rental charge to Origin Ltd'.

3(a)(i) Despite similar questions having appeared on previous papers, few candidates were able to describe how common law is created. Many confused common law with statute law; others described what common law is, rather than how it is created.

3(a)(ii) Responses to this part of the question were very disappointing as many candidates scored no marks at all. By far the most common error was to give a duty which is not under common law. Pay according to contract, give breaks every six hours, give equal pay to men and women were common incorrect answers – these are covered by contract law, EU law and statute law respectively.

3(a)(iii) Once again there were disappointing responses to this part of the question for the same reasons as was the case in relation to Question 3(a)(ii).

3(b)(i) A surprising number of candidates did not know the correct answer to this part of the question and made no attempt to guess.

3(b)(ii) This part of the question was generally well answered.

3(c) There were some good answers to this part of the question, but too many candidates confused unfair and wrongful dismissal. Wrongful dismissal relates to warning procedures rather than the reason for the dismissal

3(d) A wide knowledge of employment rights and responsibilities was discussed by candidates. Those who analysed these rights and responsibilities achieved Level 3. Those who reached a justified conclusion as to the overall impacts achieved Level 4.

4(a) This part of the question was generally well answered as most candidates gave practical examples and scored highly.

4(b) Whilst some candidates had a very clear understanding of vicarious liability and were able to correctly apply it to Incident 1, others did not appear to have this knowledge and understanding. Those who fell in between these two broad segments tended to focus on the fact that it was Lightening Lunches' van which had caused the damage rather than it was their employee carrying out her legitimate duties during working hours.

4(c) Most candidates seemed to understand that contributory negligence meant that, in part, Connor was to blame for his own accident. The majority of candidates scored at least half marks on this part of the question.

4(d) The key to this part of the question was how concerned Elspeth and Janette should be. Many excellent Level 3 responses went on to develop a conclusion which did not answer the question as to the extent of concern the two sisters should be showing. Whilst it was pleasing to see that candidates attempted to make a judgement, it is important to remind them to check the question at this point in order to ensure that their judgement is the type of judgement required by the question.

F257 Managing Risk in the Workplace

General Comments

The entries for this session were small in relation to the January 2010 series.

The paper differentiated well and it was encouraging to see that centres had prepared candidates for the development of answers in the six and nine mark questions.

What is more concerning is that the Level 4 evaluation questions, particularly where the **extent to which** an issue needs to be considered occurs, still elude many candidates.

Comments on Individual Questions

1(a) This part of the question was well answered. Most candidates could successfully define risk management and gained the full two marks.

1(b) Most candidates could identify some responsibilities which employees have in minimising risk (ie that they should wear correct clothing, carry out training) and could sufficiently develop their answers in the context of the business (ie such as wearing gloves on printing machines).

1(c) Most candidates could identify one or two principles of the Management of Health and Safety at Work Regulations. However, it appeared more that they gained marks in relation to the overlap with the Health and Safety at Work Act, rather than from a revision of these Regulations. Development was often sparse.

1(d) Nearly all candidates had a clear understanding of the risks from exposure to display screen equipment and, therefore, full marks were often gained.

1(e) This question for higher grade candidates was very well answered, with many of them gaining five or six marks. Candidates were able to identify consequences of not managing risk and develop them in each case. Lower grade candidates, however, struggled with their development.

2(a) Usually full marks were gained on this part of the question for a perfect understanding of the term 'risk'.

2(b) This question, like Question 1(c,) was not very well answered by the majority of the candidates. Most seem to have only revised the main legislation and not the regulations, which do differ significantly. Candidates generally only gained marks on the overlap with the main legislation (eg the Health and Safety at Work Act).

2(c) Some candidates who revised this topic often answered very well and gained full marks. They had a clear understanding of the steps the business should put in place to minimise the risk of diseases occurring again. Surprisingly, there was a good knowledge of Legionnaire's Disease (although this was not required).

2(d) Surprisingly, although Question 1(e) was the reverse of this part of the question, many candidates only knew a couple of benefits of effective risk management, and they were not be able to develop their answers in the context of the business.

2(e) This was generally a well answered Level 4 question. It seems that candidates can evaluate effectively if they only have to arrive at a clear 'yes/no' judgement as to the benefits and drawbacks of a proposal.

3(a) Most candidates could competently consider and develop the risks in the context in which a production worker could be exposed to when refurbishment is carried out.

3(b)(i) This question was poorly answered by all candidates. They simply did not know what was meant by strategic planning and yet this is a item on the specification.

3(b)(ii) This part of the question was poorly answered by the majority of candidates. The nature of the question asked candidates to consider the **effectiveness of a tool** (in this case strategic planning) when making a decision. It is clear that centres are still not preparing candidates for this type of evaluative question. Therefore, sadly most candidates answered in a way which considered the implications of replacing a machine with a newer model or whether the business should go ahead with the proposal and, hence, they did not answer the question. In fact, it was not uncommon for a candidate to gain no more than top Level 2 or bottom Level 3 marks on this part of the question.

4(a) The answers to this part of the question usually gained four marks and above out of the six marks available. A clear understanding of the industrial action workers at the business could take was provided by most of the candidates, as well as an explanation of each form of industrial action. The majority of centres had clearly prepared their candidates for this type of question.

4(b) Some of the stronger candidates could often gain full marks on this part of the question (often answering analytically), as they clearly understand what poor industrial relations means to the business.

4(c) Like Question 2(e), this was generally a well answered Level 4 question. Again, it seemed that the candidates could evaluate effectively if they only had to arrive at a clear 'yes/no' judgement as to the benefits and drawbacks of a proposal (in this case entering the newspaper market).

A2 Principal Moderator's Report

The majority of centres which submitted work for this moderation session followed OCR procedures, adhered to set deadlines and accurately completed documentation which enabled the moderation process to progress smoothly. Centres do need to note that when entering candidates for the qualification using the code 01 means the centre is going to submit its work via OCR Repository. Some centres are still using this code but submitting work via post. The code for postal moderation entries is 02. This error does cause some problems with administration.

Some centres still did not adhere to the 10 January deadline for the receipt of the completed MS1 by the allocated Moderator and failed to inform OCR or the Moderator of the delay. This did cause difficulty for Moderators in the scheduling of their work. Centres should also note that for entries of 10 candidates or less the portfolios of all of the candidates should be sent straight to the Moderator with the MS1 form. Centres should also note that it is their responsibility to forward MS1 forms and candidate work to the allocated Moderator by the set deadlines and, if a sample is required, it must be returned within **three** days of receiving the sample request. Requests for a sample are now emailed to the centre's registered email address.

Centres should note that failure to meet such deadlines could delay the receipt of results for their candidates. Centres must also check that they are sending their work to their allocated Moderator and not using labels from a previous series. A number of centres sent their work to the incorrect Moderator. This does slow the process down quite considerably as the allocated moderator then has to contact the centre to see where the work is and then get the work delivered from the old Moderator. Another problem which is beginning to arise is that parcels are being sent with the incorrect postage being paid and in some case no postage. This means the Moderator has to pay to receive the parcel.

Centres must ensure that all sections of the Unit Recording Sheet have been completed accurately, including the correct total marks for the unit, candidate number and centre number, teacher comments and location of evidence, in order to facilitate the moderation process. This information helps moderators understand the rationale behind the marks awarded for each assessment objective. Centres must also ensure the marks on the MS1 form match the marks on the Unit Recording Sheet for each candidate and each unit it is surprising how often they do not!

Assessment

Many Assessors demonstrated good practice by annotating candidate work with assessment criteria references and by giving clear and constructive written feedback. The teacher comments section of the Unit Recording Sheet enabled Assessors to justify the marks awarded for each assessment objective. It was helpful when page numbers were included within the location section of the Unit Recording Sheet. Some Assessors failed to provide written comments or to annotate candidate work. In these circumstances, it was not clear to the Moderator how assessment decisions had been made.

Where assignments had been used, it was most helpful for copies to be submitted with the actual work. This gave a clear indication of the tasks which were given to candidates. It was generally noted that where centres had followed the assignments produced by OCR, candidates' work was generally more structured enabling them to provide the correct evidence for each assessment objective.

It is the responsibility of Assessors to ensure that each candidate has produced authentic/ original evidence. A Centre Authentication Form for Coursework (CCS160) must be signed by the Assessor(s) and must accompany each unit submitted.

Candidates must ensure that any material used from the Internet is correctly attributed. Where material is taken directly from the source, candidates must supplement it with their own explanation, demonstrating their understanding. Where candidate work contains inaccuracies, Assessors should annotate the work to this effect, thus enhancing the candidate's own learning.

When assessing candidate's work Assessors should make reference to two documents – One the performance descriptors which are found on pages 109-110 of the specification, and two the assessment objective amplification grids which are located on pages 122-135 of the specification.

OCR has released a detailed assignment for each of the portfolio units found within the A2 specification. Centres may find it useful to make reference to these in order to help structure their own assignments. These can be downloaded from OCR's website.

Unit 10: A Business Plan for the Entrepreneur

The banner of the assessment evidence grid requires candidates to produce a business plan for a new business enterprise of their choice. Candidates are still selecting business ideas which are way above their capabilities; for example, a golf driving range, care home and paint balling centre. This greatly limits their ability to create a **realistic** plan in order to achieve AO2. The best plans were created by candidates who had selected small enterprises based on their own knowledge, interests and experience. This point is further clarified within the Teachers Handbook on page 38 – third paragraph.

Assessment Objective One
In order to achieve this assessment objective candidates are required to provide theoretical coverage of sections 'Reasons for construction of a business plan; 'Information within a business plan (all sections): and, finally, 'Constraints which impact on implementation'.

To help candidates achieve mark band 3 this is best tackled as an independent section with candidates using generic examples to help them demonstrate their knowledge and understanding of each of the sections. In order to complete the section 'Constraints which impact on implementation' candidates should be encouraged to relate this section to their own business idea. Clearly identifying the constraints relevant to their own business plan at this early stage will help them evaluate their impact in AO4.

Assessment Objective Two
This section is the actual business plan and, as such, should be presented as a 'stand alone' document which could be shown to a potential stakeholder. If candidates have decided to use a business plan format provided by a third party then they must ensure that it allows them to fully meet the requirements of the section 'Information within a business plan'. This could involve adapting the layout or adding extra information. The information used within the business plan must be fully supported/justified through the primary and secondary research and subsequent analysis carried out in AO3.

There were a significant number of business plans which were based on unsubstantiated ideas and comments. Some of the common problems are outlined below:

- failure to fully research media selected for advertising – for example, if a newspaper had been selected, what is its target market, what are its readership figures? How much would the advertisement cost, how long will be run?
- lack of justification for the price to be charged – what are competitors charging? Decisions should not just have been based on what 10 people stated in the candidate's primary research
- lack of research into the machinery and equipment required. Only one set of prices researched. What would be the best buy? Why select that particular product?
- lack of justification and often unrealistic figures used for the number of the products the business would sell/number of people who would use the service. No reference to competitor numbers. Usually just based on the primary research or the candidate's own assumptions and gestations
- no research into suppliers – what is the cost to buy in products? What quantities will be required? How often will stock need to be purchased?
- no correlation between purchases and sales, especially when candidates are running sandwich and juice bars
- very few candidates considered the different stages of production in sufficient detail.
- little consideration of timing of production to meet customer needs
- break even forecasts were often difficult to understand as there was no explanation of where the figures had come from. Figures were often 'plucked out of thin air' and not based on analysis of research
- cash-flow forecasts, although completed correctly, were often based on figures which appeared to be the candidate's own assumptions and 'gestations.' Candidates **must fully justify** their sales and expenses.

These points are further clarified within the Teachers Handbook on pages 38 – 39.

Assessment Objective Three
Centres should pay attention to the section 'Appropriate research for a business plan' on page 50 of the specification. This clearly states that candidates 'need to ensure that research is wide-ranging'. This must include both primary and secondary research as laid out within this section.

Candidates are required to analyse the information, drawing out key information which should be included in their business plan. Candidates should be advised that in order to access the higher marks, each of their decisions should be supported by at least two different types of research. Candidates too often relied solely on their limited primary research to inform decisions within their business plan. Some business plans were based on extremely limited research and lacked any sense of viability or realism. Clarification of the depth of analysis required is further explained within the Teachers Handbook pages 38 – 39.

Candidates are required to use a variety of statistical techniques when analysing their data. The frequent use of '10 out of 20 stated', and 'the majority of respondents said' will only achieve mark band 1 for analysis. Frequently, candidates produced pages of computer generated graphs and charts which lacked analysis and gained no marks. Candidates should be drawing conclusions throughout their analysis of the primary and secondary data which will then be used within their own business plans.

Assessment Objective Four
In order to achieve this assessment objective, candidates are required to prioritise the constraint which they feel will have the greatest impact on their business plan. This was lacking in the work of the weaker candidates. If there is no evidence of prioritisation candidates cannot achieve mark band 3. Prioritisation is not just putting the headings in order and stating I think this will have the greatest impact. This is only ranking – to move into prioritisation the candidate needs to state why the selected heading will have the greatest or least impact on the business plan.

Having prioritised the constraints, candidates must then consider the impact each one would have on the implementation of their plan. Reference to initial research must be made. Candidates were unable to access the higher grades as they often failed to consider the 'knock on' effect which a constraint might have on other aspects of their business plan. For example, if we consider finance as the main constraint - without adequate funds the business may not be able to undertake the marketing it initially identified. This might then limit the number of customers who would become aware of the business and, hence, decrease the number of sales. Candidates often only considered 'short term' impacts, failing to consider the 'long term' implications of some constraints. For example, economic and environmental concerns are currently headline news and possible legislation could have an impact on the business in the long term. Under the heading social some candidates were considering social responsibility rather than social trends.

Unit 11: Managerial and Supervisory Roles

This unit is a complex unit to complete and candidates need clear guidance as to how to differentiate their evidence for AO3 and AO2. Candidates need to be very clear about the information they are trying to obtain from their selected manager/supervisor.

The unit has the same behaviour patterns as unit 8, Understanding Production in Business, in the AS specification. Candidates need to undertake their research following the section 'Researching the business context and analysing the information that is collected' on page 53 of the specification. They should then produce a basic analysis of their questionnaire – pulling out examples which will support their report. Having completed their research, candidates should then complete their report which forms AO2. Some of their analysis will be evident within this report and, therefore, credit for AO3 can be awarded here as well.

The main problem with the unit, at this stage, is candidates muddling their AO2 and AO3 evidence. There is often no stand alone report produced. Some candidates only focused their analysis and subsequent conclusions on management styles and motivational theorists. They omitted to describe how their manager performs their role (section 'The business context within which the report will take shape) – planning, organising, etc.

The higher scoring candidates were those who had been able to gain good access to their selected manager/supervisor through work experience or work shadowing. Candidates who had only interviewed a manager/supervisor were less able to gain sufficient information to fully cover the section 'The business context within which the report will take shape' due to a lack of an observation of their selected manager/supervisor 'in action'. The 'knock on' effect of this was that candidates were often unable to substantiate the statements they were making through the use of examples.

Assessment Objective One
In order to achieve this assessment objective, candidates need to produce theoretical coverage of sections 'The business context within which the report will take shape' (both sets of bullet points), 'Researching the business context and analysing the information that is collected', the section under secondary research titled; 'Different types of managerial/supervisory styles, motivational theorists'; and, finally, the section headed 'Evaluation of the factors which can influence the environment in which a manager/supervisor performs her/his role'.

The theoretical section under 'Researching the business context and analysing the information that is collected' also forms part of the candidates' AO3 evidence. It was often apparent that candidates had only used one source when researching different manager/supervisor styles and motivational theorists. This had the impact of potentially lowering their AO3 mark.

Generally candidates completed this section successfully. The higher performing candidates used examples to illustrate the section 'Evaluation of the factors which can influence the environment in which a manager/supervisor performs her/his role' which worked particularly well and demonstrated their depth and breadth of understanding.

Assessment Objective Two
Candidates should produce a stand alone report which clearly outlines how their selected manager/supervisor approaches his/her current managerial/supervisory role within the selected business. This report should be fully supported through the analysis undertaken by the candidate in AO3.

In order to gain the higher marks, candidates need to ensure that their report includes the following points.

How their selected manager/supervisor:
- plans
- organises
- motivates
- monitors and directs
- problem solves
- trains and mentors
- appraises.

All of these bullet points need to be supported with examples. For example, the candidates should use a scenario which clearly outlines how the manager/supervisor plans their day, week, month, etc.

The next stage is for the candidate to consider how each of the following affects the managerial/supervisory set-up within the selected business:

- culture of the organisation
- objectives of the organisation
- structure of the organisation
- availability of resources within the organisation.

This section could form part of the candidate's introduction to their report.

The final stage involves the candidate describing which type of management style(s) their manager/supervisor uses and how this links to motivational theorists.

The candidates sampled during this session generally had made good links with businesses and arranged interviews with relevant managers/supervisors. Their questionnaires were often correctly targeted but failed to provide sufficient information for the candidate to cover the first set of bullet points in sufficient depth. The higher scoring candidates were those who either worked with the selected manager/supervisor or who were able to work shadow their selected manager/supervisor. In order to achieve mark band 3, candidates are required to provide examples of how their manager/supervisor deals with each of the sections outlined above.

Assessment Objective Three
In order to achieve this assessment objective, candidates need to focus on the sections 'Planning how to gather information for the report and 'Researching the business context and analysing the information that is collected' found on page 53 of the specification. Primary research focuses on interviews with the selected manager/supervisor and fellow workers. Part of AO3 is written up within AO1 when the candidate is looking at the different types of managerial/supervisory styles and motivational theorists.

Candidates sampled this session had obtained a face to face discussion with their selected manager/supervisor and often also fellow workers. There was also evidence of candidates following the guidelines on the type of questions which should be asked during the interviews. However, candidates were not always able to analyse this information in order to compile their report. Their analysis should enable them to cover the section 'The business context within which the report will take shape'.

Assessment Objective Four
Candidates must make reference to the section 'Evaluating the factors which can influence the environment in which a manger/supervisor performs her/his role' (page 54) of the specification before tackling this assessment objective.

This section does not lend itself particularly well to prioritisation. Candidates often have to use possible scenarios in order to evaluate the factors which they think would have the greatest influence on the environment in which the manager/supervisor performs his/her role. It was, therefore, considered that mark band 3 could be awarded for this unit without the clear demonstration of prioritisation. However, candidates will still need to consider the short term and long term impacts of their statements in order to achieve mark band 3.

The key word in this section is 'influence the environment'. Therefore, candidates need to link the analysis of their research into the current culture, objective, structure and availability of resources (section – 'The business context within which the report will take shape') when undertaking this section.

Unit 12: Launching a Business On-line

The interpretation of the evidence candidates need to produce has caused a number of centres a few problems. The banner clearly states that – 'You will produce an e-commerce strategy for a business which has yet to develop e-commerce provision'. Some centres had selected businesses which already have a website and provide the facilities for customers to purchase their products on line. The subsequent consequence of this was that candidates were merely reiterating what the business was already doing.

Candidate's success in this unit is going to be linked to the selection of the correct business. It is a unit which could lend itself to a case study, as long as it is sufficiently detailed to enable candidates to access the higher marks available.

Assessment Objective One
This assessment objective states – 'Your understanding of how e-commerce would be used by your chosen business, the benefits and drawbacks of e-commerce provision to your business and the issues in setting up and running a website'. Ultimately, OCR will be accepting evidence which is either linked to the selected business or presented in purely theoretical terms. Candidates need to ensure that they cover the three distinct sections 'The environment within which the strategy will take shape', 'Production of the front-end of the website', and 'Evaluation of the manageability of the back-end of the website'.

In order to help candidates achieve the higher marks, OCR would suggest that this section is tackled from a theoretical viewpoint, with candidates using a variety of examples taken from a range of different businesses to demonstrate clear and comprehensive coverage.

Assessment Objective Two
Candidates are required to produce the front end of the website, which is directly applied to the requirements of the selected business. The front end of the e-commerce strategy can be presented in one of three ways:

- PowerPoint slides
- The Internet itself
- concept board with accompanying text.

It was good to see some excellent practice with candidates clearly illustrating how their website would work – this included the front page right through to the point of sale. Some candidates had only produced the home page of their website giving limited explanations of the recommended hyperlinks. As stated above, candidates need to produce a variety of slides, concepts or web pages which clearly show how at least one hyperlink would work right through to the final purchase of the product/service.

There should be clear evidence that the proposal is based on the analysis of the candidate's research undertaken in AO3.

In order to secure top marks for this assessment objective, candidates should consider explaining how their website would meet all the bullet points listed under the section Production of the front-end of the website'. This will also enable the candidates to clearly link their research to their final product.

Assessment Objective Three
Candidates must show evidence of planning their research in order to fulfil the demands of the section 'Research of the strategy and analysis of the information that is collected'. A well laid out plan should enable candidates to correctly target their research.

Candidates' primary research should focus on questionnaires and surveys with potential customers, discussions with website designers and, finally, a discussion with the selected business concerning what it hopes to achieve through the development of an e-commerce provision.

Candidates' secondary research should analyse similar websites which are marketing a similar portfolio of products to the selected business. Candidates are required to use the following headings when analysing competitor's websites:

- availability
- image
- product information
- accessibility
- security
- user-friendliness
- aesthetics
- ease of payment.

In order to achieve the higher marks, candidates should then draw a conclusion from their analysis clearly stating how this research will influence the development of their own website.

Top scoring candidates had used the above bullet points to structure their analysis, clearly stating how their findings would influence the development of their website. Unfortunately, a lot of candidates had completed a simplistic analysis of competitor websites, often failing to follow the bullet points above. Having completed their analysis, candidates then often failed to draw conclusions concerning how this would influence the development of their own website.

Assessment Objective Four
Candidate's evaluations should focus on what measures they would take to deal with the manageability of the back-end of the website. Candidates should be guided by the bullet points under the section 'Evaluation of the manageability of the back-end of the website' found on page 58 of the specification. Candidates need to prioritise the issue they feel would have the greatest influence on the manageability of the website for their selected business.

Candidates can only achieve mark band 3 if their statements, conclusions and evaluations make direct linkage to the research undertaken in AO3. They also need to consider short term, long term, success and potential failure whilst drawing their conclusions.

Unit 13: Promotion in Action

This is a particularly popular unit. However, there does appear to be some misunderstanding about the evidence candidates are expected to produce. Candidates are required to produce a promotional strategy (at least two promotional media) to promote a new product or service of their choice. On page 50 of the Teachers' Handbook it clearly states that candidates should 'choose a business with an already varied product portfolio, allowing them to suggest a new product to add'. It also states 'it would also help if the product chosen allowed candidates to demonstrate creative skills by coming up with an original idea, as otherwise candidates will be tempted to stick too closely to current promotional activity used by their chosen business.'

Candidates must remember that this is a unit based on promotion and not just **another re-run of their original marketing assignment**. There was a lot of evidence of candidates appearing to be confused about what they were actually trying to achieve whilst conducting their research. There was also evidence of candidates trying to 're-vamp' their marketing assignments in order to achieve this unit. Unfortunately, this does not work as the research will have the wrong emphasis with candidates merely demonstrating a need for the new product or service, rather than their ideas concerning how it could be effectively promoted.

Assessment Objective One
Candidates are required to provide theoretical coverage of the section 'Producing a plan of action' – the various forms promotional activity can take and how and when each form of promotional activity is used. From the final section (page 62) candidates need to cover internal and external factors which can influence promotional activity. OCR would encourage all candidates to use a wide range of examples throughout this section in order to demonstrate their breadth and depth of understanding.

On the whole this section was completed well by the majority of candidates. Some had chosen to link this section to their selected business which is quite acceptable, as long as each aspect is covered in sufficient depth.

Assessment Objective Two
Candidates are required to produce a promotional strategy which includes two final concepts of their promotional material and the rationale behind their development. Unfortunately, candidates often only produce the two final concepts with no explanation or reason behind their development. The promotional strategy must clearly explain when and where their promotional material would appear, for how long and what the potential cost of the campaign would be. These decisions need to be fully justified by the primary and secondary research undertaken in AO3. Without this information candidates cannot achieve the marks available within mark band 3.

During moderation it was often extremely difficult for moderators to see the links between the candidate's research and their final products. All too often candidates failed to produce any form of rationale for their choice of media. The main reason for this was their lack of targeted and accurate research carried out in AO3. There was often no strategy to support the material produced. Candidates failed to state timescales, costs and the reasons behind choices of selected media.

Assessment Objective Three
The starting point for this assessment objective is the section 'Planning of the strategy'. The second set of bullet points should help the candidates to focus on the type of questions they should be asking within their questionnaires.

If the candidates have not described how promotional activity takes place within their chosen business for its current range of products/services in AO1, then they need to do so as an introduction to this section. This evidence could support their AO1 mark.

Candidates need to make reference to the section 'Research of the strategy and analysis of the information which is collected' to establish the kind of research they should be conducting. Candidates need to ensure that they focus on the types of promotional features which attract customers to purchase products or services. They should also try and establish what types of promotional campaign will meet the second set of bullet points in the section 'Planning the strategy'. Too often candidates slanted their questionnaires too heavily to finding out what type of product/service customers wanted. To some extent candidates need to assume that there is already a demand for their selected new product or service and concentrate on how they are going to encourage people to 'buy in' through the use of promotional media.

Candidates' secondary research should focus on how other businesses, especially competitors, promote a similar range of products or services. When analysing this data candidates should use the following headings:

- aesthetics
- message
- fitness of purpose
- originality
- communication.

Evidence of the use of these headings was often lacking in the work of the lower scoring candidates.

Candidates' final analysis was often sadly lacking. A wide range of candidates who had used Cadburys only wanted to advertise through the continued sponsorship of Coronation Street. It should be noted that Cadburys no longer sponsor Coronation Street. They failed to state what the viewing figures were, what age ranges watched this programme – did this actually match their target audience? In order to achieve mark band 3, candidate's recommendations must be supported by the analysis of their wide ranging and focused research. This should include readership numbers, age profiles, cost, etc. Some candidates designed leaflets, but failed to consider the cost of distribution or even how and to whom they were going to be distributed.

Often this section of candidates' work lacked detailed analysis and was, therefore, unable to access the higher marks.

Assessment Objective Four
Candidates need to prioritise the internal and external influences which they feel would have the greatest impact on their promotional activity. Their evaluations must clearly link back to their initial research. Often candidates were unable to fully evidence the internal constraints as they had not clearly stated what these were at the beginning of the assignment. Few candidates were able to show any understanding of costing, due to weak research.

Candidates' coverage of external influences was generally better as they could relate these areas to their own strategies.

Once again very few candidates considered possible failure and often did not consider a chain of events, or short and long term implications.

Unit 14: Creating a Financial Strategy

Candidates had all correctly used the new stimulus material supplied by OCR.

Generally centres were better equipped to cope with this unit. The work submitted by centres demonstrated a diverse range of marks representing candidates' ability to grasp the concepts being assessed. However, it is still a concern to see that in some centres all the candidates' work contained the same errors. This is an ongoing concern which needs to be addressed by centres before further submissions. Where work is found to be identical in future submissions, the centre may be reported for malpractice. Some centres show evidence of good practice where candidates work under test conditions, in such cases work achieved the full range of marks.

Although OCR does not specify how the unit should be tackled, identical work for AO2 is not anticipated – except where it is 100% correct.

It appeared that many centres had addressed previous concerns and taken note that as the unit currently stands, it does require a specialist accounts teacher to teach the unit or at least be available for help and guidance.

Assessment Objective One
Candidates achieve this objective through the coverage of Task A.   Candidates are required to provide detailed coverage of each of the sub-sections (i) – (iv). Most candidates provided detailed theoretical coverage of all the sections, though the depth of the work often tailed off through the second section of (iii) – 'You need to demonstrate your understanding that this information can be found from various source documents, including invoices, credit notes, bank records, eg direct debits and till receipts'.

Assessment Objective Two
Candidates achieve this assessment objective through the completion of Tasks B, C and D.

Task B – There was a mixed response to this task. In some cases centres had clearly delivered this section as a class exercise with candidates all having identical accounts and the same errors. Some centres had provided templates for the accounts, some complete with opening balances, this practice is discouraged as it does not enable candidates to demonstrate their own knowledge and understanding. Other centres had undertaken the section under examination conditions with candidates producing very individual work. Few centres made use of the three column cash book, preferring to use separate bank, cash, discount received and discount allowed accounts – an acceptable alternative.

Task C – This task requires the identification of the suspense balance by producing a trial balance, a journal to correct the errors present, a suspense account showing the opening balance and the adjustments needed as well as the trial balance after the adjustments have been made. Many Centres did not encourage their candidates to show the suspense account and some did not show the corrected trial balance.

Task D – This task generally performed well, though it was clear some centres struggled with the concept of dividend payments.

Assessment Objective Three
This assessment objective was based on responses to Tasks E and F.

There was a broad variety of evidence produced for Task E, most of which was acceptable to meet the requirements. Candidates had collected a variety of different final account templates and most had offered some form of analysis. It should be noted that some centres continue to make use of examples from around the world. It is considered more appropriate for candidates to choose companies who are registered in the UK, so that examples are in sterling. Some centres need to place more emphasis on this task as it counts towards the grade which can be awarded for this assessment objective.

For Task F, as stated previously the 'own figure rule' is applied, as this is the case candidates should be encouraged to show their workings. Generally, candidates were able to correctly calculate most ratios. Their interpretation of the ratios, however, was mixed.

Some candidates simply stated the theory behind the ratio, failing to make any links to the case study. The higher scoring candidates did try and relate their evidence back to the case study. Many candidates did little more than state the obvious in that the ratio had gone up or down, on its own this does not even inform if this signifies an improvement or worsening of the situation. Some candidates still do not understand that an increase in sales on its own will not increase profit margin. Only a few candidates attempted to link the ratios together – for example – gross profit margin will have an impact on net profit margin. Many were, therefore, unable to access mark band 3 because of a failure to demonstrate integrated and strategic thinking.

Assessment Objective Four
Completion of Task G is required in order to achieve this assessment objective. Although the case study did not indicate that candidates should prioritise their ideas, this is part of all AO4 criteria. Candidates were not penalised for omitting to do so during this moderation session. It is, however, a point which centres should consider for future submissions. The task instructs candidates to write a report. In most cases evidence was not presented in this format.

Many of candidates improved their initial AO3 mark here as they began to fully develop the analysis and the impact of the ratios calculated in AO3.

A lot of candidates lost marks as they failed to produce a financial strategy. Most candidates were able to identify the problems which the business was experiencing, but many failed to explain what the business should do to resolve the problems, or offered general considerations without stating how or why.

The second part of this task is the requirement for the candidates to consider the different ways in which the business could expand and recommend what the business should do in the future. Candidates need to be encouraged to use the information contained in the case study, profit and loss calculations and ratio analysis when making their financial recommendations. The key to this task is to recognise the financial problems the business faces, offer financial strategies to improve the situation and the final stage is to consider how these would impact on the businesses ideas for expansion.

Unit 15: Launching a New Product or Service in Europe

This is a very difficult unit for candidates to access if they do not have an excellent link with their selected business. One of the main problems is if candidates try to tackle the unit without an established link with a business. Research from the Internet will not provide candidates with sufficient detail to meet the demands of this unit.

OCR would recommend that centres get their candidates to start off their assignment by giving a brief overview of their selected business, product and to where they intend to export their product or service. This will enable teachers to ascertain if the candidate is able to gain sufficient information to meet the rigours of the unit.

Assessment Objective One
This section is based on the theoretical coverage of 'The business context within which the strategy will take place' and should focus on general trends within the European Union as a whole. Some candidates only focused in detail on the selected country to which they intended to export their product or service.

Assessment Objective Two
This is the candidates' written summary which will show how their selected business will deal with the many issues it needs to consider when launching a product or service in European markets. Candidates should follow the bullet points outlined in the section 'Researching the strategy and analysing the information that is collected' – second set of bullet points (page 69). The candidates' written summary must be based on the analysis of their research carried out in AO3.

Unfortunately, a lot of candidates simply stated that their selected business would have to deal with each of these points, but failed to provide their own strategy as to how this might happen. Candidates really struggled to cope with this section due to their lack of research or the inaccessibility to the information which is required to meet the rigours of this section.

Assessment Objective Three
Candidates must start off this section by showing evidence of planning their research – section 'planning the strategy' within the specification. Within their plan, candidates then consider their objective(s), the types of research, and the sources of information they will use. Candidates should then be guided by the section 'Researching the strategy and analysing the information that is collected' when selecting the type of research methods they will use. Special attention should be given to the bullet points found on page 69 of the specification. These are the main aspects which candidates need to research in order to be able to compile their written summary for AO2.

The main failing within this section has been the fact that all too often candidates were tried to gain this information from a business' website. They had no inside contact and, therefore, the quality and depth of their information was insufficient for them to be able to complete a detailed analysis which would feed into their AO2.

Assessment Objective Four
Candidates are required to prioritise the bullet points found under the section 'Evaluating the strategy' clearly stating which one they feel would have the most influence on the effectiveness of their strategy. As always, evaluations should be fully supported through the research conducted in AO3.

Unfortunately, the quality of the research undertaken for this unit has often been weak and, therefore, the ability to develop a detailed evaluation has been almost impossible.

Unit 16: Training and Development

The key to this unit is the link which candidates are able to build within their selected business. In order to complete the unit successfully, candidates need to be able to gain the following information:

• what competencies does the job the person they are going to interview require? – this is usually taken from job descriptions, person specifications
• what skills does the selected member of staff feel they have in relation to those stated on their job description/person specification?
• what skills does the selected member of staff feel they are lacking?
• what type of training would the potential employee feel would be beneficial to them?
• why does the selected business wish to upgrade the skills base of its staff? – what will be the ultimate benefits to the business?

Unfortunately, this information was not available to a wide variety of candidates who attempted the unit.

Assessment Objective One
Candidates should provide theoretical coverage of the sections 'The business context within which the strategy will take shape'; 'Production of an action plan' – candidates need to focus on the different training methods and initiatives that businesses could use; and, finally, 'Evaluating effectiveness. In order to help demonstrate depth and breadth, candidates could include generic examples to develop the overall content of their theory.

The majority of candidates sampled completed this section satisfactorily.

Assessment Objective Two
Candidates are required to produce training and development programmes for their two chosen functional areas. These must be directly related to their skills gap analysis conducted in AO3.

Candidates need to provide a detailed outline of exactly what their training programmes will entail. If they are intending to run 'internal courses' this should include information on the length of the course, aims and objectives, what workshops will take place, what these will entail and the learning outcomes for each. This is outlined in the section 'Production of an action plan' bottom set of bullet points. If candidates are recommending external training courses then these should also be fully explained.

The internal training programmes put forward for this series often lacked detail and did not directly link back to the research undertaken. Training programmes were often too general with very little description of what the training was hoping to achieve for the individuals or the business. Other candidates simply stated they would be sending employees on external courses. They failed to provide detailed descriptions of the aims and objectives of these courses, costs or the impact on the business.

Assessment Objective Three
Whilst planning their research, candidates must be aware of the different types of training programmes which are available. They should consider that different employees will have preferred styles of learning and, in order for training to be successful, an attempt must be made to meet these individual needs.

Candidates' primary research should focus on their skills gap analysis, analysing the short, medium and long term business objectives and management views on possible training.

Candidates' secondary research should focus on the different types of training which are available. They should analyse a variety of courses in order to either select a suitable external course or to help them create in-house courses of their own.

Unfortunately, the majority of candidates sampled had been unable to obtain sufficient information in order to produce a detailed and useful skills gap analysis. Often the information gained from their questionnaires was vague and did little to inform their final training and development programmes. Candidates were also unable to link their analysis of how meeting employees' training needs would ultimately benefit the business.

Assessment Objective Four
This section evaluates how the effectiveness of the candidate's training and development strategy could be affected by internal and external constraints. Candidates should be encouraged to use the bullet points in the section 'Evaluating effectiveness'. In order to gain mark band 3, there must be evidence of prioritisation – which of the constraints does the candidate feel would have the greatest impact on the effectiveness of their training and development programme? Candidates often considered how the internal influences would affect overall training within the selected business, rather than their own training strategy.

Within the portfolios sampled there was often very little linkage here back to the research undertaken in AO3. Candidates were also unable to consider a possible chain of events, short and long term impacts of their proposed training and development programme.

Recommendations to Centres

- Please adhere to deadlines for submitting MS1 forms and candidate work to the appointed Moderator
- Please ensure that marks entered on MS1 forms match the marks awarded on the Unit Recording Sheet
- Please ensure that the total marks for all strands of a unit are correctly totalled on the Unit Recording Sheet
- Please ensure that all sections of the Unit Recording Sheet have been completed accurately including candidate number, entre number, teacher comments and location of evidence
- Where there are 10 or fewer candidates for any unit, send **all** the candidate portfolios with the MS1 form to the correct Moderator
- If assignments are used, please include copies of assignment briefs with the work of the candidates
- Assessors should provide clear written feedback to candidates, including what has and what has not been achieved
- Candidates should be encouraged to adapt a structured approach to their work and present evidence clearly, eg the use of headings, page numbers and a contents sheet
- Please include page numbers within the location section of the Unit Recording Sheet
- Please encourage the use of Assessor annotation of candidate work
- Please ensure that Assessors check the authenticity of evidence. Pages downloaded from the Internet do not constitute evidence.

Ensure that internal moderation is carried out prior to external moderation.

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