



General Certificate of Education

Business Studies 1131

**BUSS1 Planning and Financing a
Business**

Report on the Examination

2009 examination - June series

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General Comments

Most candidates seemed to understand both the case study and the questions and, consequently, the paper appeared to be very accessible to the vast majority of candidates. Virtually every candidate attempted each question. Time constraints did not appear to be an issue, with many candidates producing their best answers on the final question.

Question One

- (a), (b) & (c) Parts 1(a), 1(b) and 1(c) were generally well-answered. The main issue was the fact that some candidates gave an example that Steve had already used. It was not always possible to ascertain whether this was due to a lack of knowledge or a failure to read the wording of the question carefully. In 1(c) many candidates incorrectly answered 'loans'.
- (d) The concept of total contribution (1d) was not understood by many candidates. In some cases incomplete attempts were made to answer the question. A significant minority of candidates calculated 'contribution per unit' but were unable to use this understanding to calculate the total contribution.
- (e) The vast majority of candidates were able to calculate profit accurately.
- (f) This question proved to be more testing than at first appeared. Many candidates interpreted 'part-time' staff as 'temporary' or 'casual' staff. As a consequence, many answers did not recognise the rights of part-time workers. Where candidates correctly recognised the nature of part-time employment, they were able to provide well-reasoned arguments, although a number did not apply their answers to the case study.

Question Two

In comparison to January 2009 many candidates provided definitions of the key terms at the outset of their answers, an approach that usually paid dividends.

- (a) In question 2(a) there were some excellent answers that showed good understanding in their definitions and effective utilisation of the case study in developing an answer. In general, candidates focused well on the needs of the question but some answers, that started promisingly, drifted into irrelevance by writing about what Steve should have done rather than analysing the limitations of his market research.
- (b) For many candidates this proved to be the most challenging question, in some cases, even amongst candidates who understood budgets well. There were a number of comments in the case study that candidates could have seized upon in order to construct an argument but it was evident that many candidates had not assimilated this information. Candidates who had read and understood the case study were able to apply their answers well and achieve high marks. As with question 2(a), a number of candidates wrote about what Steve should have done, rather than focusing on the difficulties he experienced. This limited the relevance of some answers.

- (c) The vast majority of candidates answered this question well. Most candidates took the approach of comparing and contrasting the merits of the two different sites before drawing a well-reasoned conclusion that was based on the context of the case study.

Summary

Overall, candidates performed well on this paper, with the inclusion of definitions a major improvement on the January 2009 paper. The main areas for future development are:

- careful reading of the questions, to avoid irrelevance
- recognition that evaluation should be based on the needs of the question and does not necessarily involve advice to the business owner
- recognition that evaluation on questions that focus on one side of an issue (such as the difficulties in setting budgets in question 2(b)) should be based on judging the relative significance of the different issues. For instance, in question 2(b), a conclusion on which difficulty/difficulties, was/were most important, and why.

Mark Ranges and Award of Grades

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