



General Certificate of Education

Business Studies 1131

BUSS2 Managing a Business

Report on the Examination

2009 examination - June series

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General Comments

This was the first major sitting of this paper. Both questions appeared to be accessible and candidates appeared to have plenty of time to complete the questions.

There were many positive features of the candidates' performances. Most candidates had good subject knowledge of the topics covered by the paper and recognised the differing demands of the questions. It was particularly pleasing to see candidates responding positively (and often effectively) when called upon to evaluate. Equally, many candidates handled the calculations competently and there was scant evidence of candidates without calculators. Candidates made effective use of the stimulus material in answering the majority of the questions, using numerical and non-numerical evidence with equal facility.

Inevitably, there were weaknesses as well. This paper has a time allocation of 90 minutes to allow candidates the opportunity to think about the scenarios and questions and to plan their answers, especially to the four evaluative questions which carry high mark allocations. However, there was limited evidence of candidates planning their responses and most appeared to use the 'thinking time' to write extended answers. This approach had a number of possible consequences. Firstly, the opening sections of answers were sometimes poorly focused as candidates had commenced writing before they had a clear idea of their answers in their minds. Secondly, some answers did drift from the question and a minority lacked any reference to the scenario. It is important for centres to encourage candidates to plan their answers to help to ensure a precise focus on the question throughout the response, as well as the selection and full development of the most relevant arguments.

Candidates should also be encouraged to define terms in the questions at the outset of their responses. This is the simplest way to ensure that candidates receive full marks for knowledge as well as forming a sound starting point for developing relevant arguments.

Question One

- (a) Most candidates tackled this question well, despite profit margins being a 'new' topic for this AS examination. Many offered the relevant formula at the outset and went on to complete the calculation successfully. Common errors included inverting the formula and a small number had trouble placing the decimal point in the correct place in their answer.
- (b) Most candidates answered this question well and had a good understanding of customer service and the benefits it can confer on a business. The most common reasons for candidates not scoring high marks were drifting into analysing the costs of high quality customer service or not applying their answers to the company in the scenario. A significant number of candidates experienced difficulty in writing an accurate and concise definition of customer service.
- (c) There were many high quality answers to this question displaying relevant knowledge which was applied well in developing arguments and making the required judgement. It was pleasing to see more able candidates using the evidence in the stimulus material to reach judgements on which elements of the marketing mix may need to change in these circumstances. There were a number of reasons why some candidates performed less well on this question. A small number appeared to have limited knowledge of the marketing mix, whilst others focused on segmentation rather than the mix.

- (d) There were some excellent answers to this question with candidates offering a number of well supported and applied judgements on whether the expansion would, or would not, increase the company's profits. Some argued cogently that the company's need to borrow may result in higher costs in the short term, with profits only increasing once the loan was repaid. Others said that the increased numbers of people entering the new store in Derby may be temporary, and thus misleading, and used this to argue that profits may not increase. Common shortcomings included failing to demonstrate clear understanding of profits or of drifting into a slightly different question about whether or not the company should go ahead with the expansion.

Question Two

- (a) This was a quite demanding calculation and produced a wide range of marks. A number of candidates had no apparent knowledge of productivity and made no progress with the question. Other errors included inverting the formula (and subsequent calculation), only calculating labour productivity for one of the years or calculating productivity for both years, but not the difference in the two figures. A minority of candidates made errors in their calculation, sometimes because they ignored that the number of desserts manufactured was expressed in millions.
- (b) This question revealed a lack of relevant knowledge amongst a substantial number of candidates. Many did not have a clear understanding of the term competitiveness, and others, who did, struggled to express their understanding concisely. The concept of competitiveness is an important one in this unit and one with which candidates should be familiar. In contrast, there were many high quality answers demonstrating good understanding of the concept and the ability to use the information in the stimulus material to develop and apply their responses.
- (c) Most candidates demonstrated good understanding of suppliers and the factors that a business may take into account when selecting one. Many candidates developed sound arguments to counterbalance the criteria of quality expressed in the question and developed well supported judgements. However, a minority of candidates confused suppliers with retailers and others became embroiled in a discussion about whether the business should use a local supplier or one in the South of England. As a consequence, the latter group lost focus on the question and did not score as well as they might have done.
- (d) The final question proved challenging for many candidates. There were two common errors in the way many candidates tackled this. The first group lost sight of the question and did not discuss the importance of recruitment in creating an effective workforce as an option. This group moved quickly to discuss issues such as motivation and training as determinants and left the impression that many had an incomplete knowledge of recruitment. The second group ignored the context entirely whilst developing relevant and informed arguments. Despite these shortcomings, a large number of candidates tackled this question with confidence and competence. The very best responses used information in the case, such as the declining level of labour productivity to support their judgements.

Mark Ranges and Award of Grades

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