



General Certificate of Education

Business Studies 1131

BUSS2 Managing a Business

Report on the Examination

2010 examination - January series

Further copies of this Report are available to download from the AQA Website: www.aqa.org.uk

Copyright © 2010 AQA and its licensors. All rights reserved.

COPYRIGHT

AQA retains the copyright on all its publications. However, registered centres for AQA are permitted to copy material from this booklet for their own internal use, with the following important exception: AQA cannot give permission to centres to photocopy any material that is acknowledged to a third party even for internal use within the centre.

Set and published by the Assessment and Qualifications Alliance.

The Assessment and Qualifications Alliance (AQA) is a company limited by guarantee registered in England and Wales (company number 3644723) and a registered charity (registered charity number 1073334). Registered address: AQA, Devas Street, Manchester M15 6EX
Dr Michael Cresswell Director General.

General Comments

The majority of students taking this paper were re-sitting it and had clearly benefitted from their earlier experiences. Most students demonstrated good subject knowledge in responding to the majority of questions and made effective use of information presented in the stimulus materials in constructing their answers. It was also pleasing to see students responding positively to those questions which called for evaluation. Many wrote clear conclusions, offering and supporting judgements, as called for in the question.

The key weakness was that many students failed to develop their arguments fully and did not therefore gain high marks for evaluation. Too many were content to offer a number of undeveloped points rather than developing one or two arguments as fully as possible and ensuring that they responded directly to the precise demands of the question. Providing a clear definition of terms used in the question remains good examination technique.

This proved to be an accessible paper and students provided good answers to each of the two questions. Time was well managed and the responses generally reflected the exact demands of each individual question. Most responses had a logical structure and students rarely wrote irrelevantly.

Question One

- (a) Almost every student was able to give reasons why the company might pursue a policy of new product development. Fewer, however, used the context effectively to apply their responses to the circumstances of the company. A small number wrote entirely theoretical responses ignoring the information provided in the stimulus material entirely.
- (b) This question attracted some very high quality answers. Students' responses revealed good understanding of training and most candidates were able to develop arguments as to why expenditure in this area may be reduced. The best quality responses linked this to the circumstances of the business by, for example, basing arguments on the company's declining profit margin.
- (c) Although this question attracted some excellent responses, with many students making very effective use of the context, there were a number of common weaknesses. A surprising proportion of students appeared unable to recall the four elements of the mix and based their responses entirely on 'product, as it was mentioned in the question'. Others attempted to develop arguments about all four elements of the mix and provided shallow analysis as a consequence or spent a disproportionate amount of time on the question with adverse consequences later. The best responses tended to compare the importance of product within the marketing mix to one other element and, therefore, were able to develop their arguments fully before making and supporting a judgement.
- (d) There were many high quality responses to this question and most students had a clear understanding of motivation and were able to use relevant theory in support of their answers. It was pleasing to see many students draw extensively on the stimulus material when constructing their responses. Many wrote about the benefits of training in addition to the company's motivational policies such as empowerment.

The major shortcoming here was that many students did not focus on the notion of an effective workforce. By considering exactly what this is, better students were able to develop powerful lines of analysis through linking it to the various motivational techniques used by the company. The phrase was an important element of the

question. A further weakness was a failure to meet the precise demands of the question when making and supporting their judgement. It was common for students to make judgements about the value of particular motivational techniques, such as the use of money as a motivator.

Question Two

- (a) It was very pleasing to see so many students tackle this calculation confidently and competently. Many exhibited good examination technique by stating the relevant formula and showing their subsequent workings. A minority were handicapped by the absence of a calculator but more than 50% of students achieved full marks on this question. One point to note on calculations is that it is important to state answers in the correct form. In this case, students were expected to express their answers as a percentage because they were required to calculate a profit margin. Similar requirements will apply in future BUSS2 question papers.
- (b) Most students had a good understanding of customer service, although providing a clear definition at the outset would make possession of this knowledge clear. Higher quality responses applied answers effectively to the context of the clothing company drawing on issues such as the impact of the introduction of piece-rate pay and explaining fully the effects of such decisions on the level of customer service provided.
- (c) Although there were many interesting and impressive responses to this question, there were also a number of common errors. A minority of students did not understand the term, 'sub-contracting' and confused it with suppliers or believed that the company would be recruiting staff from the company in Vietnam. A disappointing number of students also wrote a one-sided response arguing either for or against the proposition. Although such answers attracted fair marks it made it more difficult to write high quality evaluative conclusions. Some students made the assumption that using the firm in Vietnam would **definitely** result in low quality products. Although this was a possibility, there was no evidence in the stimulus material to support this assertion.
- (d) This final question revealed some poor understanding on the part of many students. It is essential that candidates understand the distinction between cash flow and profit. This is important and also a fertile topic for future questions. Many students used the terms interchangeably and made erroneous assertions such as: "poor cash flow will result in lower profits". Centres would be well advised to spend time on the two concepts but also to encourage students to understand that in many ways they are independent of one another.

Good responses focused on one or two issues such as the extent of trade credit required by the airline and linking this with the company's historically weak cash position, developed an argument as to the extent to which this could threaten the company's future. There were some good judgements based on which posed the more immediate threat to the future of the business with many students using this to justify cash flow as the greater threat.

Mark Ranges and Award of Grades

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