General Certificate of Education (A-level)
January 2012

Business Studies   BUSS2

(Specification 2130)

Unit 2: Managing a Business.

Report on the Examination

General Comments

In general, this paper proved to be accessible for students on both questions. Students responded equally well across the paper and were able to access and use the stimulus material appropriately in their responses.

There were some good examples of high quality responses, where students had an obvious understanding of examination technique coupled with strong subject knowledge and theory. The best answers were by students who read and targeted their answers directly at the questions asked, using the stimulus material to support their lines of reasoning and judgements. The use of calculations to support arguments in longer questions was frequently evident and provided good examples of depth of application. By combining these supporting calculations with other evidence from the stimulus material, students demonstrated their ability to fully apply their answers. It was also good to see the number of students who were able to offer some numerical support to their evaluative statements.

A common weakness on this paper was that although students were able to access the stimulus material and apply their answers, they frequently forgot to follow this through with the development of effective analysis. An effective line of analysis will often direct the argument back to the question itself, having fully explored the point. Many students also attempted to offer too many separate lines of reasoning rather than being selective and offering fewer but more developed points. Few answers lacked any relevance to the case study but there were still a number which were generic. Inevitably, some students' responses did not focus on, or drifted away from, the question, especially on extended answers which then led to weak or unsupported evaluation.

Question One

(a)   Good knowledge of the product life cycle was demonstrated and many students were able to apply their answers well, especially using the company's circumstances regarding their financial position and promotional activity. An impressive response came from students who were able to combine the former points with good knowledge of the growth stage and/or also considering the company's market projections.

The most common error was not focusing potential responses specifically on the circumstances of being in the growth stage. A minority of students were obviously more familiar with the Boston Matrix than the Product Life Cycle.

(b)   This proved to be a very accessible question for many students and it was clear that recruitment is a topic clearly understood with good knowledge of recruitment methods and processes shown. There was good depth of application linking effective recruitment to cash flow, customer service, quality, the forecast growth and labour turnover issues faced by the business. Good lines of analysis were also frequently offered in conjunction with application. These examined the impact on demand, reputation and costs, and why effective recruitment would be a key area for this company. Weaker responses focused on the pros and cons of different recruitment responses or failed to fully consider the impact on the company.

(c)   Almost all students were confident in their knowledge of the component parts of the marketing mix. Again, many students were able to apply their knowledge by picking out key aspects of the company's approach to the various components. However, a common weakness on this question was for students to attempt to give a full description of the company's marketing mix but often with a lack of consideration of the degree to which these had been influenced by larger competitors. The best responses recognised the two sides to this question and fully developed a minimal number of well chosen arguments before making and supporting a decision. Better students were able to focus their arguments on how and why elements had, or had not, been influenced and therefore come to a reasoned judgment on either, each element of the marketing mix, or the company's marketing mix as a whole. A common error was for students to mistake the -2.2 figure as meaning that demand was price inelastic.

(d)   There were many strong responses to this question with students being able to use and relate the company's capacity utilisation position in their arguments. Impressive responses also considered further impacts, such as, knock-on effects to the quality of the service, the company's financial position (looking at the links between unit cost, capacity utilisation and profit margins) and compared and contrasted this to other operational targets in the context of a market that was forecast to grow rapidly. Evaluation in this question was good with many students placing their judgements firmly in the context of the business. Weaknesses on this question were students who failed to consider the difference between capacity utilisation and capacity, and those who didn't recognise that the question specifically asked for operational targets. This led some students to drift into arguments regarding financial or even human resource targets as their main line of reasoning.

Question Two

(a)   Most students tackled this question well. Many were able to offer a relevant formula at the beginning and then to successfully complete the calculation. The most common errors were either the omission or reversal of the variance indicator alongside students who did not identify the data as being in £000s.

(b)   This was generally a well answered question with a good understanding of customer service shown. Students were able to pick up relevant lines of application such as the lack of training and low staffing levels. Good understanding of Customer Service and linking its success to training, motivation and the need to reduce labour turnover were common approaches that also led to good lines of analysis focused on the question.

(c)   While better answers focused on the question, ie improving performance and using the indicators of performance from the case study, such as the level of complaints and labour turnover, there was generally a lack of good quality application, eg the linking of elements together to form a strong line of reasoning. However, students were frequently able to access the stimulus material for reasons as to why poor performance had occurred. Students often then became drawn into theoretical and descriptive answers on motivation theory and/or training. Many students also related their lines of reasoning to output and labour productivity without any real consideration for the retail environment of the company.

This question highlighted the need to return to the question when writing the conclusion and deciding 'What is the best way to improve performance?' Is it in fact redesigning jobs for these levels of employee?

(d)   This final question proved to be demanding for many students. Frequently, students misread the question as the financial performance of the whole business, rather than that of the Lincoln branch. In addition, many students drifted from the focus of financial performance of the branch and instead, developed lines of reasoning based on customer service, labour turnover and motivation. These were factors that would impact on the whole business. Good responses accessed and used the budgeted data to support their arguments and provided well-judged supporting calculations, such as, the actual profit margins for the branch for the given two months. Students also frequently related the circumstances of the Lincoln branch's location and nature of competition, to the wider business issues such as low marketing budget. Evaluation in this question often relied on assertion or was superficial in questioning the validity of some of the data. However, stronger students were able to make judgments supported by the data and the business' track record and experience.

Mark Ranges and Award of Grades

Grade boundaries and cumulative percentage grades are available on the Results statistics page of the AQA Website.