



**General Certificate of Education (A-level)
January 2012**

Business Studies

BUSS4

(Specification 2130)

**Unit 4: The Business Environment and
Managing Change**

Report on the Examination

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General Comments

The paper worked well and gave students the opportunity to show their knowledge of business and business theory and their ability to apply this to a given question. However, it remains true that the key to this paper is to answer the precise question set. Students sometimes identify an area (such as diversification or corporate planning) and write at length about this without focusing their arguments sufficiently on the question in front of them.

Good analysis and good evaluation must relate to the specific question in the examination rather than a slightly different version of it. A conclusion that diversification is a good strategy is not quite the same as whether it is the 'best' strategy; whether corporate planning generally is useful or difficult is not the same as whether there is any point in corporate planning given changes in the political and economic environments. A student who adapts his or her arguments so they hone in on the question, stands out. Students, therefore, need to read the questions very carefully and make sure they choose ones where they can give a precise answer rather than one where they may feel they know a lot but cannot re-work their understanding.

It remains extremely important for students to keep looking back at the title throughout their response to avoid drift. Whether Corporate Social Responsibility (CSR) is a good thing does not quite answer whether it should be made the main objective of a business; the fact that innovative businesses can do well does not fully address whether cautious businesses inevitably suffer a fall in market share. If students keep checking the title and perhaps show why their arguments relate to it throughout their response, this can help avoid answering a question which is different from what was asked. Time spent thinking about which title to choose, how to approach a particular question and ensuring the response stays focused is time well spent.

Section A

The two questions on CSR proved almost exactly equal in terms of popularity and proved accessible to students. There was plenty of evidence of research - typically students made use of businesses such as Marks and Spencer plc, Apple, Ryanair, Innocent, Body Shop and BP but there were other less familiar examples used as well. The key to good application is to make sure the case studies are used in the arguments. Some students simply describe what happened - for example, in relation to the BP disaster. In this instance, rather than use this example to support the analysis; for example, by examining the fall out from the oil spill, students might argue that there is a need to become more socially responsible to restore the brand image and prevent further legal suits or that the oil spill made managers more aware of the need to behave responsibly. When answering a question, the starting point should be the key arguments; the business cases and data should be used to provide evidence of the points being made.

Interestingly, most responses in Section A considered CSR behaviour almost exclusively in terms of its impact on profitability - students' arguments about government intervention or whether it should be the main business objective tended to relate to its impact on profits. Relatively few students explored the idea that CSR may be pursued because it is seen as inherently 'a good thing' in its own right.

Question 1

This question considered the role of government in relation to CSR and asked whether the government should make this type of behaviour compulsory. Stronger responses examined the possible benefits of this to different stakeholder groups and compared this with the possible disadvantages. Conclusions often argued that it might be desirable, but in reality difficult, to do because of issues such as regulating across borders and deciding exactly what behaviour was required.

Question 2

This question considered whether businesses should now make CSR their main objective. There was a tendency to outline the benefits and disadvantages of CSR but not relate the arguments specifically to the issue of making it the main objective. Better responses considered whether 'now' was the right time for a business to be making this the main objective or how this might vary from one organisation to another.

Section B

Question 3

This was a relatively popular question and many students were able to outline the advantages and disadvantages of diversification as a strategy. However, the question did ask whether it was the 'best' strategy to achieve profitable growth and so good responses needed to weigh diversification up in this context. Typical examples of diversification included Virgin and Whitbread. Weaker responses were assertive - for example, stating that diversification was effective because Virgin has adopted this approach and it had worked or simply describing different types of strategy; stronger responses analysed why diversification might be the best strategy, for example by comparing it with alternatives.

Question 4

This was the most popular question in Section B. Stronger answers tended to consider the dangers of being cautious but also the potential benefits of this - a cautious business may avoid mistakes. Students often used Nokia as the main case in their answers and this could work well provided their use of examples supported arguments about, for instance, culture, risk and strategy. A descriptive response outlining the various models of phone belonging to Nokia and Apple over time, was less effective. A number of students used other examples of cautious companies effectively; for example, Kodak was used as a business that missed an opportunity with digital cameras. Stronger responses focused specifically on the link between being cautious and a falling market share rather than writing more generally about success or failure. Some weaker responses drifted into how Nokia could regain market share.

Question 5

This was not a particularly popular title. Students showed some understanding of corporate planning but did not often relate this effectively to high levels of change in the political or economic environments. Too often students stayed with their existing examples (often of contingency planning) which related to, for instance, environmental issues rather than political or economic factors. Responses tended to argue the case for and against corporate planning rather than consider whether there was any point to it in these circumstances. The essay title highlighted the important links between the different parts of the BUSS4 specification - in this case linking external change to business planning.

Summary

In general the reference to business cases, the current business climate or business scenarios in the questions, was pleasing in Section B. Students are clearly studying topics in context and it is good to see this coming through in their responses. The key to a good answer lies in using these cases rather than simply telling stories about the topic. If a corporate plan succeeded or failed - why was this? What is the underlying argument? If diversification improved business performance in one situation but not another, what made the difference? Sometimes students' answers repeated the 'story' without demonstrating clearly how it related to the question. Better responses answered the question and the case provided the support to the argument. It is important for students to think about the precise wording of a question, select and develop arguments relevant to this and to keep bringing their response back to the question set.

Mark Ranges and Award of Grades

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