



7811 Business Studies

2879 The Business Thematic Enquiry

Theme for 2010

The theme for January 2010 and June 2010 is decision making.

The cases for 2010 will outline business situations which call for individuals to make appropriate decisions. In each case study there will be scope for candidates to consider the issues raised from different perspectives and to prioritise relevant items of evidence. There will be a specific focus in the title chosen for the report and an expectation that the report will be written in a way which answers the question posed in the title.

It is impossible to consider all the facets of such scenarios in the time available to candidates. Good answers are likely to see problems from one or two perspectives; those which the candidate considers the most significant. To give focus to study, and to assist candidates' preparation for the examination, candidates should be aware that the central focus for each of the examinations in 2010 will be:

January 2010: A young manager seeks to widen her business experience and applies for a new job. Two business situations will be presented about which the applicant has to make a decision. One business is a medium sized chain of shops which has been growing steadily and has recently opened a new branch. The other is a smaller, long established, 'old fashioned' business. Each of the businesses is in a different segment of the retail clothing industry. A job decision always has personal elements but candidates will be expected to write a report based on the business elements contained within the scenarios.

June 2010: A small family business operating as a sole trader. Both husband and wife work in the business. The husband is a jobbing gardener who also does small building and maintenance jobs. The wife is in home design. The business needs to expand and candidates will be expected to decide which method of growth is best for the business given the circumstances presented within the case.

Notes to assist Preparation

There are no 'right' answers in this unit. Instead, the examiners are looking for candidates to demonstrate the same skills as those which are assessed in the work of candidates taking the alternative Business Project unit. The notes which follow give guidance on how these skills are demonstrated.

Assessment will be by OCR examiners using the criteria set out in the specification for Unit 2879. **Each of these criteria will be applied to the work as a whole.** Candidates may demonstrate the skills being assessed in any part of the report.

There are nine criteria and four of them, criterion 1, 2, 8, and 9, set out the kind of approach to the unit which will earn high marks.

Criterion 1. This is entirely satisfied by a good plan; Task 1 on the paper. Candidates should follow the requirements of the four sub-tasks as detailed. Writing a good plan will establish a firm foundation for the report. Good preparation might include writing such plans for past paper cases. Please note that marks are lost by those candidates who do not answer all four elements of the requirements for the plan. In particular, it is necessary to make a clear distinction between sections 1(i) and 1 (ii)

Criterion 2. This is about the objectives stated in the plan and then followed in the report. Candidates should be aware that it is the objectives they choose to follow in writing the report which should be stated. To get a good mark in this respect, it is expected that sensible objectives, clearly related to the case, will be stated in the plan and then effectively used within the structure of the report. Reaching Level four requires some critical appreciation of the effectiveness of the objectives pursued.

Criterion 8. The requirement of this unit is that a **report** should be written. The style of the report is not important and a variation of style is often best; with bullet points for things such as stating objectives and continuous narrative to evaluate and make decisions. This criterion also requires that diagrams be well labelled and that information used should be sourced. There is no need to spend time explaining the elements of a report structure.

Criterion 9. Business studies has an extensive language of its own and it should be used where appropriate. To do so shows a good understanding and is usually much more concise and focussed than non-specialist language would be. Candidates should use subject language with confidence but use it correctly. It is just as important to show good, general written communication skills.

Criteria 3 and 4. These criteria relate to research. What the examiners are testing is an understanding of information, outside research, and theory which might be helpful in defining and solving the problem as set out in the case. That data is there to be used, and both theory and outside research should help in that process. The mere statement of data from any source is **never rewarded**. Data has to be associated with the decision making purposes of the report in some way. Good outside research is rarer than it should be and its effective use is even more uncommon. Those candidates who do use it almost always do very well. Candidates are not expected to use all the data in their report. However, nothing which is crucial to either side of the argument which a candidate has chosen to present should be ignored.

Whilst many candidates will approach a report from a particular viewpoint such as marketing, finance, operations management or human relations, a good mark will depend on focussing the data to answer the question set. It will never be true that the answer lies entirely within one aspect of the specification but it is not expected that every issue will be tackled.

Criterion 5. The report should make it clear that a candidate has studied the subject and can use the theory, concepts and techniques in ways which are appropriate to the question asked. The requirement here is **use** and the mere presentation of either business studies knowledge or external research will gain no marks at all. To gain marks on this criterion there must be some explicit way in which the knowledge has contributed to the response to the question set.

Criterion 6. In order to answer questions and make decisions, data, from whatever source, has to be turned into evidence by the support of a theory, by relating it to other elements/aspects of data, by argument, by calculation or by applying a known technique. Mere presentation of information (from the case, or elsewhere) or indeed explanation or further description of this information, may show understanding but it is not analysis because, in those processes, there is no attempt to apply. Good analysis should enable the candidate to develop a sound argument for the decision eventually chosen. But this argument must be balanced. It is weak reporting technique to ignore evidence which might point away from the decision chosen.

Criterion 7. To satisfy this criterion the candidate is expected to make judgements, ie use the evidence created by analysis to answer the question through a logical and sustained argument. To count as evaluation this process must be sufficient to convince and must have a clear relationship to the decision made. It is not sufficient to simply state a choice or select an option. The crucial question is **why?** The task is simplified by offering choices of strategy or options. **There is no reward for going outside those options which are offered in the case** and suggesting a different one. The crucial requirement for success is not the decision made; there is always evidence enough to support any of the possible choices. What is looked for is a logical and reasonably complete thread of argument from the evidence through to the decision. There should also be a realisation that individuals and businesses will try to avoid decisions where the benefits of making them are less than the costs.

The Requirements as stated on the Paper

The instructions on the paper require two tasks to be completed. The purpose of Task 1 is to enable the candidate to meet the assessment requirements of Criterion 1 and to set report related objectives. This includes the opportunity to make assumptions which might limit the focus of Task 2. For example: "I assume the necessary finance is available" would be a sensible assumption in a situation where there is no evidence to suggest problems in raising finance. On the other hand an assumption which simply highlights a fact of the case is of no value at all.

The rubric of the exam paper will tell the candidate the following:

Task 1

Write a plan for your report in which you make clear: **(10)**

- (i)** the problem as you see it and the need to solve it;
- (ii)** the context in which this problem must be solved;
- (iii)** your objectives in your approach to the problem;
- (iv)** any assumptions you make and the reasons for them.

You are advised to spend not more than **15 minutes on this task.**

Task 2

Write your report. **(80)**

In it you must satisfy the criteria on which the assessment is based.

You should ensure that you:

- (i)** provide terms of reference for the report;
- (ii)** select appropriate evidence for this task. You should use evidence from the case, from business theory and from the work you have done in preparation;
- (iii)** present and analyse the evidence logically in line with the objectives you set and the assumptions you made in the plan;
- (iv)** consider the situation and arrive at a supported recommendation.

Completing These Tasks

Task 1: The Plan

The plan carries only 10 of the 90 available marks. These are the five marks available within Criterion 1 and five of the available marks from Criterion 2. Its value lies in the thought and structure which goes into the process and the positive effect this then has on the report itself. To gain the marks, it is essential that the candidate completes the first three sub-tasks and includes any assumptions being made in the fourth sub-task; these will indicate the perspective from which the candidate is writing the report. Examples of what is meant by this can be seen in previous Principal Examiner's reports for unit 2879.

In the January 2008 examination, for example, many candidates did not keep strictly to the four sub-tasks set out in Task 1. The consequence was often a confusion of problem definition and the context in which the problem needed to be solved. As a result, the foundation the candidates had set was often weak.

Candidates are advised to look for the real problem and not just factors which have created it, or indeed, features of it. For example, in January 2009 the problem was not the

competition from other stores but the threat to survival which was being posed by falling profits and low capital utilisation.

Task 2: The Report

There is no house style for this but there should be a logical separation into sections which are appropriately headed and a clear conclusion which addresses the issue(s) included in the title.

'Right' answers are not assumed. Any answer which follows a logical and supported argument in line with a selected perspective is sufficient. However, the connection between the perspective being developed and the nature of the question posed must be clear. Evidence to support the chosen perspective must be offered from the case and interpreted and analysed correctly.

Example

The case **might** contain a financial constraint or an issue relating to external pressures. It could be that these matters must be addressed as an integral part of making the decision. It could be that the best decision arises from prioritizing a number of factors and explaining why others are less significant. The candidate may argue that such issues are crucial to the intended outcome. However, a report which focused entirely on the selected issue(s) and did not relate back to the question posed would not have answered the question.

It is good to see that most centres encourage research around the topic area and that good evidence is often found from local business behaviour, the Internet and other secondary sources. But, the mere inclusion of such evidence is a pointless exercise. The main evidence should come from the case provided and external evidence should be **used** to reinforce, explain or enrich evidence taken from the case.

Candidates should be encouraged to use personal experience provided it can be used to support an issue arising from the case or to advance a relevant argument. For example, in January 2007 candidates who worked in a garden centre often failed to develop and use this experience. On the other hand many candidates were able to use the credit crunch and its problems in reflecting on the strategy to adopt in the January 2009 case.

The requirement of the unit is to provide answer(s) to a problem which is presented, in the form of a well structured report. The report should proceed logically from the presentation and, where necessary, explanation of evidence, through selectivity to analysis, evaluation and final recommendation(s).

Over-prepared structuring makes poor use of the limited time available. It is much better that a candidate understands the framework of a report and writes a response within that framework.

Time Management

The report is expected to be short. It should be capable of being written in not more than 50 minutes. This is because candidates will need at least:

- 10+ minutes to read the case;
- 10+ minutes to prepare the plan (Task 1);
- 10+ minutes to read through and amend the work.

Writing the report in the time available requires practice and puts a premium on the conciseness and preciseness of the candidate's written style. Good use of past papers can help to ensure this.

Use of Evidence

The Business Thematic Enquiry is an alternative to the Business Project (Unit 2878) which is based on the study of a specific problem. To ensure that Unit 2879 is a real alternative, candidates are expected to make use of appropriate knowledge and understanding drawn from their study of business situations in preparation for the examination. Most of the evidence will come from the unseen case itself, but there will be many opportunities to support the points made with knowledge (both theoretical and practical) drawn from previous study. To gain the marks available, there must be genuine **use of** such knowledge and not its mere presentation.

Example

Candidates may be aware of an instance in which a job seeker was faced with a difficult choice to make about and used a decision-making approach that has worked. On the other hand, a small business may have failed to survive because its decisions about which way to grow were not well made. There may be lessons in either of these situations which could be applied to the case. The details must be sufficient to make the example real and the evidence offered must be used and not just written about.

In the case itself, there will be a variety of ways to proceed and it is the *logic* of the answer which will earn the marks, not how 'correct' the solution. In the case there will be some information which is not relevant. This is to allow the candidate to show selectivity by using only the information which can be effectively used in supporting the candidate's argument. There will be other evidence which the candidate's assumptions and approach will not favour. Candidates should take care not to make assumptions which will ignore vital evidence. For example, in January 2009 some assumed "that Jeni would stay with the business anyway." This then robbed them of the ability to argue this human resources issue in the report.

The most common weakness is to note, but not to really use, numerate evidence. All business action carries with it a cost and, more often than not, there is evidence about the extent and nature of such costs in the case. Poor answers ignore this, the moderate ones acknowledge it, but a really good answer will make some effective use of it. In dealing with such evidence, business theory is often useful and should be used.

Example:

In January 2009, there was clear evidence of costs and revenues which would enable both annual profit and payback to be calculated. This information was

crucial to the strategic decision but many ignored it altogether whilst others merely calculated profit or payback but then made no use of it.

To support a particular approach, the candidate may wish to make assumptions. This will be rewarded provided each assumption made:

- is clearly stated (this should be in the plan);
- is supported by argument;
- clearly assists the candidate's report;
- does not distort or neglect the evidence.

In the Jan 2009 case some candidates wrote off one of the options as an assumption. It is not good practice to write off any option in the plan. Options can be rejected in the report but only after careful argument to support that decision.

Sources of Information

- Standard textbooks. It is important that the ones used are of A Level standard.
- Past papers, mark schemes and examiner reports on unit 2879.
- The strategy questions which are asked within Further A2 units and particularly unit 2880.
- Articles in Business Review.
- The Internet and reference libraries.
- News sources of all kinds and the activities of individual businesses or business groups such as the Chamber of Commerce, The Rotary Club or the British Institute of Management can all be of considerable use in preparation.
- Looking at the local community, and often, particularly at small businesses. Observe which local businesses have remained largely as they are for the last five or ten years, those which have changed in significant ways and those which are no longer there. Try to find out the major reasons why.
- Remind yourself of the decision making model and of the stages of decision making normally regarded as crucial for a good decisions. Think of ways in which you might apply this to the cases in January and June 2010.

Finally

Experience has shown that it is not wise to over-structure what candidates might do in the examination. The danger is that the eventual report, though well structured, will not focus effectively on the actual problem posed, will present too much theory and will make insufficient use of the case material in developing an argument. Practise in using the skills as assessed in the criteria is, however, essential to success.

It is also advised that practice in writing a report plan in the form of the four tasks presented in the case is advisable. However, plans which are not based on a case are content free and, therefore, it is difficult to provide a definition of a problem, a context in which it exists and objectives in solving it. Any plan writing experience, therefore, should always be based on an actual case. However, virtually any past case, from any module, can provide such a scenario.