

Applied Business (Double Award)

General Certificate of Secondary Education 1491

Report on the Units

January 2008

1491/MS/R/08J

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This report on the Examination provides information on the performance of candidates which it is hoped will be useful to teachers in their preparation of candidates for future examinations. It is intended to be constructive and informative and to promote better understanding of the syllabus content, of the operation of the scheme of assessment and of the application of assessment criteria.

Reports should be read in conjunction with the published question papers and mark schemes for the Examination.

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Chief Examiner's Report

Reports by the Principal Examiner and Principal Moderator for the January 2008 series of the GCSE in Applied Business specification follow. It is important that these reports are considered carefully by Centres as candidates are prepared for future examination series.

There is evidence from this session that Centres have made good use of the support material offered by OCR to assist in the delivery and assessment of this qualification. Exemplification of the assessment criteria for Units 1 and 2 can be found on the OCR website and this information is vital for new Centres or new assessors within established Centres. INSET courses are available in the autumn term for both new and experienced assessors. These provide teachers with useful feedback from the moderation and examination sessions, as well as providing the opportunity to discuss specific issues which may have arisen from teaching and learning within the qualification. The coursework consultancy service is also available to all Centres.

The main issues from January 2008 which Centres need to consider in preparation for the June 2008 session are as detailed below.

For the coursework units:

- Centres must adhere to the deadlines for the submission of mark sheets and coursework. Unit recording sheets must be completed in full including Centre number, candidate number, teacher comments, location of evidence and marks awarded for each strand;
- candidates must meet the requirements of the trigger words within the assessment criteria, eg explain, compare, analyse, evaluate;
- assessors must ensure that the selected businesses provide candidates with the opportunity to access the assessment criteria. Candidates need to have a thorough understanding of how the selected businesses work.

For the examination:

- whilst each session highlights improved areas of knowledge being demonstrated by candidates, there are still some aspects of the specification which are not being sufficiently covered by some Centres;
- where candidates have been taught examination techniques in order to attempt higher level responses, there is a marked increase in the number of higher marks being awarded. This is a practice which needs to be followed by more Centres;
- more candidates are making good use of the context contained within the questions on the paper. This is allowing them to access the higher mark bands;
- there is a marked improvement amongst candidates in accurately recording dates and other easily avoidable errors. Centres are making good use of Principal Examiner reports to identify areas of weakness and develop strategies for improvements.

The following reports give more specific feedback on both the moderation and examination session and also offer useful advice on how to improve performance. If Centres address the issues highlighted, and incorporate changes and improvements into their schemes of work, it is expected that candidate performance is likely to be enhanced.

Administration

Moderators were in agreement that those Centres that followed OCR procedures, adhered to set deadlines and accurately completed documentation enabled the moderation process to progress smoothly. However, many Centres did not adhere to the 10 January deadline for the receipt of the completed MS1 forms by the allocated Moderator and failed to inform OCR or the Moderator of the delay. This did cause difficulty for Moderators in the scheduling of their work. Centres should note that it is their responsibility to forward MS1 forms and candidate work to the allocated Moderator by the set deadlines, eg the sample must be sent within 3 days of receiving the sample request. Centres should also note that their failure to meet such deadlines could delay the receipt of results for their candidates.

Where there are 10 or fewer candidates for any unit, Centres are required to send the candidate portfolios with the MS1 forms to the Moderator.

Centres must ensure that all sections of the Unit Recording Sheet have been completed accurately, including correct total marks for the unit, candidate number and Centre number, teacher/assessor comments and the location of evidence, in order to facilitate the moderation process.

Some Centres recorded marks on MS1 forms which were different from those entered on the Unit Recording Sheets. This did cause delays. Centres must ensure the marks on the MS1 form match the marks on the Unit Recording Sheet for each candidate and for each unit.

Centres must ensure that the Centre Authentication Form for Coursework has been signed by the Internal Assessor(s) and included with the candidate evidence.

In some instances the packing of parcels was inadequate to protect candidates' work. Sometimes this resulted in damage occurring during transit.

4863 Investigating Business & 4864 People and Business

General Comments

Administration

Moderators were in agreement that those Centres which followed OCR procedures, adhered to set deadlines and accurately completed documentation enabled the moderation process to progress smoothly. However, many Centres did not adhere to the 15 May deadline for the receipt of the completed MS1 forms by the allocated Moderator and failed to inform OCR or the Moderator of the delay. This did cause difficulty for Moderators in the scheduling of their work. Centres should note that it is their responsibility to forward MS1 forms and candidate work to the allocated Moderator by the set deadlines, eg the sample must be sent within three days of receiving the sample request. Centres should also note that their failure to meet such deadlines could delay the receipt of results for their candidates.

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Some Centres recorded marks on MS1 forms which were different from those entered on the Unit Recording Sheets. This did cause delays. Centres must ensure the marks on the MS1 form match the marks on the Unit Recording Sheet for each candidate and for each unit.

Centres must ensure that a Centre Authentication Form for Coursework (CCS160) has been signed by the Internal Assessor(s) for each unit and included with the candidate portfolios.

In some instances the packing of parcels was inadequate to protect candidates' work. Sometimes this resulted in damage occurring during transit.

Assessment

Assessors are required to make assessment decisions for each strand within each unit using the Determining the Mark grids for Units 1 and 2 (see attached grids). Some Centres incorrectly allocated marks for each level within a strand and then added these marks up to produce a strand total. This total is often different from the Moderator's total and this can result in the adjustment of a Centre's marks, sometimes positively.

Many Assessors demonstrated good practice by annotating candidate work with assessment criteria references and by giving clear and constructive written feedback which related to the assessment criteria. It is advisable that assessment decisions should only be made when supported by clear evidence within the portfolios – hopefully by using annotation to indicate its location. The teacher comments section of the Unit Recording Sheet enabled Assessors to justify the marks awarded for each strand. Many candidates had been encouraged to present work logically and clearly, strand by strand, using headings, bolding, page numbers and a contents sheet. It was also helpful when page numbers were included within the location section of the Unit Recording Sheet. However, some Assessors failed to provide written comments or annotate candidate work. In these circumstances it was not clear to the Moderator how assessment decisions had been made.

Report on the Units taken in January 2008

Some Centres provided copies of internal moderation records, which were most useful and helped the moderation process. Internal moderation is crucial to ensure consistent assessment practice and decisions across Assessors and units within a Centre and is the key to good practice. However, there was, in some cases, limited evidence of internal moderation having taken place.

Where assignments had been used, it was most helpful for copies to be submitted with the actual work. This gave a clear indication of the tasks which were given to candidates. Good practice in assignment design included breaking down the unit into a number of tasks for each strand. OCR training events focus on good practice in delivery, portfolio building and assessment.

Moderation takes place in January and June each year. Centres are advised to use these opportunities, thereby receiving feedback on the quality of assessment throughout the programme. Centres have reported that this practice acts as a motivator for the candidates, as well as providing feedback to Assessors.

Lenient assessment decisions had been made by some Assessors for a variety of reasons. Some leniency was the result of misunderstanding of the assessment criteria, eg Unit 1, C2. Leniency was also apparent where candidates had not applied their knowledge to the business under investigation and had merely regurgitated textbook theory. This is not sufficient. In addition to content coverage, candidates need to demonstrate skills as per the trigger words in the assessment criteria, eg explain, analyse, evaluate. Some Assessors awarded marks for an assessment criterion, eg Unit 1, B3, even though candidates had not evaluated effectiveness. As a consequence, marks from some Centres have been adjusted.

Some Centres awarded quality judgement marks to candidates when the work submitted was quite clearly not of sufficient quality for such marks to be awarded. This lenient practice can easily lead to marks moving out of tolerance and being adjusted. Quality judgement marks should only be awarded where quality is obvious.

It is the responsibility of Assessors to ensure that each candidate has produced authentic/original evidence. A Centre Authentication Form for Coursework must be signed by the Assessor(s) and must accompany the candidates' coursework. Where entire cohorts use the same business(es), there is a tendency for the same inputs to be used in many, if not all, portfolios. It is, therefore, difficult to assess whether work is a candidate's own or is plagiarised/shared/copied. For Unit 1, the model outlined on page 50 of the Guidance for Teachers should be considered.

Where web-based case studies were used, there was a tendency for candidates' work to be very similar to the content of the case study: this was especially true, for example, of the Richer Sounds website. Candidates must interpret the information in their own words rather than merely copying and pasting. They must ensure that sources are correctly attributed. The inclusion of a resource list is deemed to be good practice. Where material is taken directly from the source, candidates must supplement with their own explanation, demonstrating their understanding. Where candidate work contains inaccuracies, Assessors should annotate the work to this effect, thus enhancing the candidate's own learning.

UNIT 1: INVESTIGATING BUSINESS

The banner of the assessment evidence grid requires candidates to investigate two contrasting businesses. In order to facilitate the evidencing of A2, the businesses should ideally have a range of contrasts, eg industrial sector, type of ownership, activities, size (see Guidance for Teachers on page 51).

The general weakness in this unit was the lack of application of theory to the two contrasting businesses. Many candidates have attempted the unit without conducting sufficient research. Some Centres relied on the websites of large organisations, which often contain insufficient information for the Level 2 and Level 3 criteria.

STRAND A

A1 Candidates are required to describe each of the four features of their two chosen businesses. Some candidates produced very brief evidence in a bullet point list. This format identified features rather than described them. Aims and objectives were frequently copied, rather than described in the candidates' own words. Location was the weakest feature with many instances of evidence merely comprising a map and address. Good evidence for location comprised a map showing the location of the business, its address and a description of the factors which affected its location (see What You Need To Learn, page 41). The descriptions of ownership should demonstrate understanding of limited/unlimited liability.

A2 Comparisons of the four features varied greatly. Where the features of the two businesses were similar, eg ownership or activities, candidates struggled to identify differences. Some candidates merely repeated the descriptions provided for A1 but this was insufficient evidence for a comparison. Candidates are required to clearly show the similarities and differences. Many comparisons were weak, with evidence comprising a table which merely repeated the A1 evidence, without highlighting the similarities and differences. A table usually requires additional paragraphs which clearly draw out the similarities and differences of the four features. Terminology indicating comparison may include similarities, differences, both, whereas, however. Candidates may find it helpful to include headings. Examples include:
ownership – liabilities and losses, decision making;
location – closeness to suppliers, skilled labour, transport links.

A3 Candidates are required to suggest and justify realistic changes which each business could make to each of the four features to enable each business to be more effective. Many candidates failed to achieve this criterion as they made suggestions which were unrealistic or lacked justification. Some candidates provided justified suggestions, but then did not show how the changes could enable the business to be more effective. For location, candidates may find it more realistic to suggest and justify improvement to a site rather than relocation, eg improved car parking arrangements, improved access and exit routes, improved signposting.

Some candidates made suggestions and gave the advantages and disadvantages to the businesses. However, they did not give a 'benefits will outweigh costs' conclusion, so it was not clear how the suggestions made the business more effective.

STRAND B

- B1** Candidates are required to describe (not list) the type of work carried out by at least three functional areas of one of their chosen businesses. The Guidance for Teachers, page 52, states that human resources and customer service should be excluded as these are covered in detail in Unit 2. Some candidates provided weak evidence which was theoretical and not related to their chosen business and demonstrated limited research. Some candidates used sole traders. This is not to be recommended, as they rarely have operating functional areas. Evidence must be related to the chosen business.
- B2** In order to achieve this criterion, candidates must use examples of specific activities within the business to explain how at least three functional areas work together to support the business activity. Frequently, candidates discussed how each functional area supported the business activity, rather than showing the linkages of how the three work together. Those candidates who had carried out detailed research were able to explain, using examples of specific activities or scenarios, how the functional areas worked together, eg opening a new retail outlet, launching a new product, a new marketing campaign. The use of scenarios proved to be a successful approach. However, many candidates only focused on two functional areas, rather than three.
- B3** Candidates are required to build on their evidence from B2 to evaluate (make judgements based on research) how effectively the three functional areas work together to achieve the aims and objectives. Candidates should include figures to support judgements, eg profit, sales, market share, customer complaints. Some candidates who were successful in achieving the criterion presented their evidence using headings for each aim and objective described in A1. Under each heading they evaluated the effectiveness of the three functional areas working together to achieve each specific aim and objective.

Many candidates who attempted this criterion failed to evaluate the effectiveness or attempted to evaluate how each individual functional area helped to achieve the aims and objectives, rather than the three working together. There was little evidence that these candidates had any experience of the business studied and so no evidence was collected to support judgements of effectiveness. B3 should be about proving that the functional areas explained in B2 are successfully doing the job they worked on together, eg the new product was launched successfully. This should be supported by evidence, eg sales figures.

STRAND C

- C1** Generally, candidates were able to describe the oral, written and ICT methods of communication, using examples from the chosen business. However, some candidates merely listed methods of communication lifted from a textbook, with little reference to the chosen business. Many failed to describe, with examples, how the business uses ICT to operate, eg stock control via the barcode scanning system (EPOS). Where candidates had included the administration/ICT functional area in B1, some of the evidence could be cross referenced to C1. Evidence must be related to the selected business.
- C2** Those candidates who were successful in achieving this criterion tended to use headings as per the three bullet points. The layout of evidence tended to impact on candidates' success in achieving C2. They then analysed the effectiveness of the communication methods described in C1 in relation to each of the bullet points. Evidence was strengthened when candidates analysed specific examples of communication within named functional areas or between named functional areas. Candidates could refer back to the three functional areas in B1 and B2 respectively. For example, they could analyse the effectiveness of communication within the finance functional area and the marketing

functional area. They could then analyse the effectiveness of communication between the finance, marketing and ICT functional areas.

Many candidates experienced difficulty in analysing the effectiveness of the business' communication methods; possibly because they had no experience of them. Analysis was weak because of the theoretical nature of most of the work. Some candidates explained why the method was used rather than looking at the effectiveness of methods in terms of communicating intended message/information. Candidates could use a range of criteria to analyse effectiveness of the communication methods used, eg speed, cost, confidentiality, written record.

- C3** Candidates are required to build on their analysis in C2 in order to suggest and justify alternative or improved methods of communication in relation to the three bullet points. Again, the use of headings as per the three bullet points proved helpful to candidates.

Candidates frequently suggested improvements which lacked justification or were not always justified in terms of improved communication within the business. Suggestions were not always realistic, were not based on the analysis in C2 or did not relate to the three bullet points. In these circumstances, the criterion had not been achieved. Some candidates' suggestions were already in existence, eg Sainsbury's online shopping. Candidates must make realistic suggestions for alternative or improved methods of communication, based on the analysis in C2, which are not currently being carried out within the business. This criterion requires detail, which was lacking in many portfolios.

STRAND D

- D1** The majority of candidates were able to identify the main external influences, ie competitors and economic conditions for each of the two chosen businesses. Candidates often described the influences in some depth, as preparation for D2. However, many candidates have difficulty in relating environmental constraints to their chosen businesses (see What You Need To Learn, page 47). Assessors must ensure that weaker candidates clearly identify the competitors of each business. Location is not a requirement of D1 as this is evidenced in A1.
- D2** In order to achieve D2, candidates must state a change for each of the external influences for each business and then explain the impact which these changes would have on the two chosen businesses. For example, if interest rates were to rise, it could mean that fewer people would purchase their products as they had less disposable income. It could also mean that any plans for further expansion which required external borrowing would have to be put on hold for the immediate future. Many candidates failed to explain the impact of changes on environmental constraints. For competitors, a change a competitor has made is needed rather than changes which the chosen businesses have made and how they have affected competitors. An example would be the impact on the chosen business if a competitor reduced its prices. For environmental constraints the use of scenarios may be helpful to candidates, eg what would happen if the government changed the legislation on recycling, pollution, congestion charges.
- D3** Candidates must achieve D2 before proceeding to D3. In order to achieve D3, candidates are required to suggest and justify realistic ways in which the two chosen businesses could respond to the changes explained in D2. They must link their evidence to the changes and impact explained in D2. Weaker candidates put forward unjustified or unconvincing suggestions and failed to differentiate between the businesses. Some candidates gave suggestions which reflected what the business had already done; not what it should do in response to the changes explained in D2. Some candidates linked the D2/D3 evidence for each external influence for each business, eg change, impact, response, reasons.

UNIT 2: PEOPLE AND BUSINESS

STRAND A

- A1** The majority of candidates were able to identify the stakeholders in their chosen business. Many candidates described the stakeholders in preparation for evidencing A2. However, some candidates gave generic lists which did not specifically relate to the chosen business.
- A2** Candidates are required to explain the nature of stakeholders' interests. For example, employees would be interested in their rates of pay, how much profit the business was making, possible plans for expansion or a reduction in the workforce. Customers would be interested in the price of the products, when the business was open, when the service was available, after-sales service, etc. Some candidates explained their role in the business rather than what they wanted from the business. Other candidates explained why the business was interested in them rather than their interest in the business. A paragraph could be produced on each stakeholder, eg customers expect ... ; employees expect ... ; shareholders expect
- A3** Many candidates experienced difficulty in evaluating (judgement based on research) the extent to which each stakeholder has an influence on the business and how it operates. Candidates must show how likely it is that each stakeholder can cause the business to change, relative to other stakeholders. Many candidates did not show the extent to which one stakeholder is more powerful or more likely than the others to cause change in the business. One particularly successful approach was the use of a series of scenarios related to the business, eg deciding whether to stop selling a product or service. The candidates then had to rank the stakeholders in the order of the likelihood of their views being taken into account. Candidates then justified their ranking decisions using evidence gained from the study of their chosen business. Candidates must evaluate the influence, ie the order of importance of the stakeholders' influence.

STRAND B

- B1** Candidates tended to briefly describe the roles of three people in the business, ie what they actually do. Frequently, there was little differentiation of levels of responsibility. For example, they would describe a till operator, a shelf stacker and a cleaner rather than a manager, a supervisor and operative. Assessors should refer to page 76 of the Guidance for Teachers. Candidates must explain key responsibilities; tasks/activities; job security; decision-making and problem solving; skills, qualifications and personal qualities required; related pay and benefits.
- B2** Candidates are required to explain the content of the contract of employment for one of the three people described in B1. However, many candidates gave generic explanations and did not relate the contract to one of the three people described in B1. Conversely, many candidates submitted a completed contract without explaining it. In order to achieve B2, candidates must explain each section of the contract of employment. It would be helpful if candidates included a copy of the contract of employment with their explanations.
- B3** The evaluation of the contract tended to be seen only from the employee's standpoint. Candidates failed to evaluate how well the contract met the needs of the business. Changes to the contract of employment were suggested but not justified. Candidates should clearly explain the purpose of the changes and how they would help the employee and the business. Many candidates who attempted an evaluation tended to describe how the contract was perfect and then recommended changes which contradicted this view.

Candidates should give positive and negative features for the business and the employees, eg ways in which the contract is good/not helpful to the business/employees; ways in which the contract could be improved with reasons.

STRAND C

- C1** Candidates were able to clearly describe the rights of employees but often failed to use examples from the selected business. A description of the rights of employers was frequently omitted. Weaker candidates produced generic descriptions, with no reference to the selected business or listed rather than described. A useful format is:
employers should ... this means that ... for example ...
employees should ...this means that ... for example ...
- C2** The evidence for this criterion was generally weak. The grievance procedure was often included but not clearly explained in the selected business, nor the influences of trade unions and ACAS. Some candidates provided generic explanations or the procedures used to resolve disagreements were outside the context of their selected business. Where procedures were explained for resolving disagreements, candidates usually neglected to use examples from the business to show how these worked in practice. The use of scenarios could help candidates to achieve this criterion, eg pay, equal opportunities issues, lateness to work, bullying. The inclusion of a flowchart would support the explanation.
- C3** Candidates experienced difficulty in evaluating the extent to which their business ensures good working relationships; possibly because they had limited observations and information to which they could refer to. Some candidates outlined how different employers looked after their employees, but forgot to evaluate – why do they do it and what does it achieve in the long run?

Working relationships proved to be a difficult concept for some candidates who discussed rather than evaluated relationships in a broader way than was asked for in C3. Often candidates described what the employers did in order to try to establish good working relationships. They rarely evaluated these actions, eg using a survey to find out whether they worked. Issues could include absenteeism, staff turnover, pay, working conditions, fringe benefits, regular training, regular appraisals, detailed contracts, bonuses, company pension schemes, discounts, free admission, clear grievance procedure, no records of ACAS involvement, suggestion boxes.

STRAND D

- D1** Many candidates produced flowcharts with no description of what happened at each stage. Many candidates who did describe the recruitment process failed to describe the selection process. Some candidates produced textbook theory, with very little application to the selected business.
- D2** Those candidates, who described in detail the recruitment and selection process for the selected business in D1, were able to explain why the business used the procedures, together with relevant legislation. Candidates must explain why each stage of the process is used by the selected business, eg why Sainsburys does this, how does the business carry out this part of the process.
- D3** Many candidates struggled to evaluate the effectiveness of the recruitment and selection process. They suggested improvements to procedures but tended not to recommend improvements to documentation. The inclusion of copies of recruitment documentation

would facilitate the evaluation and suggested improvements. Few candidates gave evidence to support evaluation such as turnover of staff, number of people responding to advertisements, number of vacancies, on-line application forms.

STRAND E

- E1** Many candidates did not demonstrate an understanding of the training and appraisal processes related to the selected business and generic descriptions were frequently provided. Candidates should have described the process that their chosen business follows for each of the five bullet points - not merely stating why training and appraisals are carried out in the business. Many candidates only covered one or two of the bullet points, demonstrating very little understanding of how training and appraisal were conducted within their chosen business.
- E2** As a result of the weak evidence for E1, E2 evidence was generally poor. Many candidates only commented on how training helped people work more effectively and not how it helped maintain a safe and secure working environment. Generic explanations were frequently produced, rather than an analysis of the effectiveness of procedures. An effective approach was to use headings, eg appraisal and performance review – advantages and disadvantages. Another approach is to use headings as per the five bullet points and analyse under subheadings, eg how this helps people to do their jobs better; how this helps people to do their jobs more safely.
- E3** Where E1 and E2 evidence was weak, candidates did not provide sufficient evidence for E3. They struggled to improve on the training procedures because they had often covered all possibilities in their textbook responses to E1. In some Centres, candidates tended to include the same improvements. Generally, suggestions were not built on the analysis in E2 or were not justified. Alternative or additional procedures were required which might improve the effectiveness of employees and the safety of the working environment. Unrealistic suggestions were made by some candidates.

STRAND F

- F1** Generally, candidates provided a great deal of evidence to describe the rights of customers under consumer law, but failed to identify the features within their chosen business which contributed towards good customer service. Some candidates identified the features within the business which contributed towards good customer service but failed to describe the rights of customers under consumer law. Both sections of this criterion must be evidenced.
- F2** Many candidates did not identify the needs and expectations of the customers. They, therefore, could not analyse how effectively needs and expectations were being met by the customer service provision. Some candidates who were successful analysed the results of their questionnaires. Others awarded marks out of ten for a range of features, based on their own experiences of/visit to the business.
- F3** Candidates must build on their analysis in F2 to suggest and justify ways in which the customer service provision could be improved to further meet the needs and expectations of customers. Insufficient knowledge of the business prevented some candidates from suggesting improvements to customer service, except in a generic way. Frequently, suggestions made were not linked to improving the ability of the business to meet the needs and expectations of customers. Some candidates visited competitors of the business to obtain ideas for improvement.

Recommendations to Centres

- Please adhere to deadlines for submitting MS1 forms and candidate work to the appointed Moderator.
- Please ensure that a completed Centre Authentication Form, CCS160, is included with candidate portfolios for each of units 4863 and 4864.
- Please ensure that marks entered on MS1 forms match the marks awarded on the Unit Recording Sheet.
- Please ensure that the total marks for all strands of a unit are correctly totalled on the Unit Recording Sheet.
- Please ensure that all sections of the Unit Recording Sheet have been completed accurately including candidate number, Centre number, teacher comments and the location of evidence.
- Where there are 10 or fewer candidates for any unit, send all the candidate portfolios with the MS1 forms to the Moderator.
- Where assignments are used, please ensure that they meet the requirements of the banner and the assessment criteria for the unit.
- If used, please include copies of assignment briefs with the candidate work.
- Please ensure that the businesses being investigated enable candidates to achieve the requirements of all the assessment criteria within a unit.
- Assessment decisions for each strand within each unit must be made using the Determining the Mark grids (see attached).
- Care must be taken during assessment to ensure that evidence comprises theoretical concepts applied to the business being investigated. Textbook theory alone does not constitute evidence.
- Assessors and candidates must fully understand the meaning and use of the trigger words within the assessment criteria, eg identify, describe, explain, compare, analyse and evaluate.
- Assessors should provide clear written feedback to candidates, including what has and what has not been achieved, additional evidence requirements and a submission date.
- Candidates should be encouraged to adopt a structured approach to their work and present evidence clearly, eg use of headings, page numbers and a contents sheet.
- Please include page numbers within the location section of the Unit Recording Sheet.
- Please encourage the use of Assessor annotation of candidate work.
- Please ensure that Assessors check the authenticity of the evidence. Pages downloaded from the Internet do not constitute evidence.
- Ensure that internal moderation is carried out prior to external moderation.

Report on the Units taken in January 2008

Specification: GCSE in Applied Business (1491)
Unit 4863 – Investigating businesses Determining the mark

Criterion	Breadth of coverage						Depth of coverage			
a1	1	Candidate <i>describes one</i> feature for each chosen business or <i>describes two</i> features for one chosen business	2	Candidate <i>describes two</i> features for each chosen business or <i>describes four</i> features for one chosen business	3	Candidate <i>describes three/four</i> features for each chosen business	4	Qualitative judgement mark		
a2	5	Candidate <i>compares one/two</i> features of their chosen businesses	6	Candidate <i>compares three/four</i> features of their chosen business			7	Qualitative judgement mark		
a3	8	Candidate <i>suggests AND justifies</i> changes that both businesses could make in relation to one/two features or one business could make in relation to four features in order to be more effective	9	Candidate <i>suggests AND justifies</i> changes that both businesses could make in relation to three/four features in order to be more effective			10	Qualitative judgement mark		
b1	1	Candidate <i>describes</i> work carried out by one functional area of one of their chosen businesses or <i>lists</i> the work carried out by two/three functional areas.	2	Candidate <i>describes</i> work carried out by two functional areas of the same chosen business	3	Candidate <i>describes</i> work carried out by three functional areas of the same chosen business	4, 5, 6	Qualitative judgement marks		
b2	7	Candidate <i>explains</i> , using examples, how two of the functional areas work together within the chosen business.	8	Candidate <i>explains</i> , using specific examples, how three of the functional areas work together within the chosen business			9, 10	Qualitative judgement marks		
b3	11	Candidate <i>evaluates</i> effectiveness of two functional areas working together in achieving business aims and objectives	12	Candidate <i>evaluates</i> effectiveness of three functional areas working together in achieving business aims and objectives			13	Qualitative judgement mark		
c1	1	Candidate <i>describes one</i> feature of one of their chosen businesses (written/oral/ICT communicate/ICT operate)	2	Candidate <i>describes two</i> features of the same chosen business	3	Candidate <i>describes three</i> features of the same chosen business	4	Candidate <i>describes four</i> features of the same chosen business	5, 6, 7	Qualitative judgement marks
c2	8	Candidate <i>analyses</i> communication methods used by their chosen business in relation to one stated bullet point (within a functional area, between functional areas and external) or looks at three stated bullet points from a purely generic perspective	9	Candidate <i>analyses</i> communication methods used by their chosen business in relation to two stated bullet points	10	Candidate <i>analyses</i> communication methods used by their chosen business in relation to three stated bullet points	11, 12	Qualitative judgement marks		
c3	13	Candidate <i>suggests AND justifies</i> alternatives in relation to one stated bullet point	14	Candidate <i>suggests AND justifies</i> alternatives in relation to two/three stated bullet points			15	Qualitative judgement mark		

Report on the Units taken in January 2008

d1	1	Candidate <i>identifies</i> the main external influences on both chosen businesses in relation to one aspect or <i>identifies</i> the main external influences on one chosen business in relation to two aspects	2	Candidate <i>identifies</i> the main external influences on both chosen businesses in relation to two aspects or <i>identifies</i> the main external influences on one chosen business in relation to three aspects	3	Candidate <i>identifies</i> the main external influences on both chosen businesses in relation to three aspects	4, 5	Qualitative judgement marks
d2	6	Candidate <i>explains</i> impact of change on both chosen businesses in relation to one aspect or <i>explains</i> the impact of change on one chosen business in relation to two aspects	7	Candidate <i>explains</i> impact of change on both chosen businesses in relation to two aspects or <i>explains</i> the impact of change on one chosen business in relation to three aspects	8	Candidate <i>explains</i> impact of change on both chosen businesses in relation to three aspects	9	Qualitative judgement mark
d3	10	Candidate <i>suggests AND justifies</i> responses to changes in external influences for both chosen business in relation to one/two aspects or <i>suggests AND justifies</i> changes in external influences for one chosen business in relation to three aspects	11	Candidate <i>suggests AND justifies</i> responses to changes in external influences for both chosen businesses in relation to three aspects			12	Qualitative judgement mark

Specification: GCSE in Applied Business (1491)
Unit 4864 – People in Business Determining the mark

Criterion	Breadth of coverage					Depth of coverage		
a1	1	Candidate <i>identifies</i> at least three relevant stakeholders in the chosen business	2	Candidate <i>identifies</i> at least six relevant stakeholders in the chosen business			3	Qualitative judgement mark
a2	4	Candidate <i>explains</i> the nature of the interest that at least three stakeholders have in the chosen business	5	Candidate <i>explains</i> the nature of the interest that at least six stakeholders have in the chosen business				
a3	6	Candidate <i>evaluates</i> the extent to which at least three stakeholders have an influence on the chosen business and how it operates	7	Candidate <i>evaluates</i> the extent to which at least six stakeholders have an influence on the chosen business and how it operates				
b1	1	Candidate <i>describes</i> the role(s) of one person within their chosen business	2	Candidate <i>describes</i> the role(s) of two people within their chosen business	3	Candidate <i>describes</i> the role(s) of three people within their chosen business	4	Qualitative judgement mark
b2	5	Candidate <i>explains</i> the content of the contract of employment for one person within the chosen business in relation to BOTH terms and conditions AND working arrangements					6	Qualitative judgement mark
b3	7	Candidate <i>evaluates</i> , using examples, how well the Contract of Employment meets the needs of both the chosen business and the employee AND <i>recommends</i> and <i>justifies</i> suitable changes to the Contract of Employment					8	Qualitative judgement mark
c1	1	Candidate <i>describes</i> the employment rights in a generic context	2	Candidate <i>describes, using examples</i> , the rights of the employer OR the employee within the chosen business	3	Candidate <i>describes, using examples</i> , the rights of the employer AND the employee within the chosen business	4	Qualitative judgement mark
c2	5	Candidate <i>explains, with examples</i> , how the chosen business resolves disagreements with its employees in relation to EITHER employment rights OR working conditions					6/7	Qualitative judgement marks
c3	8	Candidate <i>evaluates</i> the extent to which the chosen business ensures a good working relationship between the employer and the employee					9	Qualitative judgement mark
d1	1	Candidate <i>describes</i> EITHER the recruitment OR selection process used within the chosen business OR generic response on both	2	Candidate <i>describes</i> the recruitment AND selection process used within the chosen business			3	Qualitative judgement mark
d2	4	Candidate <i>explains</i> why the chosen business uses a recruitment and selection process to meet its staffing needs					5/6	Qualitative judgement marks
d3	7	Candidate <i>evaluates</i> the effectiveness of the recruitment and selection process used within the business AND suggests and evaluates one improvement to the documentation AND procedures used within the business for recruitment and selection	8	Candidate <i>evaluates</i> the effectiveness of the recruitment and selection process used within the business AND suggests improvements to the documentation AND procedures used within the business for recruitment and selection				
e1	1	Candidate <i>describes</i> the procedure(s) that the chosen business uses for one/two aspects. Also three aspects described generically	2	Candidate <i>describes</i> the procedure(s) that the chosen business uses for three aspects. Also all five described generically.	3	Candidate <i>describes</i> the procedure(s) that the chosen business uses for four aspects	4	Candidate <i>describes</i> the procedure(s) that the chosen business uses for all five aspects

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e2	5	Candidate <i>analyses</i> how the given procedures enable people within the chosen business to perform their jobs well OR in a safe environment	6	Candidate <i>analyses</i> how the given procedures enable people within the chosen business to perform their jobs well AND in a safe environment	7	Qualitative judgement mark		
e3	8	Candidate <i>suggests AND justifies</i> alternative or additional procedures which might improve the effectiveness of employees OR the safety of the working environment within the chosen business	9	Candidate <i>suggests AND justifies</i> alternative or additional procedures which might improve the effectiveness of employees AND the safety of the working environment within the chosen business				
f1	1	Candidate <i>describes</i> the rights of customers under consumer law OR identifies at least three features within the chosen business which contributes towards good customer service	2	Candidate <i>describes</i> the rights of customers under consumer law AND identifies at least three features within the chosen business which contributes towards good customer service	3	Candidate <i>describes</i> the rights of customers under consumer law AND identifies at least five features within the chosen business which contributes towards good customer service	4	Qualitative judgement mark
f2	5	Candidate <i>analyses</i> how one aspect of customer service provision within the chosen business meets the needs and expectations of its customers	6	Candidate <i>analyses</i> how two and above aspects of customer service provision within the chosen business meets the needs and expectations of its customers	7	Qualitative judgement mark		
f3	8	Candidate <i>suggests AND justifies</i> ways in which the customer service provision within the chosen business could be improved to further meet the needs and expectations of its customers			9	Qualitative judgement mark		

4865 Business Finance

General comments

Most candidates made an attempt at all the questions on the paper and there were some very full and competent answers. There was clear evidence that most Centres are familiar with the specification and have prepared their candidates fully; however, some candidates had clearly entered the examination room without a **pen** or **calculator**. Calculators are identified as required additional materials on the examination paper. Centres need to ensure that all candidates are suitably equipped to enable them to reach their highest potential.

Whilst the majority of candidates related their answers to the context of the questions, Centres still need to do a lot of work to prepare candidates to more effectively answer the longer questions which are assessed using a level of response mark scheme. There was evidence that where Centres have done this, the structure and style of candidate responses allowed them to access the higher marks. Candidates must be reminded to make good use of the stimulus material which is provided within the question paper, either within the text boxes themselves, as bullet points within the question or from practical questions completed by the candidate. This information has been provided for the purpose of aiding weaker candidates to tackle questions requiring them to demonstrate the higher level skills of analysis, evaluation and supported judgement. Some weaker candidates are still using bullet-pointed lists which, in the main, cannot be awarded marks as they do not **describe, analyse** or **explain** as required by the stem of the question.

In general the practical questions were handled well, especially the cashflow forecast. Fewer candidates were able to complete the balance sheet accurately. Most candidates were able to enter the figures but were unaware of the correct process for constructing a balance sheet. The break-even graph was attempted by a high proportion of candidates, many gained full marks for the calculations of costs and revenues but they were unable to transfer the data accurately into a graphical format. However, the majority of candidates were still unable to **interpret** what they had calculated. Most are able to pick out the key trends from documents but are then unable to develop their analysis. Many Centres are teaching 'key phrases' for candidates to use which are often helpful but occasionally misused by weaker candidates and there is evidence that these can sometimes restrict the development of independent analysis within the given context. Some candidates still do not put the examination date when required to enter **today's date**.

As previously reported the ICT question generated mainly generic answers which were not rewarded in the mark scheme as fewer marks than usual were available and the question required an 'applied' response related to the production of a business plan.

Performance overall was similar to previous sessions but there is clearly some outstandingly good work being done in Centres and this is to be applauded. However, to gain the higher grades, Centres must continue to develop the higher order skills of analysis and evaluation.

Comments on Individual Questions

Question 1

The invoice was filled exceptionally well with the vast majority of candidates able to calculate VAT correctly. Unfortunately, there were some who then took this away rather than add to get the Total. The major error by candidates was to omit the Delivery Note Number. Question 1(b) was well answered by better candidates but some others answered from the perspective of the Delivery Note and Purchase Order, rather than the Invoice.

Question 2

In part (a) of this question candidates were required to identify the errors on a cheque. Most picked up the date, the misspelling of the name and the written value. Some candidates were under the impression that the other errors were '68p being expressed in numbers' and the fact that 'only' was not included at the end of the written amount. This meant that the lack of signature was often missed.

Part (b) required candidates to identify the consequences of the errors identified and then analyse and evaluate their effects. Those who had performed well in part (a) were able to gain good marks. Some gave incorrect answers; the most common being that the cheque would be presented to the bank and that some one else would get Les McGovern's money.

The Petty Cash Voucher, part (c), was answered well by all candidates with the most common mistake being the voucher number which many identified as 58 and 59. Pleasingly many candidates did not sign the voucher as they were merely asked to fill in as it was to be authorised by Jules Desave.

Many candidates were able to identify the reasons why it was important to fill in a Petty Cash Voucher, but few were able to explain these in sufficient detail. Some confused a Petty Cash Voucher with budgets and answered the question accordingly.

Question 3

Nearly every candidate managed to gain full marks in part (a). However, their knowledge of leasing and venture capital as sources of finance and their suitability for the start-costs of R-Ecoil was limited and this was reflected in imaginative but incorrect answers.

Those candidate who were able to gain credit in part (b) also generally understood the benefits of government grants.

Centres are urged to cover all the sources of finance detailed in the specification and to supplement their knowledge of these with suitability for certain business situations.

Question 4

The majority of candidates were able complete the table of costs and revenues as required in part (a). However, plotting this was completed with some difficult. The major problems being, the lines not starting from the correct place on the cost and revenue axis, which was generally incorrectly labelled and some candidates wrongly labelled the total costs line variable costs. Many candidates identified the correct break-even point which was given if the table was correctly completed; however, some calculated it using the formula even when they had accurately created the graph. This wasted valuable time.

In part (d) candidates were asked to discuss the likely effect of a rise in van hire cost of £50 on both break-even and the business as whole and many gained three marks but were unable to

gain the final mark through a lack of evaluation. Most candidates stated the break-even would rise and more would have to be sold or fixed cost would rise or profit would be more difficult to achieve. Some perceptive candidates were able to realise that the break-even point was near the imagined capacity and evaluate the resultant effects.

Many candidates were able to identify ways in which a budget would help to control costs at R-Ecoil but were unable to explain why this was the case. There was much repeating of ways for which credit was not given.

Part (f) was poorly answered with very few candidates gaining full marks. They were required to relate ICT to the production of a business plan and most ignored the context when constructing their response. Most answers were vague, lacked content and related to hardware which was not credited.

Tip for teachers:

Candidates must learn to develop their answers to ICT-based questions in order to explain what it is about using a computer which improves an organisation's performance or efficiency. Get them to create a cash-flow forecast on the computer using formulae and then change some figures for 'what if' scenarios so that they can experience for themselves how useful it is. They could then delete the figures (keeping the formulae) and turn it into a template to use again. They must also be aware that generic advantages and disadvantages are never given credit as this is a vocational award and candidates must always look for the context in the question.

Question 5

In part (a) candidates were comfortable commenting on the use of a Forecast Profit and Loss Statement but found it difficult to then relate it to a potential investor. Those who gained good marks on this question were also able to comment on the limitations of the investor merely using the Forecast Profit and Loss Statement and the need to look at Cash-flow, etc.

Those candidates who had been taught to construct a balance sheet gained full marks. Many candidates were able to put in the straight forward amounts, eg fixed assets but were unable to perform the calculations which would enable Total Net Assets to equal the Capital Employed. Candidates need to be prepared for this difficult area.

Question 6

Pleasingly most candidates were able to gain full marks when completing the cash flow forecast. This is an area which has improved each session.

In part (b), many candidates gained little credit because they were under the impression that the cash flow forecast indicates profit and loss. Candidates were unable, therefore, to suggest valid information from the forecast which would support the need for short-term finance.

Candidates must be taught to analyse cash-flows and liquidity, as this will enable them to respond to this type of frequently asked question.

Some candidates were able to identify a way in which R-Ecoil could improve its cash flow but were vague when this was being explained. A significant number of candidates misguidedly thought that extending the forecast's number of months would be sufficient.

Part (d) was specifically aimed at the higher achievers, although all candidates should have been able to gain at least half marks with a low-level, though targeted response. Similar to part (b), candidates insisted on focussing on profit and loss when using information from the cash-flow forecast which, again gained no credit. Many did not follow the instructions and look at **any other financial information** which limited access to the full range of marks.

There were a small number of candidates who used the information supplied in the cash-flow forecast, break even chart, the balance sheet and their own ideas but who were still unable to respond effectively to this question. Candidates need further practice in developing their skills at responding to this type of question and especially interpreting the information from a variety of sources.

Tip for teachers:

Give your candidates a head-start by trying to ensure that they enter the examination room with pens, pencils, ruler and calculator.

Encourage candidates not to be restricted by the space left for their answer as there is always space at the back of the answer booklet and examiners **always** look to see if this has been used.

Tip for teachers:

Candidates need to learn how to structure an answer which takes knowledge, applies it to a given context, analyses information (usually numerical data) and forms a judgement or evaluates a likely outcome based on their analysis. It is also very good practice to summarise the outcome using terms such as, 'therefore, I conclude that they should go ahead because..., I think it will be successful because..., if X does decide to go ahead it is likely to be successful but there is always the possibility that...'. Such practice is far more likely to aid candidates to develop a response which hits Level 3 and, therefore, the highest possible mark range.

Grade Thresholds

General Certificate of Secondary Education
Applied Business (Specification Code 1491)
January 2008 Examination Series

Unit Threshold Marks

Unit		Maximum Mark	A*	A	B	C	D	E	F	G	U
4863	Raw	50	47	41	34	28	23	18	13	8	0
	UMS	100	90	80	70	60	50	40	30	20	0
4864	Raw	50	47	41	35	29	24	19	14	9	
	UMS	100	90	80	70	60	50	40	30	20	0
4865	Raw	100	85	75	65	56	49	42	36	30	0
	UMS	100	90	80	70	60	50	40	30	20	0

Specification Aggregation Results

Overall threshold marks in UMS (i.e. after conversion of raw marks to uniform marks)

	Maximum Mark	AA*	AA	BB	CC	DD	EE	FF	GG	UU
1491	360	270	240	210	180	150	120	90	60	0

The cumulative percentage of candidates awarded each grade was as follows:

	AA*	AA	BB	CC	DD	EE	FF	GG	UU
1491	0	11.11	22.22	55.56	74.07	85.19	96.30	100	100

27 candidates were entered for aggregation this series

For a description of how UMS marks are calculated see:

http://www.ocr.org.uk/learners/ums_results.html

Statistics are correct at the time of publication.

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