

# **Applied Business (Double Award)**

General Certificate of Secondary Education 1491

## **Report on the Units**

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**June 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 June 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. 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 June 2008 which Centres need to consider in preparation for the January 2009 session are as follows:

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 command words within the assessment criteria, eg explain, compare, analyse, evaluate.
- assessors must ensure that the selected businesses provide candidates with the opportunity to access all of 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 covered fully enough 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 attain higher marks within the mark range.
- 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 sessions 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 will be greatly enhanced.

# **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 which 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.

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 comments and 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 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 June 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, 83, 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 command 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.

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

Report on the Units taken in June 2008

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

**Specification: GCSE in Applied Business (1491)**  
**Unit 4864 - People and Business Determining the mark**

Criterion	Breadth of coverage				Depth of coverage			
a1	1	Candidate <i>identifies</i> at least <b>three</b> relevant stakeholders in the chosen business	2	Candidate <i>identifies</i> at least <b>six</b> relevant stakeholders in the chosen business		3	Qualitative judgement mark	
a2	4	Candidate <i>explains</i> the nature of the interest that at least <b>three</b> stakeholders have in the chosen business	5	Candidate <i>explains</i> the nature of the interest that at least <b>six</b> stakeholders have in the chosen business				
a3	6	Candidate <i>evaluates</i> the extent to which at least <b>three</b> stakeholders have an influence on the chosen business and how it operates	7	Candidate <i>evaluates</i> the extent to which at least <b>six</b> stakeholders have an influence on the chosen business and how it operates				
b1	1	Candidate <i>describes</i> the role(s) of <b>one</b> person within their chosen business	2	Candidate <i>describes</i> the role(s) of <b>two</b> people within their chosen business	3	Candidate <i>describes</i> the role(s) of <b>three</b> people within their chosen business	4	Qualitative judgement mark
b2	5	Candidate <i>explains</i> the content of the contract of employment for <b>one</b> person within the chosen business in relation to <b>BOTH</b> terms and conditions <b>AND</b> 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 <b>AND recommends and justifies</b> 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 <b>OR</b> the employee within the chosen business	3	Candidate <i>describes, using examples</i> , the rights of the employer <b>AND</b> 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 <b>EITHER</b> employment rights <b>OR</b> 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> <b>EITHER</b> the recruitment <b>OR</b> selection process used within the chosen business <b>OR</b> generic response on both	2	Candidate <i>describes</i> the recruitment <b>AND</b> 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 <b>AND</b> suggests and evaluates <b>one</b> improvement to the documentation <b>AND</b> 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 <b>AND</b> suggests improvements to the documentation <b>AND</b> procedures used within the business for recruitment and selection				



Report on the Units taken in June 2008

e1	1	Candidate <i>describes</i> the procedure(s) that the chosen business uses for <b>one/two</b> aspects. Also three aspects described generically	2	Candidate <i>describes</i> the procedure(s) that the chosen business uses for <b>three</b> aspects. Also all five described generically.	3	Candidate <i>describes</i> the procedure(s) that the chosen business uses for <b>four</b> aspects	4	Candidate <i>describes</i> the procedure(s) that the chosen business uses for <b>all five</b> aspects		
e2	5	Candidate <i>analyses</i> how the given procedures enable people within the chosen business to perform their jobs well <b>OR</b> in a safe environment			6	Candidate <i>analyses</i> how the given procedures enable people within the chosen business to perform their jobs well <b>AND</b> 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 <b>OR</b> 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 <b>AND</b> the safety of the working environment within the chosen business				
f1	1	Candidate <i>describes</i> the rights of customers under consumer law <b>OR identifies</b> at <b>least three</b> features within the chosen business which contributes towards good customer service	2	Candidate <i>describes</i> the rights of customers under consumer law <b>AND identifies</b> at <b>least three</b> features within the chosen business which contributes towards good customer service	3	Candidate <i>describes</i> the rights of customers under consumer law <b>AND identifies</b> at <b>least five</b> features within the chosen business which contributes towards good customer service			4	Qualitative judgement mark
f2	5	Candidate <i>analyses</i> how <b>one</b> aspect of customer service provision within the chosen business meets the needs and expectations of its customers			6	Candidate <i>analyses</i> how <b>two and above</b> 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 **pens** or **calculators**. Calculators are identified as required additional materials on the exam 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 within the mark scheme. There was evidence that where Centres have done this the structure and style of candidate responses allowed them to attain 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 cash-flow forecast. Fewer candidates were able to complete the profit and loss and invoice accurately. Most candidates were able to enter the figures in the expenses section of the profit and loss forecast but were unaware of the correct process for constructing the net and gross profit. Labelling the break-even graph was attempted by a high proportion of candidates however many candidates failed to gain full marks for labelling the axis correctly. However, the majority of candidates are still unable to **interpret** what they have 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 financial documents and a comparison to manual methods.

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**

Part (a) was answered well by the majority of candidates; however, some identified the date as being incorrect, or did not manage to identify appropriate comments or used the incorrect date.

In part (b) an invoice had to be completed. The invoice was filled exceptionally well with a vast majority of candidates able to calculate VAT correctly. Unfortunately, there are some candidates who then subtract this figure rather than add to get the total.

In part (c) candidates were asked to add two documents that may flow between Lovely Linen Ltd and the Bike Shed. These had to be in order and be those that occurred after an invoice. Some candidates had no idea of the further documents, some misread the question and although the documents were correct they were in the wrong order and some are under the impression that a Goods Received Note is used in the flow. That being so this type of question was answered much better than in previous sessions.

In part (d) candidates were asked to state reasons for the inclusion of reference numbers on documents and their uses in the flow of documents in financial transactions. This question was poorly answered with candidates unable to allude to, for example, tracking and identification of the correct documents. Those candidates who attempted this question often repeated their responses.

### **Question 2**

In part (a) of this question candidates were required to fill in a credit card voucher. This was well answered by all candidates. The main errors were lack of date or the wrong date and some candidates included the incorrect card number.

Part (b) required candidates to identify and explain the advantages of Roy using a credit card to pay for his purchases. Many candidates were able to answer the question from the security and flexible payment direction. However, there are still some candidates who still confuse credit and debit cards and some who have limited knowledge of this method of payment.

### **Question 3**

The majority of candidates managed to gain full marks in part (a). However, some thought that administration was revenue item and a very small minority of candidates completely confused costs and revenues.

In part (b) many candidates were able to identify relevant sources of finance for the new equipment, however, these were not always explained in sufficient contextual detail. Some candidates still use methods of payment, such as direct debit or credit card, as sources of finance. This is incorrect and gains no credit.

Centres are urged to cover all the sources of finance covered in the specification and to supplement the straight knowledge of these with when they are suitable for certain business situations.

### **Question 4**

The majority of candidates were able calculate the break-even formula as required in part (a). However, some used a £ sign at the beginning of the correct answer for which credit was not given. The answer was 2000 units not £2000.

In part (b) candidates were asked to use the information calculated in part (a) to inform on the likely success of the Bike Shed outlet to a new franchisee. This question was answered poorly. Many candidates answered at the lowest level merely describing the features of a break-even point. Some were able to use the break-even point calculated in part (a) but were unable to expand this much further. This meant that candidates did not use this information to explain the significance to new franchisees.

In part (c) candidates had to label a generic break-even chart. Most candidates were able to identify fixed costs, some confused the total cost and total revenue lines and many candidates were unable to label the axis correctly.

### **Question 5**

In part (a) candidates were asked to construct a profit and loss statement. Those candidates who had been fully taught to construct a profit and loss statement gained full marks. Many candidates were able to put in the straight forward amounts e.g. expenses but were unable to perform the calculations that would enable Gross and Net Profit. Candidates need to be prepared for this difficult area.

In part (b) candidates were asked to use the information in the forecast profit and loss statement to demonstrate the usefulness of the document when deciding the successfulness of the business venture. At level 1 most candidates were able to identify the features of a forecast profit and loss statement. However, only a minority were able to use this information to analyse and evaluate the use of the profit and loss statement in the decision making process. This is an area which needs developing as candidates struggle to use a context in this type of question.

In Part (c) candidates were asked to identify reasons why the revenue and expenses budget might change in the future. This was generally well answered as candidates were able to contextualise the use of budgets. For example, that revenue may rise or fall and give relevant reasons or that inflation may cause prices to rise and this will affect the expenses budget.

### **Question 6**

In part (a) candidates were asked to classify some balance sheet items. This was particularly poorly answered by candidates who generally mixed up the correct placement of overdraft and debtors. It was clear that some candidates were unaware of balance sheet items and merely guessed.

This lack of knowledge lead to candidates performing poorly in part (b) where they were asked to give reasons for the usefulness of a balance sheet for the franchisee.

Candidates find constructing balance sheets difficult to understand and application of the information into a business context confusing. Centres are advised that they need to concentrate on this area by using case studies and past papers to give candidates experience of answering questions in this frequently examined area.

### **Question 7**

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

Even so many candidates failed to be able to transfer this practical knowledge to the other parts of this question. In part (b) candidates were required to indicate the amount of initial finance that would be required to start to operate the Bike Shed outlet. This answer is the highest closing balance figure. Some candidates were able to give the answer £7900, some pleasingly rounded the figure up because they realised that businesses would rarely borrow an uneven amount.

Candidates failed to gain full credit because they were unable to explain why this figure was important.

In part (c) 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 usefulness of a cash-flow forecast. Many candidates answered the question from a generic perspective which gained no credit and were unable to use the completed forecast to support their evaluation.

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

There were a small number of candidates who used the information supplied in the cash-flow forecast, break-even chart, the balance sheet and forecast profit and loss statement and their own ideas who were able 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.

### **Question 8**

Many candidates were able to respond to this question from the ICT perspective. They identified the use of automatic calculation and the use of recalculation or the ability to produce a professionally looking financial forecast but most were unable to access the higher marks because this was not compared to manual methods. Some candidates assumed that ICT would be more accurate than manual methods when both are prone to human error.

This question exemplifies the need for centres to get candidates to read the question and answer accordingly. ICT questions are always in a context, in this case relating to financial forecasting and comparing ICT with manual systems, and to gain the higher levels candidates must use these aspects in their response.

#### **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. They need 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.

#### **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.

#### **Tip for teachers:**

Candidates still 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 the Level 3 and, therefore, the highest possible mark range.

# Grade Thresholds

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

## Component Threshold Marks

## Component Threshold Marks

Unit		Max Mark	A*	A	B	C	D	E	F	G	U
4863	Raw	50	47	42	36	30	25	20	15	10	0
	UMS	100	90	80	70	60	50	40	30	20	0
4864	Raw	50	47	42	36	31	26	21	16	11	0
	UMS	100	90	80	70	60	50	40	30	20	0
4865	Raw	100	87	78	68	59	51	43	36	29	0
	UMS	100	90	80	70	60	50	40	30	20	0

## Entry Information

Unit	Total Entry
4863	4342
4864	4790
4865	4279

## Specification Aggregation Results

Grade	A*A*	A*A	AA	AB	BB	BC
UMS	270	255	240	225	210	195
Cum %	1.69	3.90	9.16	15.85	27.03	37.83

Grade	CC	CD	DD	DE	EE	EF	FF	FG	GG	U
UMS	180	165	150	135	120	105	90	75	60	0
Cum %	51.34	60.34	67.66	73.26	78.29	83.06	87.99	92.10	95.83	100

There were 5317 candidates aggregating this series.

For a description of how UMS marks are calculated see:  
[http://www.ocr.org.uk/learners/ums\\_results.html](http://www.ocr.org.uk/learners/ums_results.html).

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