OCR
RECOGNISING ACHIEVEMENT

GCSE

Applied Business (Double Award)

Report on the Units

January 2009

CONTENTS

GCSE Applied Business (1491)

REPORT ON THE UNITS

Chief Examiner's Report

Reports by the Principal Examiner and Principal Moderator for the January 2009 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 series 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 were available in the autumn term. These provided teachers with exemplar materials and useful feedback from the moderation and examination series. They also provided the opportunity to discuss specific issues that may have arisen from teaching and learning within the qualification. The coursework consultancy service is also available to all centres.

INSET courses for the new GCSE Applied Business (Single Award) and GCSE (Double Award) are available in the autumn and spring terms, in preparation for first teaching in September 2009.

The main issues from January 2009 which Centres need to consider in preparation for the June 2009 series are as follows:

For the coursework units:

- Centres must send portfolio marks to the allocated moderator (please refer to the OCR Administrative Guide 5.2).

- 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:

- Centres must ensure that candidates are suitably equipped with pens and calculators when entering the examination room.

- Whilst each series 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.

- 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 series 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 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 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.

When portfolio marks are submitted via OCR Interchange, the centre must print a copy of the mark sheet (MS1) and send it to their allocated moderator. When submitting portfolio marks via EDI the centre must print a copy of the EDI file and sign it before sending to the allocated moderator. Ensure that the centre number is clearly marked on the hard copy. (Please refer to the OCR Administration Guide 5.2).

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, emboldening, 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.

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 <u>identified</u> features rather than <u>described</u> 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 <u>and</u> 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 <u>justify realistic</u> 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 <u>one</u> 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 <u>effectively</u> 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 <u>working together</u> 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 <u>proving</u> 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 <u>describe</u> 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 <u>operate</u>, 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 <u>impact</u> 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 <u>impact</u> 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 <u>justify</u> 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 <u>operates</u>. 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 <u>explain</u> the content of the contract of employment <u>for one of the three people described in B1</u>. 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 <u>explaining it</u>. 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 <u>and</u> 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 <u>Determining the mark</u>

Criterion	Breadth of coverage								Depth of coverage	
a1	1	Candidate *describes* **one** feature for **each** chosen business or *describes* **two** features for **one** chosen business	2	Candidate *describes* **two** features for **each** chosen business or *describes* **four** features for **one** chosen business	3	Candidate *describes* **three/four** features for **each** chosen business			4	Qualitative judgement mark
a2	5	Candidate *compares* **one/two** features of their chosen businesses	6	Candidate *compares* **three/four** features of their chosen business					7	Qualitative judgement mark
a3	8	Candidate *suggests* **AND** *justifies* changes that **both** businesses could made in relation to **one/two** features or **one** business could make in relation to **four** features in order to be more effective	9	Candidate *suggests* **AND** *justifies* 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 *describes* work carried out by **one** functional area of **one** of their chosen businesses or *lists* the work carried out by two/three functional areas.	2	Candidate *describes* work carried out by **two** functional areas of the **same** chosen business	3	Candidate *describes* work carried out by **three** functional areas of the **same** chosen business			4, 5, 6	Qualitative judgement marks
b2	7	Candidate *explains*, using examples, how **two** of the functional areas work together within the chosen business.	8	Candidate *explains*, using specific examples, how **three** of the functional areas work together within the chosen business					9, 10	Qualitative judgement marks
b3	11	Candidate *evaluates* effectiveness of **two** functional areas **working together** in achieving business aims and objectives	12	Candidate *evaluates* effectiveness of **three** functional areas **working together** in achieving business aims and objectives					13	Qualitative judgement mark
c1	1	Candidate *describes* **one** feature of **one** of their chosen businesses (written/oral/ICT communicate/ICT operate)	2	Candidate *describes* **two** features of the **same** chosen business	3	Candidate *describes* **three** features of the **same** chosen business	4	Candidate *describes* **four** features of the **same** chosen business	5, 6, 7	Qualitative judgement marks
c2	8	Candidate *analyses* 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 *analyses* communication methods used by their chosen business in relation to **two** stated bullet points	10	Candidate *analyses* communication methods used by their chosen business in relation to **three** stated bullet points			11 12	Qualitative judgement marks
c3	13	Candidate *suggests* **AND** *justifies* alternatives in relation to **one** stated bullet point	14	Candidate *suggests* **AND** *justifies* alternatives in relation to **two/three** stated bullet points					15	Qualitative judgement mark
d1	1	Candidate *identifies* the main external influences on **both** chosen businesses in relation to **one** aspect or *identifies* the main external influences on **one** chosen business in relation to **two** aspects	2	Candidate *identifies* the main external influences on **both** chosen businesses in relation to **two** aspects or *identifies* the main external influences on **one** chosen business in relation to **three** aspects	3	Candidate *identifies* the main external influences on **both** chosen businesses in relation to **three** aspects			4, 5	Qualitative judgement marks

Criterion		Breadth of coverage					Depth of coverage	
d2	6	Candidate *explains* impact of change on **both** chosen businesses in relation to **one** aspect or *explains* the impact of change on **one** chosen business in relation to **two** aspects	7	Candidate *explains* impact of change on **both** chosen businesses in relation to **two** aspects or *explains* the impact of change on **one** chosen business in relation to **three** aspects	8	Candidate *explains* impact of change on **both** chosen businesses in relation to **three** aspects	9	Qualitative judgement mark
d3	10	Candidate *suggests* **AND** *justifies* responses to changes in external influences for **both** chosen business in relation to **one/two** aspects or *suggests* **AND** *justifies* changes in external influences for **one** chosen business in relation to **three** aspects	11	Candidate *suggests* **AND** *justifies* 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 and Business   Determining the mark

Criterion		Breadth of coverage					Depth of coverage	
a1	1	Candidate *identifies* at least **three** relevant stakeholders in the chosen business	2	Candidate *identifies* at least **six** relevant stakeholders in the chosen business			3	Qualitative judgement mark
a2	4	Candidate *explains* the nature of the interest that at least **three** stakeholders have in the chosen business	5	Candidate *explains* the nature of the interest that at least **six** stakeholders have in the chosen business				
a3	6	Candidate *evaluates* the extent to which at least **three** stakeholders have an influence on the chosen business and how it operates	7	Candidate *evaluates* the extent to which at least **six** stakeholders have an influence on the chosen business and how it operates				
b1	1	Candidate *describes* the role(s) of **one** person within their chosen business	2	Candidate *describes* the role(s) of **two** people within their chosen business	3	Candidate *describes* the role(s) of **three** people within their chosen business	4	Qualitative judgement mark
b2	5	Candidate *explains* 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 *evaluates*, using examples, how well the Contract of Employment meets the needs of both the chosen business and the employee **AND** *recommends* and *justifies* suitable changes to the Contract of Employment					8	Qualitative judgement mark
c1	1	Candidate *describes* the employment rights in a generic context	2	Candidate *describes*, *using examples*, the rights of the employer **OR** the employee within the chosen business	3	Candidate *describes, **using examples**,* the rights of the employer **AND** the employee within the chosen business	4	Qualitative judgement mark
c2	5	Candidate *explains,* **with examples***,* 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 *evaluates* 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 *describes* **EITHER** the recruitment **OR** selection process used within the chosen business **OR** generic response on both	2	Candidate *describes* the recruitment **AND** selection process used within the chosen business			3	Qualitative judgement mark
d2	4	Candidate *explains* why the chosen business uses a recruitment and selection process to meet its staffing needs					5/6	Qualitative judgement marks
d3	7	Candidate *evaluates* 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 *evaluates* 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				

Criterion	Breadth of coverage										Depth of coverage	
e1	1	Candidate *describes* the procedure(s) that the chosen business uses for **one/two** aspects. Also three aspects described generically	2	Candidate *describes* the procedure(s) that the chosen business uses for **three** aspects. Also all five described generically.	3	Candidate *describes* the procedure(s) that the chosen business uses for **four** aspects	4	Candidate *describes* the procedure(s) that the chosen business uses for **all five** aspects				
e2	5	Candidate *analyses* how the given procedures enable people within the chosen business to perform their jobs well **OR** in a safe environment			6	Candidate *analyses* 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	Candidat*e suggests* **AND** *justifies* alternative or additional procedures which might improve the effectiveness of employees **OR** the safety of the working environment within the chosen business			9	Candidat*e suggests* **AND** *justifies* 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 *describes* 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 *describes* 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 *describes* 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 *analyses* how **one** aspect of customer service provision within the chosen business meets the needs and expectations of its customers			6	Candidate analyses 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 *suggests* **AND** *justifies* 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 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 prepare candidates to more effectively answer the longer questions which are assessed using level of response criteria. 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. It must be noted that tense is also important and when writing about, for example, cash-flow forecasts candidates must not presume that the business is already trading.

In general, the practical questions were handled well, especially the cash-flow forecast. Fewer candidates were able to complete the profit and loss and the credit note with sufficient accuracy. 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. With regards to the credit note many candidates were able to complete the calculations but they had included the wrong quantity of rolled oats. This seems to indicate ignorance on the part of the candidates of the purpose of a credit note. 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. The question required an 'applied' response related to the tasks undertaken by the finance department of Logan's Leisure Park and the majority of candidates answered from the perspective of any department.

Performance overall was similar to previous series 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 amongst all candidates.

Comments of individual questions

Question 1

Part (a) was well answered by all candidates with only a minority making mistakes. These were including the invoice number as a mistake and assuming that the date was incorrect.

In part (b) many candidates did not focus upon the relationship between the Delivery Note and the Invoice and this did not allow them to access any marks. Generally this part of the question was poorly answered as candidates were able to identify tracking and linking but they did not expand their answers for the expansion mark.

Part (c) was mechanically well answered. This means that candidates were able to fill in the Credit Note and calculate the sub-total, the resultant VAT and Total correctly; however, these were incorrect because the wrong quantity for rolled oats had been used. Candidates need to be clearer about the purpose of the required financial documents as this will aid their understanding.

Many of the weaker candidates were confused in part (d) and did not focus on the consequences of the errors not being corrected by the Credit Note. At this level answers dealt with the animals being fed the wrong food or similar consequences which had little to do with the aim of the question. More able candidates were able to identify that Logan's Leisure Park would, for example, have overpaid and this could have led to cash-flow problems.

Question 2

Candidates were asked to complete a cheque in part (a) and this was well answered by all candidates. It was pleasing to see that candidates had not fallen into the trap of signing the cheque as has occurred in previous series.

In part (b) candidates were asked to identify the remittance advice note and many were able to do this; however, they then lacked the ability to describe the reason for the sending of this document.

Candidates were able in part (c) to identify and explain the reasons why cash might not have been used to pay suppliers. However, many confused direct debit with debit card and gained no marks. Those candidates that understood the mechanics of direct debit were able to gain maximum credit.

Question 3

In part (a) candidates were asked to explain the advantages of ICT to the finance department of Logan's Leisure Park. They were given two aspects to explore; accuracy and presentation. This part of the question was answered poorly by all candidates because they answered it generically, without specifically using the finance department as the focus.

This point has been highlighted in previous series and Centres do need to take note, otherwise candidates are not going to be able to get credit from a question which is essentially very straightforward.

Part (b) required candidates to explain the disadvantages to the finance department of Logan's Leisure Park in relation to training and security issues. This was answered in a more complete manner than part (a) with most candidates managing to gain one mark for an **explanation** of each bullet point. However, candidates did not gain the full tariff because they **either** did not explain two disadvantages **or** extend one explanation. Eg *staff in the finance department of*

Logan's Leisure Park will need to be trained to use the new computers which will take time and money which the business may not be able to afford.

Candidates in part (c) were given three sources of finance to discuss and then make a recommendation as to the most suitable for the purchase of ICT equipment. Candidates were expected to identify the relevant features of each source and analyse the suitability from which they could then make a justified recommendation. Many candidates were unable to access the higher levels because they **either** only picked one source of finance **or** were unable to relate the given sources of finance to the context of buying ICT equipment.

Centres are urged to cover all the sources of finance detailed in the specification and to supplement the straight knowledge of these with when each is suitable for certain business situations. Centres must train candidates to use all the bullet points when they are given as stimulus and thereby accessing the higher levels.

Question 4

In part (a) candidates were asked to extract information from the Balance Sheet of Logan's Leisure Park. This type of question has not been previously asked in this format and candidates' responses were varied with very few gaining full marks. Traditionally candidates find balance sheets a difficult concept and Centres are recommended to spend time not only creating them from scratch, but also teaching candidates to extract information from them such as total assets, working capital, etc.

Part (b) required candidates to discuss the usefulness of the balance sheet to potential investors and many ignored the context identified in the question. This allowed them only access to the Level 1 marks. This lack of application of context and knowledge lead to candidates performing poorly, with very few gaining Level 3 marks. Candidates were not required, in this case, to use information from the Balance Sheet in Text 4 but higher level candidates could have used this to exemplify their responses.

Question 5

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 5600 visitors not £5600.

Many candidates gained one mark, in part (b) for identifying that 5600 visitors were estimated as being needed for break-even as this was compared against an estimation of 6880 visitors in the Sales Budget. However, many did not explain the significance of this fact **or** some candidates gained no credit as they answered as if Logan's Animal Sanctuary was already trading.

Very few candidates gained full marks in part (c) for exactly the same reasons as identified in Question 4 part (b). Responses lacked the context of the business which was needed to gain access to any marks and many candidates were only able to identify features and not to analyse or evaluate the usefulness a break-even analysis. Eg *Break-even analysis is useful to Logan's Leisure Park as it gives an indication of the number of visitors which may be needed by Logan's Animal Sanctuary before the business starts to make a profit (Level 1). This is essential information for a new business venture as there is no point in opening if, from the market research, it knows that the information will be difficult to reach (Level 2). However, this analysis alone should not be solely relied upon and other financial and non-financial information should be gathered and analysed to make a more informed decision. (Level 3)*

Most candidates were able in part (d) to make a decision about the reliability of the sales budget and to qualify their response. Most focused on the reliability of the research but failed to extend

their answers by explaining the validity and significance of the research. Again candidates who assumed that Logan's Animal Sanctuary was an operating business gained no credit.

Question 6

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

In part (b) candidates were able to identify that income was less than expenditure because of the start-up cost of the animal shelters and this led to a negative cash-flow. Again, candidates who assumed that Logan's Animal Sanctuary was an operating business or used the terms **profit and loss** gained no credit.

Very few candidates gained full marks in part (c) for exactly the same reasons as identified in Question 3 part (c). Candidates were given three options to analyse and explain and from this make a recommendation but most concentrated on one method of improving the cash-flow for which they gained limited credit.

Candidates who used the terms **profit and/or loss** and did not focus on liquidity could not access the higher level marks in this question.

In part (d) candidates were asked to support either Patrick or Ryan in their feelings about the new animal sanctuary and to support their decision by using the information from the cash-flow forecast and any other information available. There were only 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 and were, therefore, 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 information from a variety of sources.

Question 7

Pleasingly more candidates were able to gain full marks when completing the forecast profit and loss statement. This is an area which has continued to improve each series. However, there are still some candidates who need practice in calculating gross and net profit.

In part (b) many candidates assumed that the animal sanctuary was an operating business and, therefore, their answers could not gain credit. Those who answered correctly only accessed some of the available marks because they did not either extend their given reasons or settled for one reason.

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.

- Candidates 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. This is major area in which candidates need regular practice.

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

- 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 the 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.

- Using a PEE type system will help all candidates to access the Level 2 and Level 3 marks. This stands for Point, Evidence and Evaluation and should candidates use this technique in the longer written responses this will help them access the higher level marks. For example.

*There is a negative closing balance on the Cash-Flow Forecast in January. **(Point)**   This is due to the cost of £70,000 for building the animal shelters. **(Evidence)** This has meant that due to low estimated ticket sales of £1,920 and an opening balance of £10,000 the closing balance for January is negative £64,720. Logan's Animal Sanctuary may need to review this situation and either build cheaper animal shelters or obtain some long term finance if it wishes to enter a forecast positive cash-flow more quickly. **(Evaluation)***

Grade Thresholds

General Certificate of Secondary Education
Applied Business (Specification Code 1491)
January 2009 Examination Series

Component Threshold Marks

Unit		Max Mark	A*	A	B	C	D	E	F	G	U
4863	Raw	50	48	42	36	30	25	20	15	10	0
	UMS	100	90	80	70	60	50	40	30	20	0
4864	Raw	50	48	42	36	31	26	21	16	11	0
	UMS	100	90	80	70	60	50	40	30	20	0
4865	Raw	100	82	72	60	49	42	36	30	24	0
	UMS	100	90	80	70	60	50	40	30	20	0

Entry Information

Unit	Total Entry
4863	1204
4864	316
4865	2627

Specification Aggregation Results

Grade	A*A*	A*A	AA	AB	BB	BC
UMS	270	255	240	225	210	195
Cum %	0	0	0	0	0	14.29

Grade	CC	CD	DD	DE	EE	EF	FF	FG	GG	U
UMS	180	165	150	135	120	105	90	75	60	0
Cum %	42.86	50.00	64.29	71.43	78.57	92.86	92.86	92.86	100.00	100.00

There were 14 candidates aggregating 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