



**General Certificate of Secondary Education
January 2011**

Business Studies

413001

(Specification 4133)

Unit 1: Setting up a Business

Report on the Examination

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General Issues

In this second paper for the unit students seemed to be better prepared. There was a minor change to the way the three evaluation questions were marked, which provided some reward for students who gave good analysis but failed to provide a reasoned judgement. As a result there was a better differentiation in these longer questions. The paper again proved to be very accessible for all students and resulted overall in a good spread of marks.

Students were able to identify with all three of the scenarios. This time there was an example of a social enterprise with the inclusion of a charity shop along with a smaller and larger business. Students showed good understanding of all three contexts and the strongest students showed clear empathy with the situations described. Centres are reminded of the need to fully cover the specification. The topics assessed by the paper provided a wide coverage of the specification and it proved to be a key discriminator as to whether students had a good all-round knowledge of all parts of this unit's specification or whether there were gaps in their understanding.

The three questions followed June 2010's format where the questions became increasingly demanding and each question finished with a longer evaluative question part. The command words used were mostly well understood by students. Where there was a weakness, it was with the final parts to the questions where some long and detailed answers failed to reach any or sufficient judgement (or decision) as required by the question. With five out of the nine available marks being awarded for evaluation on these questions this was not a good strategy.

Students should be reminded that whereas two sided evaluation will always be fully credited it is not required. Equally, there is not a need for students to start their answer by providing detailed definitions. The two marks available for knowledge were invariably gained in the discursive part of the answer where time would have been better spent.

Overall, centres are again to be congratulated on their preparation of students to deal with this new type of paper. There were some excellent scripts and the vast majority of answers were kept in context. This is not always easy when the data provided is brief and the marks available are limited, but the data does invariably provide a substantial help to answering the longer questions. There was again a real sense of students not being bogged down with theory who were able to translate their classroom knowledge and skills to the examination paper provided.

Question 1

- (a) A generally well answered question, with most students going for survival, break-even or make a profit.
- (b) (i) Both sections and subsections of the business plan were allowed and most students gained maximum marks.
- (b) (ii) Although most students identified possible uses of a business plan, many did not explain how it would be used. For example ‘to get a loan’ was hinted at in the data but in some cases this was all the student put as their answer. Other common answers related to providing goals/objectives and as an evaluative tool.
- (c) Some students merely restated the question, ie. ‘a benefit is that he will have found a gap in the market’. Most common answers centred on less competition and being able to charge a higher price. As in part (b)(ii), not all students went on to explain the effect on Darren’s business of the benefit.
- (d) It was possible for students to gain full marks by looking at the advantages and disadvantages of selling over the internet, followed by the advantages and disadvantages of a stall and then making a reasoned conclusion. This approach often resulted in students not reaching a conclusion or at best giving a summary of their judgement. The more time efficient answers started with a judgement and proceeded to justify their decision through comparison, or through a weighing up of the advantages and disadvantages of the two options. Either method of selling was suitable with good arguments given relating to the more limited use of a stall, but its suitability to see the product and to have less competition. The internet was discussed both from a cost and a marketing point of view. Analyses were well made from the data, for example, linking the website possibility to Darren’s IT skills.

Question 2

- (a) ‘List’ questions should be answered briefly and many did just that. There were a number of students who went on to explain why a particular example could be considered a stakeholder, or just answered in a sentence although neither was necessary.
- (b) Where students answered the question at face value they generally scored well, relating the use of volunteers to the cost reduction enabling more money to be donated to the charity. Some students, however, turned the question into a description of what a social enterprise is and lost sight of the explanation required by the question. Some students also addressed their answer from the point of view of the volunteer, which gained only limited credit.
- (c) There were some very good well developed answers to this question, not only identifying a non monetary method of motivating but explaining how it related to them wishing to continue to work at the shop. Popular examples included praise, training, and discount on purchases.
- (d) There were many good descriptive answers that explained how the marketing mix could be used, mostly in the context of a charity shop. The better answers weighed up the options within one aspect of the mix, ie high price versus low price, or made a judgement as to the most important aspect of the marketing mix.

Question 3

- (a) (i) This was a very well answered numerical question, with the majority of students gaining full marks. A minority tried to work out an annual profit or failed to notice that the sales figure had already been calculated. There were also some arithmetic errors with subtraction of two separate costs, although credit was given for working.
- (a) (ii) This question proved a good test for the stronger students. Whilst many students gained two marks by explaining the cost rises, far fewer compared this to the lower increase in revenue. Too many students stated that the price increase had caused sales to fall. This was of course incorrect, as the volume of sales had remained constant.
- (b) Good answers to this question were rooted in the data. The company sells to upmarket shops, it charges a high price and it has competition from supermarkets. These all provided good reasons to develop as to why it was important for Atkins to maintain high quality.
- (c) Both answers could have been argued as the best. Some students used the wages and loan date in arguing the machinery option and there was plenty of context in terms of suppliers, competition and usp (handmade chocolates) when discussing the use of cheaper ingredients. Some students spent too long discussing each option and insufficient time saying which would be best. This was a common weakness on the longer questions.

Mark Ranges and Award of Grades

Grade boundaries and cumulative percentage grades are available on the [Results statistics](#) page of the AQA Website.