

# **Business Studies A**

General Certificate in Secondary Education **GCSE 1951/1051**

## **Report on the Units**

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**June 2008**

**1951/MS/R/08**

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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

## Introduction 1051

The general standard of candidate performance was maintained this year, with a pleasing increase in the number of candidates achieving a grade C. In the written papers there was clear evidence of good preparation and in coursework the work produced by some candidates was equal to that seen on the full course. Given the time constraints imposed, candidates and staff concerned deserve every credit.

The written papers were accessible to candidates with evidence of good business knowledge being used in many answers. Where there was a fall off in performance it was often due to candidates not fully applying their answers to the context of the question.

In all papers, especially the case study, there is a clear indication given about the type and size of the business being studied. It is important that candidates use this information in their answers. In some cases, candidates wrote at great length, with little appreciation of the context of the business, and consequently scored low marks. Time spent on how to *apply* ideas to a specific business context would be well rewarded.

The coursework submitted for moderation was generally of a high standard, with at times some exceptional work given the short course constraints. Some candidates still need to consider the *interpretation* of data rather more, and examine how particular results impact on the chosen title. This in turn will then help to develop meaningful recommendations to satisfy criterion 6.

# 1051/01 Paper 1 Foundation Tier

## General Comments

Candidates responded well to the scenario set and seemed to identify with some of the problems of the business. There were no particular misunderstandings in terms of the questions set and many candidates displayed good knowledge of the subject. Where necessary many were able to apply this knowledge to Play Here plc. However it remains an issue with some candidates that they answer generally rather than using the context of the business. This was particularly true of Questions 1(b), 2(a)(ii) and 2(b)(ii).

There were fewer candidates who failed to complete the paper and therefore time did not seem to be an issue. However, centres should continue to encourage the candidates to attempt all questions in order to gain as many marks as possible and not to leave blank spaces.

The questions that present the greatest challenge are those that require the candidates to come to a decision between options. Often candidates only look at one option and ignore the others. Candidates must be encouraged to make a comparison if they are to achieve the highest levels of response.

Candidates should be encouraged to use paragraphs and punctuation in order to structure their answers. Spelling and sentence construction continues to be weak and use of note or text form is becoming more common with mis-use of words such as no and know, were and where and there and their. Much more attention should be paid to the presentation of the work overall.

## Question 1

- (a) (i) There was some evidence that candidates understood 'limited' in this context but it was disappointing to see how many simply defined the word rather than explain limited liability.
- (ii) Most candidates could identify a way in which a small business might grow but too many failed to develop their answers to gain both marks available.
- (iii) Most candidates mentioned dividends or reward as a part of the profit which was encouraging.
- (iv) This question was poorly answered. Once again any idea of limited liability was absent from the answers given. This is a key aspect of this part of the course. Only these two types of business organisation are studied and therefore it is expected that candidates know the difference between the two and are able to articulate this in their answers. Some candidates explained how the two types of business were run but did not address the question of how each might differ in the way in which each could be set up. The better responses described the need for less finance, less legal paperwork, no need to gain shareholders, no need for a Board of Directors and less negotiation between owners.
- (b) (i) Many of the answers here were general with a lack of focus on the role of Production Director. Candidates must focus on the requirements of the question in order to achieve these marks.
- (ii) This question was well received with the majority of the candidates achieving full marks. There were a few candidates who made up their own labels and others who did not attempt the question at all.

- (iii) This question was poorly answered. Business terminology such as delegation seemed to present the majority of the candidates with problems. There was confusion between delegation, span of control and chain of command.
- (c) (i) Many candidates achieved two out of the four marks available for identifying that there might be a conflict between the two departments in terms of the amount made and potentially sold. Some identified the problem of conflict between quality and amount sold. However, many did not achieve higher marks because they tended to look at one problem from Jack's perspective and then from Louise's for the second answer, rather than dealing with two separate reasons for why they might disagree.
- (ii) Most candidates gained some marks for explaining that the best method of communication would be face to face at a meeting. Best answers explained how this might solve the problem identified in (i) but too many ignored this and therefore did not achieve the marks. Others made good suggestions about regular meetings looking at statistics and research to come to an agreement.

## **Question 2**

- (a) (i) This was reasonably well answered with many candidates identifying features such as materials, durability, colour and safety features.
- (ii) Some candidates struggled with the idea of selling through the Internet alone. Many candidates knew about general selling but there was lack of application to the playground equipment and the idea that perhaps customers would like to see it before they buy. Some better answers argued that the internet alone would be fine because it reached a wider market and the equipment can be seen as well on the internet as anywhere else. This was an evaluation question and therefore it is important that candidates look at both sides of the question in order to come to a conclusion about the business' course of action.
- (iii) Generally this question was well done with candidates choosing relevant segments such as schools and local councils.
- (b) (i) This question required candidates to analyse the issues involved in selling to China rather than expanding in Europe and to come to a supported conclusion. Many candidates identified that China represented a much larger market with greater potential for sales. However many left it there with a simple statement gaining one or two marks. Better answers compared this with the UK where there is more competition and a much smaller market. Others looked at the problems of selling abroad and the risk involved and came to a judgement about which was the better course of action.
- (ii) Some good answers to this question with many candidates selecting the most appropriate method in these circumstances and identifying some of the impracticalities of others. Some good cases were made for a combination of methods such as secondary to start with and consumer panels or limited primary later. Application to the problems of researching abroad were identified in some cases and the costs, time and other problems involved.
- (c) (i) This was well answered, most candidates gained full marks.
- (ii) This question was poorly answered with many candidates struggling with the idea of a percentage.

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- (iii) This question was well done, with most candidates achieving the correct answer and showing working.
- (iv) This was generally well done.

**Question 3**

- (a) (i) This question was reasonably well answered. Although many candidates did know the difference between batch and job production, many failed to apply it to the playground equipment in terms of the advantages and therefore were unable to achieve full marks.
- (ii) Most candidates correctly chose the employees as the stakeholder most affected by the change and many gave good explanations of why they might have been affected in terms of lost jobs, retraining, boring work etc. However this question also required a judgement to be made about the other stakeholders and many candidates did not achieve marks because they did not say why the other stakeholder groups would either not be affected at all or at least to a lesser extent.
- (b) (i) This question was poorly answered , the majority did not know the answer to this question.
- (ii) Once again knowledge of sources of finance was very superficial. The most common answer was that long term finance would take a long time to pay back with no further development regarding debt or interest.
- (c) (i) This was poorly answered. Knowledge of the balance sheet and its contents was limited to loan.
- (ii) This question was reasonably well answered especially by those who selected improved production processes. These candidates in many cases gave a good analysis of the implication of these changes in terms of lowering costs especially with reference to lower wages in terms of less workers needed. However many candidates failed to compare with economies of scale or put forward the disadvantages of their chosen method. For example improved production processes might cost business a lot of money especially if it has to be borrowed and if they make workers redundant this would cost money in redundancy payments.

**Question 4**

- (a) (i) This question was generally well done. Most candidates knew the difference between the two types of training and there were some good supported suggestions on which one might be the most appropriate in these circumstances. Best answers compared the two rather than just giving an answer for one.
- (ii) and (iii) Well answered on the whole. Candidates usually demonstrated a good understanding of motivation.
- (b) (i) This was well answered with a generally good knowledge of recruitment demonstrated.
- (ii) Candidates understood how interviews were used but in many cases failed to apply their answers to the designer in particular.
- (iii) Well answered.

## 1051/02 Paper 2 Higher Tier

### General Comments

Candidates responded well to the scenario set and there were a good range of responses overall. Very few appeared to have run out of time or failed to respond to questions and therefore gave themselves the best opportunity to achieve good marks.

In general the standard of business studies knowledge was good but there remain areas of weakness. This can be seen in the responses to questions 1(b),3(b)(ii) and 3(d)(ii) which were the least well answered on the paper. Knowledge and understanding of the balance sheet, role of the Board of Directors and the relevance of long term finance were limited to a relatively few candidates. These are key areas of the specification which centres to ensure candidates understand..

Higher level skills of analysis and evaluation were better demonstrated this year with many candidates showing good comparisons of issues and rejecting others. This is a key element in achieving these skills and should be encouraged by centres.

The majority of the candidates completed the paper and overall the standard of communication skills was good although there could be more evidence of use of paragraphs in the longer answers. Numerical skills were excellent overall and it was encouraging to see that more candidates appeared to have used calculators this year.

### Question 1

- (a) (i) Some excellent answers here showing an in-depth understanding of the difference between public limited company and public sector. This can be an area of confusion and it was encouraging to see how many candidates had grasped this important difference. Best answers gave an example of the public sector to emphasise their explanation.
- (ii) Once again some excellent answers to this question. The candidates seemed to be clear about who owned and who controlled a public limited company in many cases. However there were more candidates who talked generally about conflict between workers and managers and therefore gained few marks.
- (b) (i) Despite the good responses to the previous question few candidates could identify functions of the Board of Directors. Some mentioned 'important decisions' but failed to develop this. Others listed functions that would be carried out by managers or supervisors. There was little idea of the strategic nature of the decisions which a Board of Directors would take.
- (ii) This question was reasonably well answered. Most candidates identified a need for two marketing managers but many just gave simplistic reasons such as different languages rather than applying this to the marketing of the equipment in the different countries. The best answers showed an understanding of different cultures, safety requirements etc which may have been important when marketing in different countries.
- (iii) A significant number of candidates were still unable to explain the term 'delegation'. The best answers used an example from Play Here plc to help their explanation.



- (c) (i) Many candidates achieved two or three of the four marks available for identifying that there might be a conflict between the two departments in terms of the amount made and potentially sold. Some identified the problem of conflict between quality and amount sold. However, many did not achieve high marks because they tended to look at one problem from Jack's perspective and then from Louise's for the second answer, rather than dealing with two separate reasons for why they might disagree.
- (ii) Most candidates gained some marks for explaining that the best method of communication would be face to face at a meeting. The best answers explained how this might solve the problem identified in (i) but too many ignored this and did not achieve the marks available. Others made good suggestions about regular meetings looking at statistics and research to come to an agreement.

## **Question 2**

- (a) (i) There was a very mixed response to this question. On the whole the candidates were able to recall the 4 Ps of marketing but many failed to compare them in terms of selling the equipment on the internet. Candidates either selected one aspect, such as promotion and explained its importance in selling the equipment OR explained it in terms of selling on the internet. Best answers analysed one or more of the 4 Ps in terms of selling the equipment on the internet in particular. For example, product would be most important as customers would not be able to actually see it and therefore details about it, what it is made of, age suitability would all be of great importance.
- (ii) This was generally well answered.
- (b) (i) This question was reasonably well answered but too many simply referred to China having a larger market. The best answers referred to competition and market saturation in the UK and made a realistic comparison with the situation in China. Some referred to the objectives of Play Here plc and how they would be achieved by this course of action.
- (ii) There were some excellent answers here which analysed all the options available and made recommendations about which form of research to use. Many candidates looked at the issues involved in carrying out research abroad such as cost, time, efficiency, likelihood of accurate results and came to conclusions about which was the best course of action. The standard of communication and language on this question was very high.
- (c) (i) This was very well answered with some good explanations of the two concepts. Most candidates gained all the marks by using relevant examples.
- (ii) and (iii). This was also very well answered with most candidates showing working and gaining all the marks available.

**Question 3**

- (a) There were some very good answers here but also many that simply chose one stakeholder group and failed to make comparisons with the other two groups. This meant that candidates were unable to achieve marks for analysis and evaluation. The best answers analysed at least two groups in terms of the effects of the changes in production both in terms of costs and benefits. For example customers might be affected by fall in quality or benefit from a fall in prices; employees might be affected by lost jobs or benefit from better working conditions; shareholders might be affected by the loss in profits due to cost of investment or an increase in profits through lower costs of wages.

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- (b) (i)** Many candidates did not know that sale of shares was the only long term source of finance here.
- (ii)** Some excellent answers here showing a knowledge of long term finance in terms of its benefits to the business. However many candidates ignored the purpose of the need for finance and therefore found it difficult to support the advantage stated. The best answers identified features such as this investment was long-term large asset which could be used as security against any finance and therefore finance could be spread over a long time.
- (c)** This was very well answered with many candidates giving an excellent explanation of why improved production processes might result in reduced costs such as less wages and increased efficiency. It was encouraging to see more candidates also knowing the meaning of economies of scale and being able to apply this understanding in context. It remains a problem that many candidates do not compare both options and therefore are unable to achieve all marks available.
- (d) (i)** This was poorly answered with few candidates able to demonstrate that they know or understand the contents of the balance sheet.
- (ii)** Very few candidates showed an understanding of the purpose of a balance sheet. There were a few general references to assets and liabilities but very little understanding of what they were, why they were on the balance sheet or about how they could be used by Play Here plc in making decisions. Best answers made some attempt to explain that the business might have an idea of whether it could buy more assets or how much debt it had. This is a common topic on this paper which centres should ensure candidates understand.

**Question 4**

- (a) (i)** There were some good answers from many candidates who identified the need **for** training to be continuous due to changes in working practices, legislation etc. Application to the business itself was not so common and therefore the last mark was not always achieved.
- (ii)** Most candidates gave good explanations of their choices of motivation techniques with many choosing bonuses and better working conditions. However there were some who failed to apply the techniques in the context of production workers.
- (b)** This question was well done with most identifying at least two relevant qualities for the new designer. It was encouraging to see that candidates identified qualities rather than qualifications in their answers.
- (c)** The majority of candidates could explain the difference between a wage and a salary and to some extent identify what type of employee should be paid each. However many candidates found it difficult to present a well structured argument for paying a salary and there were some conflicting statements about 'not working all the time' which showed some confusion in understanding.

# 1051/03 Case Study Paper Foundation Tier

## General Comments

There was a variable response to the questions set on the case study this year but in many cases candidates had been well prepared for the paper and they could engage with the scenario set. Other candidates however made little or no effort to answer any of the questions and the number of papers with blank pages was disappointing.

Those who completed the paper made a good effort to use the case study and many scored well on the easier questions. The ability to use the resource sheets and the case study data was encouraging in many cases. However there are still many candidates who fail to apply their answers in context and therefore fail to score marks on those questions. Question 1(b) and 1(d) were generally poorly answered due to the lack of use of the case study material. Candidates should take more notice of the stem of the questions where they are directed towards the use of particular resource sheets and case study material.

Most candidates scored some marks for Quality of Written Communication and many gained full marks for the numerical calculations. Time pressures did not appear to be an issue.

## Question 1

- (a) This was generally well answered with most candidates identifying why each of the stakeholders had an interest in the business.
- (b) This had some good answers especially about limited liability but many failed to identify any of the other advantages of becoming a public limited company. Most knew that Link Spas was part of the tertiary sector and gained the mark.
- (d) This part presented problems to these candidates who simply used the prompts in the question as a crutch and did not consider them in terms of how they might change over time. For example, the business has become a plc and therefore an objective might be that shareholders have to be rewarded and profit would therefore be an important objective.

## Question 2

- (a) (i) and (ii) were well answered with most candidates understanding both chain of command and span of control.
- (b) (i) was well answered with most candidates identifying problems at the spa. There was less understanding of the idea that some problems might be more urgent than others and this impacted on the answer to (ii).  
  
(ii) In this part candidates in general failed to make a comparison of problems and therefore failed to achieve higher marks.
- (c) This was answered well.
- (d) This part presented the candidates with the problem of applying their selection to increasing sales revenue. Candidates managed to select a method of promotion and explain its usefulness but failed to apply it to the problem of increasing sales revenue.

### Question 3

- (a) This part was poorly answered. Many candidates did not use the resource sheets to help them and appeared to make up answers
- (b) (i) This was often accurately calculated and in most cases the £ sign was included.
- (ii) This part was more challenging and fewer gained all the marks on this. Percentage change remains a challenge to candidates. This is a common area for questioning and centres should ensure that candidates understand this aspect.
- (iii) Candidates were required to select from the resource sheet specified in the stem of the question and to refer to the figures shown. Some candidates did identify appropriate areas on which the business should focus but gave limited reasons for the choice. Part (i), (ii) and (iii), were well answered on the whole although the segment in part (i) was wrongly identified by some as 18-30 rather 31-40.
- (d) This tested the candidates' ability to focus on one area of the case in terms of business decision making. There were some good answers to this question with candidates choosing appropriate methods such as overdraft or bank loan. Sale of shares was not considered a viable alternative for this option.

### Question 4

The aim of these questions was for the candidate to identify and analyse the factors involved in the decision between personal trainers and opening a new spa. Part

- (a) (i) and (ii) resulted in a variety of responses from the candidates. It was unfortunate in a number of cases that the candidates did not address their answers towards Link Spas but instead stated any advantage or disadvantage. Others gave some good ideas in terms of the possible benefits and problems associated with each option such as demand, competition, effect on sales etc. Part
- (b) This part required a decision and most candidates did this well.

## 1051/04 Case Study Paper Foundation Tier

### General Comments

Most of the candidates entered for this tier had been well prepared and had a sound understanding of the case study material. For the most part the candidates were able to handle the data effectively and relate their answers to the appropriate information in the case study and the resource sheets. The candidates seemed able to identify with the scenario set and produced some very interesting insights into the problems occurring within the spa. Many of these candidates wrote at length and Quality of Written Communication overall was high. Candidates scored highly on the longer questions with greater evidence that they could achieve analysis and evaluation at this level.

There was little evidence that business studies knowledge was an issue with these candidates although the explanation of delegation remains a problem for many.

Many candidates used the extra pages at the end of the examination booklet to complete their answers. However there was no evidence that time was an issue for these candidates, the majority of whom completed the paper.

### Question 1

- (a) This was a challenging but common question at this level. Knowledge of plc is an important part of the specification and comparison of sole trader and plc should be quite straightforward. Although there were some outstanding answers in some cases candidates did not explain two distinct advantages but tended to confuse the same one e.g. limited liability. Part
- (b) The responses were disappointing as many candidates failed to apply their answers in all cases to 'staff' issues. Many chose the 'glass' incident but did not relate it back to a 'staff' issue. Solutions to the issues tended to be very black and white, with 'sacking' and 'warning' being an answer to everything. Better answers suggested training, motivation techniques and communication as the way forward.
- (c) This was a cross over question and presented a challenge to even the best candidates. Best answers concentrated on the passing of time and how Link Spas had changed in terms of structure and stakeholder responsibility, market and competition. However many relied on repeating what was in the stem and not appreciating how time had changed the business.

### Question 2

- (a) This part presented few problems to these candidates and many of them achieved 3 or 4 marks by applying their answers to Link Spas and by suggesting that this was a service targeted at business people and others who would be prepared to pay a high price for the service.
- (b) In these responses only about half of the candidates understood the meaning of delegation. Many candidates did not use the case study to give an example and were therefore unable to achieve higher marks.

- (c)** This was well answered with these candidates identifying the importance of selecting the best method of promotion to increase sales revenue. Any of the choices might have been selected it was the subsequent analysis and evaluation which earned the higher marks.

**Question 3**

- (a) (i) and (ii) were well answered with the majority achieving the correct answers.
- (iii) This was also well answered with candidates choosing a selection of options. The importance here was that the candidate supported the choices with realistic reasons for link Spas.
- (b) Few candidates recognised that a research agency might offer specialist skills in researching abroad. Very few candidates mentioned Poland in their answers. Part (ii) was a simple selection from the graph, however many candidates got it wrong and selected 18-30 instead of 31-40.
- (c) This was generally well done with candidates selecting one of the options suggesting sources of finance that might be used. The best answers used the resource sheet to identify different costs and appropriate sources of finance for those costs.

**Question 4**

This question was also answered with some outstanding responses. Candidates analysed both options using the material provided and came to a conclusion on which would be the most successful. Neither option seemed to be more popular than the other with those putting forward a low risk approach and deciding to employ personal trainers at lower costs and lower return against the high risk approach of opening a new spa in Poland involving much greater costs but higher potential growth and return. Both approaches had equal merit with marks being scored for the application, analysis and evaluation of the options.



## 1051/05 Coursework

### Introduction

The overall high quality of coursework was maintained in 2008. Despite the time restrictions placed on operating a short course, much of the work seen was well argued and displayed a sound understanding of the subject area under investigation.

Choices of title were varied. Many centres chose to use one of the prescribed titles from the specification, designed to enable candidates of all abilities to meet the assessment criteria. Others chose to use the coursework consultancy service where free advice is available on a centre based title. The other option was to use the supported study, based on the marketing of T Mobile. In this investigation, supported by the principal moderator, a common questionnaire is developed by the centres within the scheme. This then builds a large national database for individual candidates to analyse and interpret, with the opportunity to make more precise recommendations using that earlier analysis. For details on the consultancy service and the supported study, please contact the OCR Coventry office.

One or two administrative problems remain in the moderation process. It may be appropriate to repeat the advice given in 2007:

- Where candidates produce no work, an 'A' should be entered as the mark awarded, not a '0'
- When sending sample work to the moderator, the Centre Authentication Form *must* be enclosed to enable the moderation process to proceed.

### Application of the Assessment Criteria

#### Criterion 1

In this criterion, candidates should state their aim and explain the strategy to be used to achieve that aim. Whilst few candidates had problems stating the aim, many, including more able candidates, failed to explain why they were using a particular strategy. Simply listing what is effectively to follow in the assignment cannot be given full marks; there must be some explanation of why the chosen strategy is being used.

#### Criterion 2

Many candidates collected a great deal of information, especially pleasing when judged on a short course basis. At times however, the collection is a little misdirected with large swathes of information being downloaded and included in the assignment without any real comment or analysis. There is some valuable and relevant information on the Internet available for candidates. What is required is a more careful sifting of that information in order to include only that data which has a direct bearing on the investigation. A good example is where the marketing mix of a particular business is being studied. Whilst it is useful to have *some* history of the business to put the investigation into context, several pages of company details can only add weight, not clarity, to the assignment.

### **Criterion 3**

Criterion 3 requires candidates to present their work clearly and in a logical fashion. The overall standard of presentation is very good, with candidates displaying high levels of ICT skills. The inclusion of appropriate images, from the Internet or digital photography, adds clarity to the work, enhanced further when thoughtful annotation is added. Maps at different scales, charts and diagrams as appropriate can also add another dimension to a candidate's coursework.

Care must be taken to make sure there is a logical flow to the submitted work. Whilst this may be taken for granted, work is still being seen which is difficult for a moderator to follow, which means that candidates are unable to score well on this criterion.

### **Criterion 4**

Here candidates are required to use business terms and techniques within their work. As knowledge on its own cannot be rewarded in OCR Business studies coursework, it is vital that for example pricing strategies be applied to the business under investigation rather than simply explained in great detail but out of any context.

Criterion 4 remains one of the criterion which will differentiate candidates well. For those more able it is important that the correct business terminology is used throughout the work, showing understanding of its place in the overall context of the study.

### **Criterion 5**

This criterion requires candidates to both analyse and interpret the data they have collected. As with criterion 4, it differentiates between candidates, with a tendency at the lower achievement levels to simply repeat in words what a graph or a chart has already shown. Other candidates may well analyse data without interpreting the significance of the results in the context of the title set.

For the higher level marks it is important to see the importance of particular results, using figures or percentages to add precision to any ideas being formulated.

### **Criterion 6**

For criterion 6 candidates must make justified recommendations to answer the title which has been set.

These recommendations must:

- be fully justified by using details (and figures) from the earlier data analysis. In the weakest work candidates simply made personal recommendations which had no basis when the data they had collected was examined. Better candidates used the data well to fully justify precise recommendations which were carefully and thoughtfully targeted
- be in the context of the business. A sole trader will clearly have a different marketing strategy to a plc. This should be reflected in any recommendations made
- use the correct business terminology. Recommendations should be in business language to again add the necessary precision to the ideas being put forward.

## **Prescribed Titles**

### **Evaluate the marketing strategy of a familiar product or service, making recommendations on whether the market mix should be changed in any way.**

This was a popular title choice for a number of centres, enabling candidates of all abilities to meet the coursework assessment objectives. A variety of businesses were investigated, with the best work analysing (not describing) the present market mix, collecting relevant data through primary and secondary methods, analysing and interpreting the data and then making recommendations in line with the data analysis.

It is clearly necessary to cover all aspects of the market mix in this title. Weaker candidates are helped by the use of separate headings for the marketing mix when they cover the present marketing strategy. The same headings should be used in the recommendations to make sure that an attempt is made at all elements of marketing.

### **Evaluate the recruitment methods used by different businesses, making recommendations on how they might be developed**

This title was rarely used by centres. It does require information from different businesses which may not be easily obtained. Where such information is available, the title offers an opportunity to investigate business practise which may well be of benefit beyond the assessment of business studies coursework.

Recruitment methods used by different businesses are constantly changing. Centres should make sure that they have access to sufficient up to date data on the subject before starting this particular title.

### **With reference to the local area, would the opening of a fast food restaurant (or other business) make a sound business proposition?**

This was another popular title choice. Better work concentrated on examining the present local situation regarding competition, availability of sites and local consumer opinion. Data in the form of maps and questionnaires etc. would then be analysed and interpreted to feed into the final recommendations.

At times a rather too broad an approach was made, with all the above as well as financial and accounting information being included. Within the confines of a short course study, this results in an assignment which places rather too greater burden on candidates and also tends to produce data which is ignored in any final recommendations.

## **Supported study based on T Mobile**

The supported study was used by a number of centres, with candidates investigating the marketing mix of T Mobile and coming to some thoughtful recommendations on how the marketing mix might be improved.

Weaker work on this topic tended to be too descriptive, with little *analysis* of the present market mix, and no real interpretation of the large amount of data available. Better candidates carefully worked through the 4 Ps of the marketing mix, applying them well to T Mobile, and analysed and interpreted the available data to make precise and justified recommendations.

Details of the supported study are available from the OCR Coventry office.

# Chief Examiner's Report

## Introduction 1951

Candidates generally found the exam papers in 2008 accessible, with good perceptive responses being seen at the highest levels. Coursework performance remained constant with rather more centres choosing to pursue an investigation of their own design.

On the written papers, one of the main areas for differentiation is in the longer response questions. Here candidates are often asked to decide between a choice of possible actions a business might take. In order to gain the highest level of marks, candidates should not only explain clearly why a particular option is being chosen, but why the chosen action is more appropriate than the other choices available. Whilst many candidates can give reasons why a business should take a particular decision, few will go on to explain why that decision is more appropriate than the other possibilities.

It is also important to keep the answer in context. In all papers there is a clear indication given of the type and size of business being used. Many candidates do not use this information in their answers and are therefore unable to access the higher marks.

Other questions help the candidate into an answer by providing data as a framework to the question. It is vital in an answer that this data is *developed* and not simply repeated.

The coursework submitted for moderation this year maintained recent standards with some candidates submitting work of a near professional standard. There was an increase in the number of centres investigating their own title after submitting ideas for advice through the OCR Coventry office.

A few problems remain regarding the administration of coursework for moderation. Centres should make sure that the coursework authentication form is sent with the work, and that an 'A' mark is used where a candidate produces no work. A mark of '0' is only used where a candidate produces *some* work which scores no marks.

## 1951/01 Common Core Foundation Tier

### General comments

The paper which is targeted at grades C to G seemed to be accessible for candidates, if suitably challenging. It is felt that the questions set were accessible to candidates and provided effective discrimination across the paper. No entirely blank scripts were seen with the vast majority of candidates attempting all questions, indicating that on the candidates were adequately prepared for this examination. As in previous years only the weakest candidates failed to answer most of the questions..

The main reasons for candidates not scoring more highly, as noted in previous reports are:

1. A failure to answer the question set e.g. Q1 (c). Candidate could identify methods of promotion but failed to link to local scenario as requested.
2. A lack of understanding of key concepts e.g. Q1 (a), Q1 (d) (iii), Q3 (b) and Q5 (b). Candidates were not properly prepared to answer questions relating to business ownership, cashflow, trade credit (again) and external implications of business activity
3. As mentioned in previous years many candidates failed to develop their answers to more detailed responses. Again this meant candidates only scored points for identification but failed to access the full range of marks available due to lack of development e.g. Q1(c), Q2(b), Q3(a)(i), Q4(b)(iii) or (c)(ii) and Q5(b).

The context of this year's paper was an air-conditioning business, Airight Ltd, a company originally formed in 2001 from a partnership between Nazeem Khan and Andrea Goldman. The questions were developed to explore issues relating to private sector ownership, sole traders, promotion, finance, the impact of new technology on a business, international sourcing, wage calculations, employment, external factors and stakeholders.

The main questions which candidates failed to provide answers in sufficient depth were Q1(c), Q2(b), Q3(a)(i)(ii), Q4(b)(iii), (c)(iii), Q5(a)(v) and (b). As has been mentioned in previous reports candidates should be aware that repeating the stem or phrases from the stem gains no credit e.g. Q2 (a).

Questions where candidates provided incorrect responses include Q1 (a) (i),(ii) and (iii) where many candidates were unable to demonstrate that they understood the difference between the public and private sectors. In many instances candidate responses regarded the private sector and private limited company as synonymous. Q1(c) many candidates did not appreciate the significance of national and local promotional media. Q1 (d) (iii) many candidates confused profit and cashflow. Q2 (b) some candidates focused on the disadvantages to the individual rather than the organisation as asked. Q3(b) very few candidates understand the concept of trade credit as mentioned in previous years some incorrectly linking this to credit cards and bulk buying discounts. Q4 (b) (i) few could define redundancy. Q5 (a) (i) very few knew of corporation tax likewise macro factors in Q5 (b).

As one would expect most candidates could interpret charts, Q1(b), read from a graph Q1(d)(i) and fill in the blanks Q3(c) although very few could carry out basic pay calculations Q4(a)(i) and calculate gross profit Q5(a)(iv).

In general there were six areas of the specification where greater understanding of the key concepts involved would have resulted in higher marks. These are public/private sectors, cash flow, significance of business plans, trade credit, pay calculations and the impact of business on the external environment. It was also pleasing to see a good knowledge of methods of promotion, methods of production, the impact of technology on the firm, benefits of being a sole trader and impact of business expansion on stakeholders.

As in previous years the quality of written communication was variable although few candidates scored zero. Again most candidates spelling of subject specific words was sound e.g. business, profit etc although the odd finchal (financial) and soul (sole) trader were noted. It was disappointing to see everyday words commonly spelt incorrectly e.g. pollion/pollution, reteller/retailer and damidged/damaged. The use of commas, apostrophes and full stops was weak and as noted in the past, it was common to see sentences starting with no capital letters and because.

### Question 1

**(a)** **(i)** The majority of candidates selected a correct example of a private sector organisation although selecting an example of a public sector organisation proved difficult for a sizeable proportion of the candidates. It was also noted that if candidates correctly identified both private and public sector organisations they tended to perform well on parts **(ii)** and **(iii)** of this question.

**(ii)** Performance on this question was generally disappointing. The majority of candidates confused the private sector with private limited companies and as a result scored poorly.

**(iii)** Again candidates confused public sector organisations and public limited companies. Those who correctly identified public sector organisations as government controlled/owned could not write a second feature.

**(b)** **(i)** A straight forward question with the majority of candidates correctly identifying the private sector as providing Airight Ltd's bigger percentage of sales at 60%. A few candidates merely stated 'yes'.

**(ii)** A simple calculation requiring candidates to identify the value of Airight Ltd's sales to the public sector i.e. 40% of £2m. Again the majority of candidates answered correctly but a sizeable proportion of candidates calculated the value of the private sector sales. Candidates need to understand the importance of reading instructions carefully.

**(c)** The ability to identify and explain two methods of promotion aimed at local business was required here. A large proportion of candidates correctly focused on the local aspect and generally scored well. Those who gave vague 'because people will see it' type answers tended to score poorly whilst those who concentrated on the national press/television options clearly did not understand the 'local' aspect of the question and frequently scored zero. A few candidates again appeared to have misread the question and wrote about their own choices of promotion such as 'design a poster' or 'send out leaflets'. Such answers scored zero.

**(d)** **(i)** The majority of candidates were able to identify May as the month with the highest sales. A few candidates incorrectly identified April or June.

**(ii)** Generally this was a well answered question with the majority of candidates able to interpret the behaviour of the sale of air-conditioning systems and link this to the weather.

- (iii) This question was on the whole poorly answered. The question required candidates to focus on cash flow problems one might expect as a result of seasonal sales variations. This required the candidates to understand that cash flow is a short term phenomenon requiring short term solutions e.g. overdraft or trade credit. The majority of candidates could only refer vaguely to long term phenomenon i.e. profit. However, it was pleasing to see some candidates who clearly understand the nature of cash flow suggesting solutions such as cash flow analysis and forecasting.

## Question 2

- (a) This question tested candidates understanding of methods of production and it is clear that the majority of candidates had a sound understanding and as a result scored highly. The less able candidates merely repeated parts of the question for which they scored zero.
- (b) A topic with much relevance was tested here and the majority of candidates were sufficiently aware to score well. Candidates tended to find identifying advantages more straight forward than identifying disadvantages with these mainly limited to machine failures, running costs and initial cost. Again some candidates failed to read the question carefully and instead of applying the factors to Airight Ltd as instructed applied them incorrectly to the individual/society e.g. workers will be unemployed/unemployment will rise (0).
- (c) This question required candidates to explain the advantages and disadvantages of a firm sourcing components from overseas. Whilst most candidates could identify lower cost as an advantage, many correctly linking this to lower labour costs/currency variations, few could develop the disadvantages further than delays in receiving the goods. Some more able candidates touched on issues such as communications and ethical issues.

## Question 3

- (a) (i) A question which candidates found relatively hard to develop their answers in excess of one or two marks. The majority realised that experience was a key factor but did not develop much more or gave vague responses such as 'they will know what they are doing'.
- (ii) This was similar in many ways to part (i). Candidates found it difficult to look at the situation from the bank manager's point of view and most responses were very vague and not developed sufficiently to score high marks. Candidates scored better on the first and last explanations but many failed to identify that the second explanation related to pricing strategies.
- (b) This question has appeared on papers before but candidates continue to perform poorly. The focus of the question is raising finance for a new business so clearly the sale of business assets was unacceptable (private ones would have been acceptable). The majority of candidates realised the significance of long and short term sources of finance and correctly identified appropriate sources. However, although most candidates could develop reasons for the choice of mortgage very few could develop their explanations for the choice of trade credit other than with vague and incorrect responses such as 'they can pay it from their credit card' (0)
- (c) This was a simple fill in the blanks question with the majority of candidates scoring full marks.

**(d) (i)** This was a basic question relating to the role of shareholders in raising finance. The majority of candidates scored one but a few developed their answer to score full marks.

**(ii)** On the whole this was well answered with many candidates correctly identifying why a new business would need to raise more finance such as to expand, buy more assets etc but since this was a new business borrowing to pay off debt was not seen as acceptable.

#### **Question 4**

**(d) (i)** This was a basic pay calculation which many candidates could not carry out correctly.

**(ii)** The vast majority of candidates scoring full marks.

**(iii)** This was a question which has appeared numerous times over past years and one which most candidates scored one mark although many failed to develop their answer sufficiently to score two marks.

**(iv)** A simple tick box question with the vast majority of candidates' scoring full marks. Very few zeros seen or blank boxes.

**(b) (ii)** This was a challenging question in which a very high proportion of candidates linked redundancy incorrectly with being given 'the sack' or 'fired' (0). Again many often failed to develop their answer to score full marks.

**(ii)** On the whole this was a well answered question with the majority of candidates fully aware of the benefits of being a sole trader with many full marks gained.

**(iii)** This was less well answered than **(ii)** with a large proportion of candidates only able to identify unlimited liability as a problem of becoming a sole trader.

**(c) (i)** On the whole a well answered question with many full marks awarded.

**(ii)** Candidates performed well here and provided many interesting answers and scored full marks. The main reason why some marks were limited is because the candidates failed to appreciate that there are also arguments for and against the situation in the question.

#### **Question 5**

**(a) (i)** This question was poorly answered by the vast majority.

**(ii)** There were few correct answers to this basic question.

**(iii)** Another straight forward question which was on the whole well answered. Common reasons for low scores included identifying raw materials as an expense (0) (purchases/cost of goods sold) or vague/incorrect responses such as 'overheads' or 'bills'.

**(iv)** A simple calculation which was not answered well by candidates. Many added cost of goods sold to sales rather than subtracting them.

**(v)** On the whole well answered and most candidates appreciated the impact of lower cost on profit. Weaker candidates tended to simply repeat the stem and failed to score any marks. Fewer candidates appreciated that the impact of increasing prices and market conditions are linked.



*Report on the Units taken in June 2008*

- (b)** A question which was designed to test candidates' appreciation of wider macro aspects of investment in Bowton. Sadly most candidates failed to realise this and incorrectly focused on the benefits to the firm e.g. will be able to produce more (0). Disappointingly very few developed answers seen.
- (c)** Similar to (b) in that the question looks at the broader issues of expansion on stake holders which was much better answered than (b). The vast majority of candidates scoring full marks although again some candidates restricted their mark with too vague explanations/reasons.

## 1951/02 Common Core Higher Tier

### General Comments

As in previous years, the questions on this paper were set around a fictional business context. In this instance the business was Airight Ltd which manufactured and fitted air conditioning systems. Airight Ltd and its related practices are based on real world practices but simplified to ensure the accessibility of the materials to candidates. Candidates were not required to have any detailed knowledge of air conditioning or businesses that manufacture and fit such systems. The purpose of the examination is to test the ability of the candidates to apply their knowledge of the terms, concepts and techniques of the subject to deal with issues raised through the questions. Relevant information about the business context was drip-fed through the paper. Questions relevant to specific data followed immediately. This is designed to help the candidates to answer in context. It is clear that the majority of candidates do understand this approach and respond in an appropriate way. For some questions, it was also possible to use information that had been presented earlier in the question paper to support a line of argument. This was clearly the case with 5 (c)(iii) in which some able candidates alluded to the possibility of a recession affecting the decision as to whether or not the two owners of the business should accept the takeover offer. Examiners are directed to reward such appropriate use of the contextual information.

The level of difficulty was appropriate. The questions provided sufficient breadth across the paper. Candidates generally attempted to answer all questions.

There were a number of questions that required the candidates to apply their numerical skills. As in previous sessions, the performance of the candidates was mixed. Candidates need to recognise that numerical skills are transferable, that they are not being asked to do anything in Business Studies that they are not expected to cope with in Mathematics. The data and numbers are always relatively straightforward so that they do not put off those who are not confident about their numerical skills.

### Question 1

**(a) (i)** Whilst many candidates were able to identify correctly one private sector and one public sector organisation from the list, it was not uncommon for them to suggest that Bowton Athletic Football Club was a public sector organisation. This reflects the confusion about the public sector and public limited companies.

**(ii) and (iii)** Generally, candidates were able to give features of private sector organisations better than public sector organisations. For the private sector, candidates cited ownership by private individuals who invested their own money whilst for the public sector candidates indicated that they were owned by the state and funded by tax revenue. The most common error, reflecting the error made in part **(i)** answers, was to write about public sector organisations being able to raise money by selling shares publicly and contrasting this with the position of private limited companies.

**(b)** As in previous question papers, this question discriminated well between the A\*-B candidates and the C-D candidates. The correct answer is that the value of sales has increased by £50,000. Candidates needed to appreciate that mathematical calculations are essential to identify the change in the value of sales. The most common error was to suggest that sales had fallen based on a comparison of the percentage figures for 2006 compared with 2007.

- (c) Many candidates correctly identified appropriate methods of promoting Airight Ltd although the quality of justification of their choices varied significantly. Key ideas that needed to be applied included the target market, cost and effectiveness of communication. Weaker answers were often woolly in terms of expression; better answers clearly articulated how the method of promotion would target the potential customers and, for the cost, facilitate effective, possibly two-way communications.

### **Question 2**

- (a) Whilst many candidates correctly identified that flow and job production methods respectively were the correct methods, poor explanations meant that candidates were unable to achieve the higher marks. Commonly, many candidates contented themselves with repeating the information given in the question rather than using these as a springboard for their own points of justification.
- (b) This question was generally well-answered. Candidates showed a good knowledge of the possible advantages and disadvantages of introducing new technology. The most commonly cited benefits of new technology were cost savings resulting from lower employment and faster, more accurate production which could save on waste or improve the reputation of the business for quality. The main negatives were the need to make workers redundant with consequent short term financial costs and possible, adverse publicity, the need for re-training staff or recruiting highly skilled and expensive workers to operate or programme the computer-controlled machines and the risk to production arising from mechanical problems.

### **Question 3**

- (a) (i) The question gave very specific information about the backgrounds of Nazeem and Andrea as the applicants for a bank loan. It was expected that candidates would make use of this to explain how their skills would complement each other so that the different business functions could be performed effectively leading to a greater chance of success of the business and likelihood that the loan would be repaid. Unfortunately, the majority of candidates restricted themselves to general comments about the relevance of their experience and, consequently, restricted themselves in terms of marks.
- (ii) Candidates were rewarded for how well they evaluated the usefulness of any two of the four types of information. Most candidates were able to explain how the information would help the bank manager to assess the likely performance of Airight Ltd and how this would affect the risks attached to lending money to the company.
- (b) The first part of this question was generally very well answered. Candidates identified a mortgage as appropriate for raising the finance to purchase the factory and discussed relevant considerations such as the large amount of money, length of time for repayment, the use of the factory as collateral and possibility of paying monthly. Whilst a large number of candidates correctly identified that trade credit was the appropriate way to finance the purchase of materials, the explanation of why this was so were often imprecise. The best answers indicated that the materials became available to the firm giving them the chance to earn some income before having to pay for them, usually after 30/60/90 days. Another key advantage cited was that trade credit is interest free. Simplistically, some candidates stated that Airight Ltd would not need to pay for the materials until the goods produced had been sold. There is evidently a need to get candidates to think very clearly about this widely-used source of finance.

- (c) There were many well-developed and articulated responses built around the advantage of gaining limited liability resulting from becoming a private limited company. Candidates discussed the need to pay off debts in the event of liquidation and restricting risk to only invested monies and not to personal possessions. Some candidates included a discussion of incorporation in their answers. Candidates were less confident in suggesting a second line or argument. Most commonly, good answers discussed the greater availability of finance resulting from the ability to issue shares and because banks are often more willing to lend to private limited companies.

#### **Question 4**

- (a) (i) Most candidates were able to calculate correctly the basic pay that Mark would receive.
- (ii) Whilst many candidates could give advantages and disadvantages of both piece rates and overtime, few were able to come to an appropriate conclusion in the context of the business. Those who were able considered the importance of the firm's reputation for quality as an influence that might favour overtime over piece rates. Those who favoured piece rates, suggested that workers, paid overtime, might work more slowly in the contracted hours in order to generate the need for overtime.
- (iii) Candidates generally showed a very good knowledge of the meaning of redundancy.
- (iv) Many candidates failed to score well on this question. The main reason for this is that they failed to identify the focus of the question which was on the "extra" that Mark would receive above the legal minimum.
- (v) There were some excellent, very well-thought out and articulated answers to this question. A good answer required a discussion of a lot of "ifs" and "buts" of issues such as costs being dependent on the amount that Airight Ltd needed Mark, potential problems of his availability and so on.
- (b) This question was generally well-answered. The best candidates clearly identified how the training would benefit Mark in terms of skills and knowledge and then distinguished how this might be of benefit to him, often in terms of improving the demand for his services, and Airight Ltd, often in terms of their reputation for quality and ability to install a wide range of types of air conditioning systems and how this would affect their sales.

#### **Question 5**

- (a) (i) Only about half the candidates were able to state that Corporation Tax is the tax paid by companies on their profits.
- (ii) Many candidates could correctly explain what dividends are.
- (iii) and (iv) These questions discriminated at the higher end. Ratios used in the analysis of financial reports are difficult to learn and more difficult to apply.

- (v) As in previous years, an evaluation question about final accounts was preceded by a question about the appropriate ratios the idea being that this would act as a reminder about the use of ratios for evaluating business performance. This did not appear to have worked as well as in previous years. The vast majority of candidates restricted themselves to Level 1 answers by referring to the data as presented and drawing appropriate from conclusions from this. Where candidates did recognise the need to calculate the ratios for 2007 and make comparisons with 2006, most did not use this data to draw conclusions about the performance of the business.

- (b)** There were some excellent answers to this question. The best answers explored the effect of business closures and rising unemployment on incomes and the demand for air conditioning. They also discussed the possibility that the business closures might be amongst competitors and this could lead to more sales. A number of effects of the fall in interest rates were explored such as the negative effect of sales as many individuals and businesses as customers would need loans to finance the purchase of air conditioning and on the costs of Airight Ltd, rightly pointing out that, having taken out a mortgage to buy the factory, it would not pay less on it.
- (c) (i)** Whilst there were a lot of good answers to this question, too many candidates restricted themselves to one-dimensional discussions about the increase in jobs that would result. Better candidates developed arguments in terms of the extra business for local firms and could cite examples such as builders and service providers. They also discussed how the location of NXP in Bowton might attract further inward investment, visits by business people and other aspects of what economists call the multiplier effect. This was a term used by a number of candidates who went on to apply it in some detail.
- (ii)** Many candidates restricted themselves to general points about the potential for increasing sales. The better candidates made specific reference to the larger market, trade within a free trade zone, the possibility of grants and, where articulated clearly, the possibility of cheaper labour. Weaker candidates commonly asserted without justification that cheaper raw materials would be available to NXP.
- (iii)** There was a lot of confusion in many answers to this question. A large number of candidates wrote about the benefits that the town in general and its people in particular would gain if a large, financially stable like NXP took over Airight Ltd. The focus of the question, however, was clearly on the self interest of the shareholders. Many answers mentioned the size of the lump sum that they would receive. Better answers compared this with the current level of annual profits and how it long it would take Nazeem and Andrea to earn that amount. There were some very good answers exploring the future potential of the business discussing in this context the possible effects of the forecast recession and how this might be a good time to sell up.

## 1951/03 Business and Change Foundation Tier

### General Comments

Overall candidates performed satisfactorily on this paper. There were few candidates achieving the top marks.

The most common problems were:

1. An inability to evaluate, analyse and differentiate from data and case study information in Questions 1(e)(ii), 1(f)(ii) and 2(c)(i).
2. A lack of knowledge on the essential features that differentiate between a partnership and a private limited company.

### Comments on Individual Questions

#### Question 1

- (a) (i) This was poorly answered which is disappointing as this 'business ownership' question is a standard opening on this option. Many candidates struggled as they tended to either refer to Wallis Ltd as an individual owner, or use comparisons inappropriately to sole traders and public limited companies. A full mark response included 'Wallis Ltd will have limited liability which means personal possessions are not at risk unlike with a partnership who have unlimited liability' for the advantage; and for the disadvantage 'the business must publish its accounts therefore competitors can see them and make changes in order to compete'.
- (ii) This was well answered. Many candidates could state a business objective, and give an appropriate reason for that objective. A correct response included 'Profit' – this is needed for invested in new machinery/developing new products.'
- (b) (i) Another well answered question. Most candidates correctly identified a competitive market as 'one with many similar companies.'
- (ii) The disadvantage to a competitive market was generally well addressed in terms of lower prices, loss of customers, smaller market share, and profits.
- (c) (i) This was well answered with candidates recognising that 'liquidation' was the problem for non-payment of current liabilities. Most candidates obtained at least 2 of the 3 marks on offer. The incorrectly selected action 'decrease in taxes on oil...' tended to be the reason why some candidates did not receive full marks.
- (d) (i) This was well answered with candidates recognising that 'liquidation' was the problem for non- payment of current liabilities.
- (ii) Well answered by the majority of candidates. Most candidates obtained at least 2 of the 3 marks on offer. The incorrect selected action 'decrease in taxes on oil...' tended to be the reason why some candidates did not receive full marks.
- (e) (i) Generally well answered with correctly selected numeracy evident and the correct answer provided, namely £30.8 million. Some candidates did lose marks for not putting the '£' sign in their answers, as with question (c) (i).

- (ii) Candidates generally struggled on this question. Many of them did not refer to the data trends within the table provided, and few could outline the trends and propose reasoned actions to address the decline, i.e. lower prices, increased advertising, and diversification.

As with the higher tier some candidates did provide Level 3 responses such as ‘a sharp drop in the convenience food market is leading to income problems as even though market share is a high 10% the business will be getting 10% of a lower figure ie a reduction from £103.95 million to £85 million. This suggests the UK convenience food market decreasing and more competitive thus Wallis should reduce price issues and possible diversify into healthy foods especially as people are more aware of healthy foods.’

- (f) (i) Well answered with “conglomerate” being correctly identified.
- (ii) This question highlighted difficulties in candidates being able to analyse information appropriately. Very few reached a level 2 judgement, based on interpreting the factors provided. The features of “spread risk” and “75 new staff” were particularly misunderstood.

Good responses were rare but did include ‘Wallis Ltd should merge with Doyle Ltd as it will mean that they will have a range of products, thus a range of customers, to sell and hence more potential profit. They need to do this as the earlier data shows a significant drop in spending on convenience food. Therefore, it spreads risk for the business. Wallis Ltd may lose some control over its business as they will have to share with Doyle Ltd, and this may mean a reduction of some of their staff which may cause conflict with existing workers especially as they have 25 more staff. Additionally Doyle Ltd owe more money to the bank which means they will become liable for their debt and all the interest payments. However given the earlier data I do not think they have a choice as the market they are in is clearly declining.’

## Question 2

- (a) (i) Well answered. Most candidates correctly interpreted the feature of a multinational company.
- (ii) This was generally well answered. The advantages and disadvantages of being a multinational were generally identified, but the explanation of the given factors, were too vague. A correct response included ‘Manufacturing bases can be spread around the world nearer to the markets they serve thus saving on costs of transporting the products to market’ for the advantage; and ‘Communication difficulties caused by being located in different countries e.g., language difficulties’ for the disadvantage.
- (b) (i) This part was well answered. Candidates had a good understanding of the causes of pollution. A correct response included ‘the business makes a lot of products. To do this they have to use machinery and this may cause noise and smoke which can pollute the environment.’
- (ii) This part was poorly answered. The majority of candidates did not grasp that the question related to government action on pollution, rather than general actions. Correct answers were rare but did include “Government may direct a large fine which decreases profits.’



- (c) (i) As a cross-over question, this was satisfactorily answered. Whilst there was little achievement above level 2 many candidates achieved 3 or 4 of the marks on offer. References were made to good and bad features of re-locating the business, but few could interpret and analyse beyond this, and only a minority provided an overall weighted judgement. Those candidates who only achieved level 1 simply copied out the data with no reference to the business and no explanation.

As with the higher tier a good Level 3 answer included “Bangladesh has much cheaper hourly wage and this would lead to much cheaper labour costs. Further savings on total costs would be made with the low health and safety costs. However quality of products may suffer if the workforce is not skilled and at the end of the day if consumers do not buy the product there will be no business. The first newspaper headline will have more of an impact because more UK consumers will buy its products than Bangladesh consumers as they do not have the money. Therefore, Anne Marie plc should relocate as the disadvantages clearly outweigh the advantages’.

- (ii) This was satisfactorily answered. The angle of the question was stressed by the bold type ‘other businesses’. This did assist some candidates generally although some candidates did not appear to have read the question closely enough and many candidates referred to Anna –Marie plc, rather than other UK businesses.

A common correct response for an ‘advantage’ to other businesses of a plc relocating abroad *included ‘Ann Marie plc may be a competitor therefore this may increase sales for other businesses’*. Regarding a ‘disadvantage’, *“If a business relocates out of the country other businesses which may have supplied Anne-Marie’ lose profit’*. An additional ‘good disadvantage’ linked Anne Marie Plc cost savings to its ability to set low prices which would harm UK businesses ability to compete.

- (d) (i) This question on shareholders was answered and interpreted very well with many achieving both of the 2 marks on offer. A good response included ‘Shareholders should be pleased as the net profit increased which has led to the business giving more money back to them in terms of dividends.’
- (ii) Following on from the previous question, this was again well answered, with just a minority not correctly selecting at least two interpretations of dividends and shares.
- (e) Satisfactorily answered.

Responses were mainly at level 1 with candidates giving some valid reasons for effects on the company of the two newspaper headlines. However, as with the other evaluation and judgement questions the weighting to give a final judgement was mostly lacking and thus level 2 was not achievable for many.

A good level 2 response included “it is difficult to say as we don’t know how many workers they have on the minimum wage although even if they had a lot the wage is still small thus a large multinational would not be bothered. Therefore, I think consumers spending more on household products will have more of effect. This may directly link to sales. This will then provide more money/profits which then can be invested or given to shareholders.

## 1951/04 Business and Change Higher Tier

### General comments

As with previous years, candidates displayed a good knowledge of the specification content. There was a good understanding of the various principles and business terminology. However, certain centres seemed to have not covered in enough detail certain topics such as 'economic factors', and the area of ratio analysis.

As expected, only the more able could fully evaluate and provide good responses to questions 2(c) and 2(d). These questions were targeted at these candidates and differentiated as such. However, the vast majority of candidates did make an appropriate attempt to answer all questions within the given time period.

### Comments on individual questions

#### Question 1

- (a) (i) Generally well answered. This type of question, 'business ownership', is a standard opening for this paper and whilst most candidates were able to obtain 2 of the 4 marks on offer many missed the required comparison with partnerships. Many incorrect 'disadvantages' centred on 'unable to raise a lot through share issue as shares not sold on the stock exchange'. The question wanted a comparison of Ltds with partnerships not with public limited companies. Common correct responses included 'Wallis Ltd will have limited liability thus personal possessions not at risk unlike with a partnership who have unlimited liability' for the advantage; and for the disadvantage 'the business has to publish its accounts therefore competitors can see them and change their own practice in order to compete'.
- (ii) This was well answered. The majority of candidates on this tier could provide a relevant business objective. The majority could provide an appropriate explanation. A correct response included 'Profit – this is needed for invested in new machinery/developing new products.'
- (b) (i) This was generally well answered. A common correct answer 'Mixed economy is where the economy has a private sector run by individuals and businesses and the public sector run by the government.' This area of the specification had clearly been covered by the majority of centres.
- (ii) This was well answered. Due to the responses of (b)(i), it was not surprising that many students had been able to explain an advantage to the consumer of market based economies. A common correct answer included 'businesses compete and this may lead to cheaper prices thus consumers save money'.
- (c) Well answered by the majority of candidates. Most candidates obtained at least 2 of the 3 marks on offer. The incorrect selected action 'decrease in taxes on oil...' tended to be the reason why some candidates did not receive full marks.
- (d) Satisfactorily answered. Whilst it was clear the majority of candidates were able to interpret the data few provided a detailed analysis linking to appropriate actions. Many candidates simply stated 'diversification' without a reasoned explanation. However, some candidates did provide Level 3 responses such as 'a sharp drop in the convenience food market is leading to income problems as even though market share is a high 10% the business will be getting 10% of a lower figure ie a reduction

from £103.95 million to £85 million. This suggests the UK convenience food market decreasing and more competitive thus Wallis should reduce price issues and possible diversify into healthy foods especially as people are more aware of healthy foods.'

- (ii) Whilst this question was aimed at the more able, it was still only satisfactorily answered. Only a few candidates were able to achieve Level 4. Whilst candidates could provide general Level 1 and Level 2 responses few were able to fully explain each of the 3 factors given within the given scenario. Full mark answers were rare but included responses such as 'Overall, Wallis Ltd should merge with Boyle Ltd as it will mean that they will have a range products, thus a range of customers, to sell and hence more potential profit. The need to do this is supported by the data showing a big drop in spending on convenience food. For this reason I am discarding merging with Redmonds Ltd. However, there is a downside in that Wallis Ltd will lose some control over its business as they will have to share with Boyle Ltd, and this may mean a reduction of some of their staff which may cause industrial relations problems especially they have 25 more staff. Also, Boyle Ltd owe more money to the bank which means they will become liable for their debt and the interest payments. However given the significant drop in spending on convenience food the merger with Boyle must be the appropriate one.'

## Question 2

- (a) (i) This part was well answered. The vast majority of students were able to make the correct selection regarding the definition of a multinational company namely 'A company which have a head office in one country but have manufacturing/service facilities in another'.
- (ii) The responses to this question were satisfactory. Many incorrect disadvantages centred on non-production based answers namely 'the business has a big market to sell to'. This was not awarded as this statement refers to the majority of exporting businesses. References to 'improving brand name' 'improving reputation and 'knowledge to the business' were given credit. However, a common correct response for an 'advantage' of being a multinational included 'production may be located where wage costs are low therefore the business can set competitive prices'. A correct response for a 'disadvantage' included 'Communication difficulties caused by being located in different countries which may have different languages'.
- (b) (i) As a cross-over question, this was generally well answered. The majority of candidates were able to obtain Level 2, thus gaining 4 out of the 6 marks on offer. Many candidates did not achieve level 3 because they did not provide a reasoned judgement based on the each of the factors provided. Those candidates who only achieved level 1 simply copied out the data with no reference to the business and no explanation.

A good Level 3 answer included "Bangladesh has much cheaper hourly wage and this would lead to much cheaper labour costs. Further savings on total costs would be made with the low health and safety costs. However quality of products may suffer if the workforce is not skilled and at the end of the day if consumers do not buy the product there will be no business. The first newspaper headline will have more of an impact because more UK consumers will buy its products than Bangladesh consumers as they do not have the money. Therefore, Anne Marie plc should relocate as the disadvantages clearly outweigh the advantages'.

- (ii) Generally this was well answered. The angle of the question was stressed by the bold type 'other businesses'. This did assist candidates generally although some clearly did not read the question closely enough.

A common correct response for an 'advantage' to other businesses of a plc relocating abroad included 'Ann Marie plc may be a competitor therefore this may increase sales for other businesses'. Regarding a 'disadvantage' 'If a business relocates out of the country other businesses which may have supplied Anne-Marie' lose profit'. An additional 'good disadvantage' linked Anne Marie Plc cost savings to its ability to set low prices which would harm UK businesses ability to compete.

- (c) This question was targeted at the more able and as expected, many candidates did struggle to obtain Level 3 or Level 4. Many candidates simply provided basic knowledge statements without analysis hence they remained in Level 1. Other candidates could analyse, in particular the current ratio data, and make a fair judgement but did not refer to the additional gross profit to sales ratio therefore remained in Level 3. It was also of interest that some centres had clearly taught both ratios, as candidates could calculate correctly, but few understood the implications of their calculations. However, the more able used the data effectively and made a reasoned judgement.

An example of a good Level 4 example included '*Whilst Hygiene Ltd has higher LTLiabilities, therefore higher interest payments, its gross profit ratio is higher 66% compared to YHLtd 33% meaning they have a better return on its sales. They clearly manage its costs of materials. Hygiene Ltd clearly have better working capital with a current ratio of 1.6:1 which sharply contrasts YHLtd's 0.5:1. This means Hygiene Ltd will not have difficulty in repaying its short term debt unlike Young and Happy Ltd. In addition, the value of fixed assets for Hygiene Ltd is much higher than YHLtd thus Anne-Maries plc would get far more for the sell of the Hygiene Ltd.*'

- (e) This was satisfactorily answered. Whilst the better candidates provided good responses by referring to and analysing each of the economic factors, the weaker candidates tended to explain each factor without considering the comparative importance. Some candidates believed the £ had got weaker, whilst others did not link to the actual question, that is, which country would have the highest percentage of Anne Marie's total sales revenue?

Good responses included '*the predicted increase in UK interest rate may lead to greater decreases in UK spending and sales revenue as the forecasted increase in German R/I is sharply lower. The predicted increase in the £ will lower export demand from Germany as German consumers find AMplc products too expensive. The predicted higher UK RPI may mean UK consumers begin to buy from Germany and not AMplc as prices are cheaper in Germany. Additionally, higher UK RPI may mean German consumers begin to buy from businesses other than the UK as its prices are too expensive. Again, this will decrease sales revenue from Germany. Overall, however, due to the nature of the product – household goods – it is unlikely UK consumers will significantly change whereas a approx. 30% appreciation in £ may easily deter Germans from purchasing from AMplc. Therefore, I believe the UK will hold the highest sales revenue percentage.*'

It must be stressed that this paper is written two years in advance and whilst we try to link current economic conditions to each exam paper it must be remembered the questions set link to business concepts not the current UK environment. It was noted the £ had recently depreciated against the EURO but it was decided to leave the question as it was originally planned. The question was referencing general economic conditions and its impact on a stated business.

# 1951/05 Business Communication and Marketing Foundation Tier

## General Comments

Most of the candidates attempted the questions and a variable level of business understanding was shown. The full range of marks was awarded, once again showing that candidates were allowed to achieve according to their level of ability.

The most common problems were:

1. An inability to evaluate, analyse data.
2. A lack of knowledge of certain concepts and terms such as 'e-commerce', and 'supply and demand'.

## Question 1

- (a) Satisfactorily answered. Many candidates did not really understand the concept of e-commerce. An additional problem was that many candidates provided advantages and disadvantages from the customers' viewpoint rather than the company.

Stated advantages such as 'reaching a wide range of people' and '24/7 opening' were seen although these were rarely developed. An example of a good answer for an advantage of e-commerce was 'by using e-commerce Organicas can reach a global market and the website can be seen by millions of people giving the company a lot of potential customers'. Regarding disadvantages responses included 'because consumers can surf the net they can compare prices which will force companies to set more competitive prices'.

- (b) Satisfactorily answered. Most candidates were able to obtain some marks with statements linking to 'increase prices' and 'increase supply'. Some candidates incorrectly thought that Organicas should 'produce' more. Candidates were rewarded if they linked to buying more from its suppliers. A good response included 'Organica Ltd should be experiencing increases in both sales due to there being high demand for organic produce. Having high demand is a good thing for the business as it can increase prices and have higher profits.'

- (c) (i) This was well answered. The revenue calculation was answered correctly in most cases, although some candidates failed to gain full marks because they did not include the € sign.
- (ii) This part was well answered. Candidates recognised that there were fewer sales but revenue had increased. Good answers were relatively concise and an example was 'they were right to increase the price of baby products, because although they did lose sales, they increased revenue by €6500.'

- (iii) The weaker candidates appeared to guess the answer to this multiple choice question. However, there was sufficient evidence that centres had covered the 'supply and demand' topic in their teaching. The most frequent incorrect selection centred on the impact of 'a successful advertising campaign'. Some candidates incorrectly thought that this would lead to a reduction in supply.
- (iv) As with the previous question, the less able candidates appeared to have guessed whilst many did obtain the correct answer namely 'prices will rise'.
- (c) This was watisfactorily answered, but many candidates failed to read the data carefully and consequently failed to reach a L2 answer. A common problem being the factor 'the number of health food shops'. This factor was incorrectly taken as health shops belonging to Organicas. However, good answers were seen and included 'there has been a big increase in competition forecasted and sales are predicted to fall significantly. Organicas will struggle to compete with the extra 800 new health shops, although this is still only a forecast. Therefore, my action would be to diversify into producing other organic food to increase sales'.
- (d) (i) This was well answered. Candidates tended to be aware of the difference between primary research and secondary research. A common problem was that some candidates drew more than 2 lines.
- (ii) Generally this was well answered. The need to make a choice whether to use primary research or secondary research, challenged candidates but did allow the use of judgment. Some candidates incorrectly chose secondary research and given the context of the question this received no marks. An example of a good answer was 'Primary research involves collecting information first hand whereas secondary research is research carried out by another organisation. Organica Ltd can ask questions it wants which means it can find out exactly the information required thus not wasting time or money. Therefore, I suggest using primary research.
- (iii) Well answered.

Most candidates correctly chose 'national television' and the 'internet website', and most were able to provide good reasons which related to the question context. Full marks were awarded to the candidates who explained why they had not chosen the other methods.

A good response included 'Internet website – More people are starting to use the internet and so there is a large audience that will view the advert and so more people will buy it. I didn't choose local newspapers as it isn't national and only local people will see it' and 'National Television – Because there is a large amount of people who watch television, so the people that watch the advert will be large. You can aim the advert at a particular target group, like young mums. I didn't choose handing out leaflets in the local area as not many people will see it as its not national'.

## Question 2

- (a) (i) This part was well answered. The majority of candidates were able to explain the meaning of the terms 'video-conferencing' and 'email'. Some candidates appeared to have misread the question and gave advantages not the required 'meaning'.

Correct responses included 'Video conferencing is where they can see and hear each other using a webcam and don't have to be in the same area' and 'E-mail is where someone can write a note or a letter using a computer and then send it over the internet.'

- (ii) This was well answered. The majority of candidates were able to offer an additional example of how IT may be used in an office. A correct response included 'can use a fax machine to send important documents immediately.'

Some candidates incorrectly explained how IT could be used without mentioning the method. The most frequent answers were telephone and fax, but many failed to gain the second mark for a good explanation of the device.

- (b) (i) This part was well answered. Most candidates correctly interpreted the meaning of marketing.
- (ii) This question tested evaluative skills. Most gained some marks but only within Level 1. Candidates commented on the data trends but did not develop and go on to describe how the stated company might react to them. An additional problem was that many candidates thought the percentages given referred to Flighty sales.

A good answer was 'Flighty should react to this data by setting up their own website and then advertise that they have a website. They should put promotional offers on the site to increase sales. The data shows that more people are buying off the internet and as a result more companies are using internet marketing. Flighty should do this to stay ahead of the competition'.

- (c) Generally this was well answered. The majority of candidates could obtain at least 2 of the 4 marks on offer, whilst many obtained 3 or 4 marks. A common correct response included 'the business will be able to create a database of the personal information like age, income addresses etc and as a result they could then target various groups like young families with offers and deals that would relate to them based on their previous holidays. This would increase sales by people wanting to travel with Flighty again'.
- (d) As a cross-over question, this was satisfactorily answered. The majority of candidates were able to obtain marks within Level 1 and some progressed to Level 2, thus gaining 3 or 4 out of the 6 marks on offer. Many candidates did not provide a reasoned judgement based on each of the factors provided and therefore were unable to achieve Level 3. In addition, many candidates did not note that the business currently only sell to USA and Canada. Those candidates who only achieved level 1 simply copied out the data with no reference to the business and no explanation.

A good answer at Level 3 was 'Flighty only sell to US and Canada at the moment and the data suggests that this will increase sharply. They should therefore keep selling these holidays. But the data shows that people going to Spain is three times more than those who go to US in 2002 and twice as high in the future. I think they should start selling to this country as well as other countries in the EU, although there will be more competition. They should sell holidays in July and August at higher prices because they are the popular months and beach holidays seem to be a favourite type of holiday. However these type of holidays are set to decline so I suggest Flighty stay selling holidays to US and Canada as they are set to increase a lot'.

- (e) (i) This was a well answered question with the majority of candidates correctly selecting the example of ethical behaviour namely, 'making sure customers are safe'.
- (ii) This was well answered with many candidates able to use each of the three factors provided namely 'quality/sales/reputation ' and identified that sales would go up in the short term but down in the long term. The layout of the question aided the weaker candidates in its structure.

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A good response was 'I think that Flighty should not sell these cheap ski holidays, because if the resort had a poor safety record the people might get hurt and sue Flighty. They would then get a bad reputation and this would affect the sales of all the holidays that Flighty sell. Sales would go up at first but then they would all fall. The ski holidays are not good quality and people would think they are a poor company so they would lose profit'.



# 1951/06 Business Communication and Marketing Higher Tier

## General Comments

As in previous years, the questions on this examination paper were set around two fictional businesses context. Candidates were not required to have any detailed knowledge of these kinds of businesses. The purpose of the examination is to test the ability of the candidates to apply their knowledge of the terms, concepts and techniques of the subject to deal with issues raised through the questions. Candidates should be aware that this information is there both to help and to challenge them.

As ever, there were a number of questions that required candidates to apply their numerical skills and, as ever, the performance on these was mixed. The numbers and data are always relatively straightforward so that they do not put off those candidates who are not confident about their numerical skills.

The performance of candidates was generally good and the mean mark achieved is approximately 33.

## Comments on Individual questions

### Question 1

- (a) Most candidates answered this well showing they understood the requirements of the question. A common advantage included 'By using e-commerce Organica Ltd can reach consumers around the globe because the Internet covers the world. This means that Organica Ltd's website can be seen by billions of people giving the company a lot of potential customers.' Responses to the disadvantages included 'because consumers can surf the net they can compare prices which will force companies to set more competitive prices'.
- (b) Generally this was well answered with most students able to obtain some marks with statements linking to 'increase prices' and 'increase supply'.. A common good response included 'Organica Ltd should be experiencing increases in both sales due to there being high demand for organic produce. Having high demand is a good thing for the business as it can increase prices and have higher profits.'
- (c) Candidates generally understood each of the factors but some failed to analyse fully 3 of the 4 factors thus did not achieve Level 2. A common correct answer 'Costs will be lower as non-EU farms lower wages to children thus cost of supplies are cheaper for Organica, and the business will also pay less money to get organic certification. These lower costs will increase profits. However, ethically it is wrong to pay children to work and if the press find out your image will suffer which may result in lower sales/profits therefore weighing up the potential of major poor publicity they should not buy in from outside the EU.'
- (d) (i) Generally this was well answered and the provision of the formula enabled most candidates to achieve a mark, with many being awarded the full mark allocation for providing the correct answer namely '0.5'.

- (ii) Given the number of correct responses for (d)(i) it was disappointing to see candidates struggling to use their result and apply to stated business. A correct response being 'The Marketing Director was correct to increase its price as its PED is inelastic. Whilst the business did experience a decrease in demand due to the price increase, overall they have benefited, ie, the gain from the price increase is greater than the loss of money due to the reduction in demand.' The required reference to 'elasticity' was not common. We did open the mark scheme to allow for comparisons of total revenue.
- (e) (i) The weaker candidates appeared to have guessed the answer to this multiple choice question. However, there was sufficient evidence that centres had covered the 'supply and demand' topic in their teaching. It was pleasing to see that many candidates obtained full marks. The most frequent incorrect selection centred on the impact of 'a successful advertising campaign'. Some candidates thought that this would lead to a reduction in supply.
- (ii) Candidates generally identified supply had reduced and then stated the business would need to increase their own prices. Those candidates who failed to achieve any marks simply did not connect the diagram with falling supply. Good responses included 'A reduction in supply will mean less baby food to sell therefore less revenue / profits' and 'Organica Ltd may increase prices therefore consumers have to pay more which reduces profits as consumers may go elsewhere.'
- (f) This question was targeted at the more able and as expected, many candidates did struggle to obtain Level 4 albeit many did achieve Level 3. The reason for the lack of Level 4's tended to centre on candidates not noting 'the trend' in household spending on Organic food. Many candidates simply provided basic knowledge statements without analysis hence they remained in Level 1. Other candidates could analyse, in particular the 'increased competition' and 'net profit factors', and make a fair judgement.

An example of a good Level 4 example included "We can see that there is a sharp increase in competition forecasted whilst net profit is not predicted to increase. However, there has been a sharp increase in the number of workers over the time period given, and therefore the amount spent on wages therefore we can assume sales are increasing. However, what is worrying is despite the sharp increase in spending on Organic food, net profit will again remain the same if the company continues to increase its workers by another 25% and the previous increase has not led to an increase in net profit. Therefore, it does appear Organica Ltd is struggling to compete with its competitors. Therefore, I advise the business to carry out research into its existing customers and potential customers, then aggressively market its products taking into account its current pricing strategy and products it sells. I also advise looking closely at worker numbers which have been sharply increasing with minimal impact on profits.'

## Question 2

- (a) (i) The majority of candidates were able to explain the meaning of the terms 'video-conferencing' and 'email'. Correct responses included 'Video conferencing is where they can see and hear each other using a webcam and don't have to be in the same area' and 'E-mail is where someone can write a note or a letter using a computer and then send it over the internet.'

- (ii) The majority of candidates were able to offer an additional example of how IT may be used in an office. Correct responses included 'a computer can be used to set up power-point presentations' and 'can use a fax machine to send important documents immediately.'
- (b) The responses to this question were variable. Whilst the majority of candidates could obtain 2/3 of the 6 marks on offer, few achieved higher as they struggled to explain fully each of the findings namely 'consumers believe they had more power' and 'businesses have to be more open'. Full mark answers were rare but did include 'the sharp increase in businesses advertising over the internet shows that more businesses and consumers are trading on the internet. This suggests that Flighty Ltd should be as well. The second and third statements relate to consumers being able to see prices, product range from their home and they can quickly compare with other businesses in order to get the best deal. This forces businesses to be more competitive when setting prices etc.'
- (c) (i) Whilst many of the candidates could obtain 2 or 3 marks of the 5 marks on offer only the more able obtained level 2 and the 4 / 5 marks on offer. This was mainly due to the lack of analysis of each of the trends provided and, in particular, not noting 'call centres' have been on the increase. In addition, some candidates did not offer an appropriate action as stated in the question. A full mark answer included 'the number of travel agent shops is decreasing and the number of people buying holidays on line sharply increasing. There is clearly less of a need for travel agent shops. The number of workers employed by call centres and travel shops is staying the same over the period shown. This suggests more and more travel agents are using call centres rather than shops. This is probably due to the cheapness of call centres in that you do not have to have loads of shops which means rent, heating etc....you could simply go to the cheapest area and sell your holidays over the phone. Therefore, I suggest opening a call centre and reducing the number of shops which Flighty Ltd has'.

(ii) This was well answered. The majority of candidates could obtain at least 2 of the 4 marks on offer, whilst many obtained 3 or 4 marks. A common correct response included 'Flighty will be able to create a database of all customers who used its business and as a result will be able to directly target potential customers based on their age, gender.... with emails and direct mail which may lead to increased sales. They may also use loyalty cards which reward their customers when they use their airline.'
- (d) As a cross-over question, this was generally well answered. The majority of candidates were able to obtain Level 2, thus gaining 3/4 out of the 6 marks on offer. Many candidates did not achieve level 3 as they did not provide a reasoned judgement based on the each of the factors provided. In addition, some candidates did not note that the business currently only sell to USA and Canada. Those candidates who only achieved level 1 simply copied out the data with no reference to the business and no explanation.

A good Level 3 answer included 'at the moment Flighty Ltd only sell to USA and Canada. The data suggests that this is a growing market thus they should most certainly stay selling these holidays. However, the data also shows the highest number of tourists go to Spain. The number going to Spain was 10 million more as those going to USA and Canada (2002) and predicted to be 5 million more in the forecast. Therefore, by not selling to these countries they may be missing profit albeit other destinations, like the USA, is increasing quickly. The implication of the statements are they should have, if they have not already got, higher prices in July and August, and a range of beach holidays. However, in my opinion, the market for selling beach holidays to places like Spain is too competitive and

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the trend in numbers is forecasted to decline. Therefore, I suggest staying as they are especially as there is a 66% increase in visiting USA/Canada.'

- (e) Whilst many candidates could provide a description of a piece of legislation which protects customers few were able to provide the correct name. A correct response included 'Data Protection Act prevents businesses from distributing your details to other businesses.'

## 1951/07 Case Study Foundation Tier

### General Comments

Many candidates found the paper accessible and were able to answer questions in all the sections of the paper. There was a wide range of ability and performance and less evidence this year that candidates had not been prepared for the examination. Many of the candidates were able to use the resource sheets to effectively answer the questions and there was some evidence that some of these candidates could have been entered for the Higher Paper. These candidates were able to achieve the higher level skills of analysis and evaluation and understood that answers required the use of the context of the case study in order to gain reward.

There were some candidates who did not appear to have been adequately prepared for the case study and in these cases much of the paper was littered with blank spaces and thus few marks were achieved. Candidates should be encouraged to complete all answers even if they are unsure of the correct response.

The standard of presentation overall was reasonable although there was increased evidence of 'text' speak with the use of terms such as 'no' for know and 'u' for you. However many candidates wrote well and scored marks for Quality of Written Communication. There did not seem to be an issue with time and the majority managed to finish the paper. Few candidates omitted Question 5 completely.

There was little evidence that candidates had limited space but there were candidates who finished answers with just one or two words on the back pages. This should be discouraged as it detracts from the readability of the answers.

The answers to the numerical calculations were very encouraging this year and there was less evidence that candidates did not have calculators.

### Question 1

- (a) (i) This was a cross over question which was reasonably well answered with many identifying limited liability but far too many not knowing what it meant.
- (ii) There was limited understanding of benefits to the owner of funding the business himself. Understanding of sources of finance limited as shown in 4(g).
- (iii) This was a cross over question. Candidates struggled to explain how and why this business' objectives might have changed over time. Many simply repeated what was in the stem and used it as the basis of their answer. Better answers considered the change in business status that initial objectives had been achieved and that expansions and satisfying stakeholders such as shareholders might now be more important.
- (b) Most candidates were able to identify reasons for location but many lost marks through failure to explain their suggestions. Best answers identified issues such as passing trade, better access, larger market etc.

## Question 2

- (a) (i) and (ii). These were reasonably answered and most candidates knew the concept of hierarchy but fewer knew the concept of span of control.
- (iii) This was a cross over question designed to test the ability of candidates to select appropriate methods of communication in particular circumstances. In this case the organisation of appraisal meetings required a relatively confidential but quick, easy and secure method of communication. Many candidates recognised that a telephone call backed up by a letter or e-mail would provide these conditions. However there were many candidates who failed to explain why others were rejected and therefore lost evaluation marks.
- (b) Candidates presented a variety of interesting responses to this question. Many of the more cynical suggested that 'sacking him' would be the obvious answer. However there were others who made realistic suggestions about explaining the purpose of appraisal and allowing him to share his expertise.
- (c) Most candidates gave reasonable answers to this such as language, customs and culture which was encouraging and showed some insight into this topical problem.
- (d) Answers to this were variable. Most candidates chose to explain Health and Safety but many failed to say why minimum wage was not relevant. This may be due to a lack of understanding of the consequences of the law and its application to the case. Better answers identified that Health and Safety affects all stakeholders with catastrophic affects in the long term if ignored whereas minimum wage affects limited stakeholders and is internal to the business.

## Question 3

- (a) (i) This was a big question with a lot of information for the candidates to absorb. Candidates found it difficult to fully explain and link the question to the problem of Link Spas' relationship with the community. However many did choose appropriate actions and attempted to support their decision in context.
- (ii) This was intended to direct candidates into an evaluative situation. Best answers attempted to discard other options but many did not take this cue.
- (b) This was a cross over numerical question. This was either answered extremely well or not attempted at all. Percentage changes always present a challenge but there was some evidence that this had been addressed by centres.
- (c) Answers to this question were variable. Many candidates failed to focus their answers on the particular issue of increasing sales revenue and therefore lost marks. Any of the options would have been viable if supported by a good case. There were a significant number of candidates who chose 'reduced subscriptions for the low season' and scored highly on this question.

## Question 4

- (a) This question was an example of candidates not using the case study to help them answer the question. Due to this many came up with random answers and failed to score on this question.
- (b) (i) Many candidates achieved the correct answer but too many omitted '000's' in their answer.

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- (ii) Many candidates achieved the correct answer but a significant number also incorrectly included a £ sign.
- (iii) This was poorly answered. Candidates could have read the answer from the chart with very little calculation. Many got involved in complex calculations which were unnecessary.
- (c) Some good efforts here with many inserting the correct figures and achieving marks. However, once again far too candidates many omitted '000's' and therefore did not achieve full marks.
- (d) (i) There appeared to be some confusion here with many choosing 18 – 30 instead of 30-40.
- (ii) No problems here with most candidates selecting the correct answer.
- (iii) Once again candidates did not use the Resource Sheet to help them and therefore many answers were simply random guesses.
- (e) Most identified the South and supported their choice with reasonable assumptions about the prospective market. However equal reward was given to Scotland if supported by the idea that there was a greater potential market to be exploited.
- (f) This was the question which most candidates appeared to find most difficult on the paper. Many ignored the idea of using costs in order to set prices or revenue in terms of how much profit might be made. Many candidates gave random answers with little reference to the case or costs and revenue. There was much reference to 'losing money' without reference to Link Spas. Best answers referred to the level of profit which might be achieved in the different areas of the spa.
- (g) Most candidates understood that a loan would result in debt and sale of shares would not. Also most candidates identified that a loan would cost the business in terms of interest payments. However beyond these facts there was little evidence of reference to the various costs involved in the decision to open a spa in Poland. As with other questions only the best candidates attempted to make comparisons between the types of finance or to suggest that different costs may need different financial sources. It is important that candidates understand that evaluation can only be achieved if alternatives are rejected or included based on sound reasoning.

### Question 5

- (a) This question required the candidates to analyse each of the three proposals set out in the case study and to suggest a reasoned course of action. Candidates were asked to explain an advantage and disadvantage of each proposal **to Link Spas plc**, however many candidates gave advantages and disadvantages in terms of the customer. In order to achieve all four marks candidates needed to develop each point, many contented themselves with basic responses such as 'more customers', 'more cost' which in fact could have applied to any of the options.
- (b) Repeated points from Part (a) were allowed in Part (b). Each option was rewardable if supported with valid reasons.

## 1951/08 Case Study Higher Tier

### General Comments

The majority of candidates found the paper very accessible and were able to answer questions in all the sections. There were some outstanding scripts where centres had prepared the candidates well for the examination. The standard of responses in many cases reflected that the candidates had been very well prepared in terms of exam technique with many achieving full marks at the higher levels of response. There was less evidence this year of candidates not using the context of the case in their answers.

Many candidates were able to use and apply the data contained in the resource sheets effectively when analysing and evaluating certain business decisions.

There was limited evidence that candidates had little understanding of the case study material and consequently there were fewer candidates who might have performed better at Foundation Tier. However it is disappointing that candidates are still generally unaware of the use of Balance Sheet or even what it contains and perhaps this could be addressed by centres.

There were some well formed and sophisticated arguments reflecting prior preparation. This was particularly true of the idea of operating in Poland and its effects on the business and the local area. Human resource issues still present the biggest problems to students who tend to the extreme when answering the questions. 'Go on strike, and 'sack him' seemed very popular as solutions.

Many candidates used the extra pages at the end of the examination booklet especially for many of the questions. There did not seem to be an issue with time on this paper and in general the answers and the Quality of Written Communication was better than previous years.

The numerical questions were well done and this year there was evidence that the majority of the candidates had brought calculators.

### Question 1

- (a) (i) This cross over question was well answered with many identifying that Alan would gain limited liability. It was encouraging to see how many could identify this concept and explain it well.
- (ii) Many candidates struggled with this question finding it difficult to explain how and why the objectives of the business might have changed over time. Time in fact was the key to answering this question and those who gained high marks identified that objectives had moved away from personal to corporate. The business had become a plc with shareholders to satisfy along with an increased number of other stakeholders. Others suggested that they were now operating in a competitive market and objectives would have to change accordingly. Best answers identified that it was not absolutely necessary that all objectives changed, the business might still aim to grow in terms of location and market share.



- (b) (i)** There were some excellent answers to this question with candidates recognising that a health spa would be operating in a competitive market and many of the customers may be professional, wealthy people who would advertise by word of mouth. In this case in order to gain and keep customers the spa should maintain an excellent service both in terms of customer service but also in terms of cleanliness, safety and reliability. However there were still a few candidates who failed to use the context of the case study and gained few marks.
- (ii)** A much better response to this question than in previous years with a significant number of candidates recognising that quality assurance is different to quality control. There were some good suggestions about 'hidden inspectors', training, questionnaires and feedback forms all of which gained marks if applied to the case study. It is still a difficult concept for the weaker candidate to explain and they should be encouraged to use the case study to help in their understanding.

### **Question 2**

- (a) (i)** There were some good answers that used the context of the case to identify that the union would advise and support the workforce in terms of negotiating good relocation or redundancy packages. However many still believe that the union will simply get the workforce to go out on strike. This approach gained little in terms of reward.
- (b) (i)** A wide range of answers were accepted if they were appropriate to the post of spa manager and if they were supported by good reasoning. For example, good communication is rewardable but might apply to any number of the posts available at the spa, therefore it is important that the suggestion is applied to the post of manager in terms of customer service, staff support etc.
- (ii)** This was generally well answered with many candidates selecting the most appropriate methods in the context. Once again this is the key factor to gaining marks. The methods of communication chosen had to be explained in terms of organising performance appraisal meetings and therefore had to appreciate that the workforce may want them to be confidential. Putting such information on the notice board was not really acceptable unless explained in terms of a confirmation exercise.
- (c)** There were some excellent answers to this question. Candidates were rewarded for either option and many attempted to evaluate by analysing both options and making a judgement. Best answers identified a key difference between the two types of legislation such as how many stakeholders would be affected or how the firm as a whole would be affected in the long or short term. Once again it is important to emphasise that those candidates who looked at both types of legislation gained the highest marks.

### **Question 3**

- (a)** Candidates still struggle to explain added value as a concept. The best answers explained actions like improved quality and more activities such as the golf increasing sales revenue and therefore adding value to the business. Many failed to make this link and lost marks.
- (b)** This was well answered with the majority of candidates able to select the correct figures and to carry out an accurate percentage change calculation.
- (b)** A cross over question which was well answered by many candidates. Those who did not do so well failed to apply their answers to increasing sales revenue which was a key factor in the decision. Any of the options are acceptable in terms of increasing

sales revenue, it was the analysis and evaluation which gained the marks for the best candidates.

- (ii) Candidates provided a variety of responses to this question. The best answers focussed on the target market of businesses and the best ways to advertise to these people and firms. Business magazines, personal visits, leaflets, national newspapers, trade exhibitions were all highly rewarded as options especially when they were explained in terms of the case study. The best answers showed an understanding of strategy in terms of the different types of advertising that might be used in different circumstances. Unfortunately there were few of these responses to be seen on this paper.

#### Question 4

- (a) (i) and (ii) Generally these were well answered . Most identified that the £ sign was not needed in either answer.
- (iii) Answers to this question were generally poor. Most candidates found it difficult to explain how break even could be used to set a price and even fewer could explain the limitations of break even in terms of this decision. Some made superficial comments about profit and sales and there were some who identified that the break even point was based on estimates, but these answers were rare.
- (b) Answers to this part were variable. There were some excellent answers who used the resource material to identify the different types of cost which would need to be financed if the expansion into Poland took place. These candidates then selected appropriate methods of finance for each cost. For example, the purchase could be done with mixture of retained profit and/or sale of shares. The refurbishment might be financed using a loan. Each method was then analysed and assessed in terms of the cost, time and risk involved. However there were some candidates who, although directed to the resource sheets, failed to identify the different costs involved and therefore gave general methods of finance which may or may not have been suitable in this situation.
- (c) Candidates failed to appreciate that a market research agency would have the expertise, time and ability to use specialists to research a market abroad. Many simply explained why market research would need to be done with no reference to the spa in Poland.
- (d) and (e) Generally these well answered although there was some confusion in (d) with many candidates identifying 18-30 instead of 31-40 as the answer. In (e) candidates in general identified the South or Scotland as the best area for selling hot tubs. Both were rewardable if supported by relevant reasons.

#### Question 5

This question required candidates to analyse each of the three options set out in the case study and to make a reasonable argument for the choice of one option in terms of Link Spas. There was no real evidence that candidates were under pressure in terms of time and many took the opportunity of using the extra pages at the end of the examination booklet to produce extremely good answers. The standard of arguments was much higher this year with some real insight into the factors contributory to the decision.

Some of the weaker candidates concentrated on simple statements about why an option should be chosen with little analysis of the reasons and with no reference to the other courses of action. Any of the options might have been chosen. Most arguments hinged on the idea that opening a

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spa in Poland would be far too risky and that the business would lose a lot of money if it failed due to competition or difference in culture, language and expectations. Others chose to sell hot tubs since they argued that the evidence showed this was a growing market, less investment was required and the business would have more control over its operations. The option least selected was that of personal trainers which was considered least likely to result in high sales and may take business away from the spa. Once again it was the analysis and evaluation which gained candidates the highest marks.

# 1951/9 Coursework

## General Comments

The overall quality of work submitted for moderation in 2008 was in line with previous years. There was evidence of candidates being well prepared for the demands of a coursework assignment, with a focus on collecting relevant primary and secondary data. This data was then analysed and interpreted, leading to fully justified recommendations.

Where problems did occur it was often due to candidates not having a clear focus to the work, and seemingly unaware of how the work was to be marked. Many centres have found it beneficial to brief candidates on the assessment criteria which will be used to finally assess their work; this is often in the form of a 'student friendly' version of the assessment criteria found in the specification.

Popular areas of the specification for coursework remain marketing and location. These sections of the specification can often have a local context and are clearly within the experiences of GCSE candidates. A number of centres took advantage of the coursework consultancy service to create their own title with free advice from the principal coursework moderator. Another choice was to use the supported study where a common questionnaire is used by a number of centres to create a national database of information to be used by individual candidates. The subject for the 2009 supported study is the marketing of T Mobile. For information on aspects of coursework support please contact the OCR Coventry office.

Administration problems caused some delays to the moderation process. The problems, as last year, centred on the following areas:

- Not enclosing the Centre Authentication Form with the coursework.
- Entering a mark of '0' when no coursework has been completed. A mark of 'A' should be used.
- Enclosing all copies of questionnaires which have been used in the work. Only one copy should be enclosed which will save on postal costs.

## Application of the Assessment Criteria

The overall marking of coursework was rather more generous than seen in previous years, with the moderating team having to reduce the marks of a greater number of centres. This was principally due to over rewarding certain assessment criteria, notably 4, 5 and 6.

### Criterion 1

Whilst most candidates were able to state their aim clearly, many did not adequately explain the strategy they were to use to achieve the aim. A simple bullet point list is not sufficient to achieve full marks in this criterion; there must be an explanation as to why certain methods are to be used in the investigation.

## Criterion 2

Here candidates are required to collect sufficient information to complete the investigation. This would normally involve primary and secondary data, though the balance between the two will naturally change depending on the area of study. It is in this criterion that candidates must have a clear focus to their work, and only collect data which is relevant to the title. Some more able candidates will often collect data which is peripheral at best, usually downloaded from an Internet site which is then included with the work without any real analysis or explanation.

It is vital that candidates are advised prior to starting their coursework on the need to collect only that data which they will fully analyse and interpret. Any other information should be discarded.

## Criterion 3

Presentation of coursework remains a particular strength. Candidates have shown great invention and creativity in their work which has resulted in at times a professional looking piece of work.

Images are being used more in coursework, either as downloads or candidate's own digital photography. These can be used to good effect in any work centred on locating a business, with thoughtful annotation adding to the impact of the image. Care should be taken to ensure that images and other material downloaded from websites is appropriately referenced.

Graphing of data is generally clear, with less evidence of the complex (and often confusing) charts that are available in many software packages.

It should be remembered that one element of this criterion is the logical ordering of the work. Whilst this may be taken for granted, assignments are still being submitted which do not have the aim at the start of the investigation, and have other elements in an order which is difficult and confusing for the moderator to follow.

## Criterion 4

Criterion 4 requires candidates to use business terms and techniques within their work. In simple terms, the work should read as though a business student had written it. In some instances this was not the case, with business studies specific language being absent from the work. The terms and techniques must also be *applied* to the business under investigation, as there are no marks for stated knowledge in coursework. Thus, a student who describes in great detail every pricing strategy in a marketing assignment cannot be credited with any marks, *unless* the pricing strategies are applied to the business situation.

This criterion remains an area which differentiates between candidates, and is often rewarded rather too generously with the candidate either not using sufficient terms correctly, or the terms not being applied to the business under investigation.

## Criterion 5

This criterion was again seen to differentiate candidates within their coursework. At the poorest level the data gathered was simply described, often simply repeating in words what was shown in a graph. At a higher level the data was analysed, but the important interpretation of the data was often missed. It is this interpretation, looking at the significance of results in the context of the question, which naturally feeds into the recommendations which follow. For less able candidates, the use of separate headings for analysis and interpretation gives a reminder that there are these two aspects to cover for criterion 5.

Many candidates are now using numbers and percentages in their analysis, which adds accuracy to the work rather than using general statements. This should be encouraged in all candidates, as should the difference between say 55% of interviewees having a view and 95% having a particular view point. Both are majorities, though one has clearly much more significance than the other.

### **Criterion 6**

Here candidates should make *justified* recommendations, using the earlier data analysis to back up any proposals being made.

As with criteria 4 and 5, this criterion was at times over rewarded, with candidates being given too much credit for basic recommendations which were not really justified with the results of the data analysis.

Better assignments look closely at the data and the context of the business before making more directed recommendations using the data analysis fully. At a higher level it is important that business language is used here to add precision to what is being recommended.

A number of centres are still using this section to evaluate the assignment as a whole, explaining how the work may be improved if more time was available etc. This is not needed in an OCR GCSE Business Studies assignment and should not be rewarded.

### **Prescribed titles**

#### **Evaluate the marketing strategy of a familiar product or service, making recommendations on whether the marketing mix should be changed in any way.**

This was a popular assignment choice, with candidates able to choose a product or service which interested them. Whilst this element of choice has a valued positive side, it did at times bring out the worst in downloaded material being included within the work. Enthusiasm should always be encouraged, but also tempered to ensure that only directly relevant material is included in the work. Any such work should be analysed in the context of the title.

Candidates should always make sure that all elements of the marketing mix are covered within the investigation. As a help to less able candidates, the use of separate headings for the 4 Ps (and any other elements) will serve as a reminder as to what has to be covered. The use of those same headings in the recommendation section will also make sure that all the necessary parts of the marketing mix are at least attempted.

#### **Evaluate the recruitment methods used by different companies, making recommendations on how they may be improved.**

This title was used by very few candidates. Where sufficient data is available the work helps candidates understand the recruitment process, though at times such data is not available from different businesses in order to make the title viable.

As stated in last year's report, it is worthwhile checking on the availability of data before starting this particular title.

#### **With reference to the local area, would the opening of a new fast food restaurant (or other business) represent a sound business decision?**

This was another popular title, with a number of different businesses being used as a focus for the work.

At times the title was used as a very broad brush to look at the viability of a new business, bringing in accounts, cash flow, break even as well as the expected primary data looking at consumer views, the existing competition etc.

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The financial elements in some work contained such rather broad estimates that the use of the data should be questioned. Whilst it is a good way of practising using formulas etc, this exercise may be better placed in a general class exercise, with a concentration in coursework on the more certain primary research from consumer interviews.

#### **Choose a local business site. Make recommendations on how it may be developed for business purposes.**

This title was adopted by a number of centres who used the local context of the work to good effect.

Good work on this area of the specification included annotated maps at different scales, photographs with their own annotation, as well as tables of figures regarding local population etc. Candidates should always look closely at location factors in a business context, and make sure that the business they are proposing would meet the needs of local consumers as well as the physical considerations of the site.

It may be the case that a small number of different businesses are investigated, with the analysis of consumer preference, competition, and physical aspects etc helping to make the final recommendation.

#### **Supported coursework based on T Mobile**

This was popular with a number of centres who used the joint centre questionnaire to develop and use a national database on the marketing of T Mobile.

Support materials in the form of a student brief and guide to the assessment criteria is provided, with candidates making good use of the data and the support.

The title for 2009 is again based on the marketing of T Mobile. Any centre interested in the scheme should contact the OCR Coventry office.

## Grade Thresholds

**General Certificate of Secondary Education  
June 2008 Examination Series  
Component Threshold Marks**

**GCSE Business Studies Short Course 1051**

Component	Max Mark	A*	A	B	C	D	E	F	G
1051/1	100				61	51	41	32	23
1051/2	100		65	54	43	30			
1051/3	60				33	29	25	22	19
1051/4	60		39	35	32	24			
1051/5	60		45	40	35	27	20	13	6

### Specification Options

**1051 FA Foundation Tier with Coursework (Components 01, 05)**

	Max Mark	A*	A	B	C	D	E	F	G
Overall Threshold Marks	200				121	100	79	59	39
Percentage in Grade					25.2	22.4	14.6	12.8	9.9
Cumulative Percentage in Grade					25.2	47.6	62.2	75.0	85.0

The total entry for the option was 334.

**1051 FB Foundation Tier with Case Study (Components 01, 03)**

	Max Mark	A*	A	B	C	D	E	F	G
Overall Threshold Marks	200				116	99	82	66	50
Percentage in Grade					21.9	26.1	28.5	9.8	7.4
Cumulative Percentage in Grade					21.9	48.1	76.6	86.4	93.9

The total entry for the option was 237.

**1051 HA – Higher Tier with Coursework (Components 02, 05)**

	Max Mark	A*	A	B	C	D	E	F	G
Overall Threshold Marks	200	154	134	114	94	68	55		
Percentage in Grade		8.9	22.5	31.1	22.8	11.26	0.9		
Cumulative Percentage in Grade		8.9	31.4	62.5	85.4	96.6	97.6		



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The total entry for the option was 311.

**1051 HB – Higher Tier with Case Study (Components 02, 04)**

	<b>Max Mark</b>	<b>A*</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
Overall Threshold Marks	200	144	126	108	91	65	52		
Percentage in Grade		3.9	15.0	27.4	28.1	20.2	3.6		
Cumulative Percentage in Grade		3.9	18.9	46.4	74.5	94.7	98.3		

The total entry for the option was 321.

**1051 Overall**

	<b>A*</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
Percentage in Grade	3.5	10.3	16.1	24.7	19.4	10.5	5.1	3.9
Cumulative Percentage in Grade	3.5	13.8	30.0	54.7	74.2	84.7	89.9	93.9

The total entry for the examination was 1203.

**GCSE Business Studies A Full Course 1951**

**Component Threshold Marks**

<b>Component</b>	<b>Max Mark</b>	<b>A*</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
1951/1	120				72	59	47	35	23
1951/2	120		81	66	51	34			
1951/3	60				37	31	25	20	15
1951/4	60		42	34	26	18			
1951/5	60				39	32	26	20	14
1951/6	60		43	35	28	19			
1951/7	90				44	38	32	26	20
1951/8	90		55	48	42	32			
1951/9	60		45	40	35	27	20	13	6

**Specification Options**

**1951 FA - Foundation Tier Business and Change with Coursework (Components 01, 03, 09)**

	<b>Max Mark</b>	<b>A*</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
Overall Threshold Marks	240				139	115	91	68	45
Percentage in Grade					23.5	31.2	27.1	9.9	4.0
Cumulative Percentage in Grade					24.5	54.7	82.6	92.6	96.6

The total entry for the option was 1793.

**1951 FB – Foundation Tier Business Communication and Marketing with Coursework (Components 01, 05, 09)**

	<b>Max Mark</b>	<b>A*</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
Overall Threshold Marks	240				141	116	92	68	44
Percentage in Grade					19.3	32.7	22.1	14.2	5.9
Cumulative Percentage in Grade					19.3	52.1	74.4	88.4	94.4

The total entry for the option was 1447.

**1951 FC – Foundation Tier Business and Change with Case Study (Components 01, 03, 07)**

	<b>Max Mark</b>	<b>A*</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
Overall Threshold Marks	240				136	114	93	72	51
Percentage in Grade					20.2	31.8	24.3	12.1	7.4
Cumulative Percentage in Grade					20.2	52.1	76.4	88.4	95.9

The total entry for the option was 720.

**1951 FD – Foundation Tier Business Communication and Marketing with Case Study (Components 01, 05, 07)**

	<b>Max Mark</b>	<b>A*</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
Overall Threshold Marks	240				137	115	93	72	51
Percentage in Grade					22.7	31.9	21.7	11.5	6.5
Cumulative Percentage in Grade					22.7	54.7	76.4	87.9	94.4

The total entry for the option was 1241.

**1951 HA – Higher Tier Business and Change with Coursework (Components 02, 04, 09)**

	<b>Max Mark</b>	<b>A*</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
Overall Threshold Marks	240	189	163	137	112	79	62		
Percentage in Grade		4.8	20.9	32.7	27.8	12.2	0.6		
Cumulative Percentage in Grade		4.8	25.7	58.5	86.3	98.6	99.5		

The total entry for the option was 3226.

**1951 HB – Higher Tier Business Communication and Marketing with Coursework (02, 06, 09)**

	<b>Max Mark</b>	<b>A*</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
Overall Threshold Marks	240	186	162	138	114	80	63		
Percentage in Grade		3.1	16.8	29.1	30.3	18.6	1.6		
Cumulative Percentage in Grade		3.1	19.2	48.4	78.7	97.4	99.0		

The total entry for the option was 2070.

**1951 HC – Higher Tier Business and Change with Case Study (02, 04, 08)**

	<b>Max Mark</b>	<b>A*</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
Overall Threshold Marks	240	183	157	131	105	73	57		
Percentage in Grade		6.5	25.2	31.6	25.1	10.2	0.6		
Cumulative Percentage in Grade		6.5	31.8	63.5	88.6	98.9	99.5		

The total entry for the option was 1771.

**1951 HD – Higher Tier Business Communication and Marketing with Case Study (02, 06, 08)**

	<b>Max Mark</b>	<b>A*</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
Overall Threshold Marks	240	179	155	131	107	74	57		
Percentage in Grade		4.8	18.7	32.7	28.5	13.6	0.9		
Cumulative Percentage in Grade		4.8	23.6	56.4	84.9	98.5	99.5		

The total entry for the option was 1546.

**1951 Overall**

	<b>A*</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
Percentage in Grade	2.9	12.7	19.8	25.6	20.4	9.7	4.4	2.1
Cumulative Percentage in Grade	2.9	15.6	35.5	61.1	81.6	91.4	95.8	97.9

The total entry for the examination was 13,816.

Statistics are correct at the time of publication.

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