

Business Studies Specification B

General Certificate of Secondary Education GCSE 1952

Reports on the Units

January 2007

1952/MS/R/07J

OCR (Oxford, Cambridge and RSA Examinations) is a unitary awarding body, established by the University of Cambridge Local Examinations Syndicate and the RSA Examinations Board in January 1998. OCR provides a full range of GCSE, A-level, GNVQ, Key Skills and other qualifications for schools and colleges in the United Kingdom, including those previously provided by MEG and OCEAC. It is also responsible for developing new syllabuses to meet national requirements and the needs of students and teachers.

The mark schemes are published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which marks were awarded by Examiners. It does not indicate the details of the discussions which took place at an Examiners' meeting before marking commenced.

All Examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

The reports on the Examinations provide 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.

Mark schemes and Reports should be read in conjunction with the published question papers.

OCR will not enter into any discussion or correspondence in connection with this mark scheme or report.

© OCR 2006

Any enquiries about publications should be addressed to:

OCR Publications
PO Box 5050
Annersley
NOTTINGHAM
NG15 0DL

Telephone: 0870 870 6622
Facsimile: 0870 870 6621
E-mail: publications@ocr.org.uk

CONTENTS

General Certificate of Secondary Education

GCSE Business Studies B - 1952

REPORT ON THE UNITS

| Unit | Content | Page |
|-------------|-----------------------------|-------------|
| | Chief Examiner's Report | 4 |
| 2321 | Business Organisation | 5 |
| 2322 | Business Studies Coursework | 10 |
| * | Grade Thresholds | 12 |

Chief Examiner's Report

This January saw an increase in the number of entries for both the examinations and for the coursework. It is always pleasing to note that the more investigative nature of the specification, and the flexibility offered by the unitised assessment, are being increasingly valued by centres.

The enthusiasm of the centres meant that in the Business Organisation examinations there were some really excellent scripts. The best students had a thorough theoretical understanding of business concepts and, equally importantly, they had studied at least one local business in depth. They were able to use this business in the required questions with both empathy and insight. The more in depth this study has been (possibly as a visit but equally possibly as focussed homework or a recurring case study within lessons), the more successful the answers were. There were also disappointing answers to some questions, particularly the question on quality, a fundamental area for business success that far too many candidates either left out or misunderstood.

The coursework component continues to produce some first classes investigative assignments. Where there are genuine questions to answer, the research-based emphasis of the assignment leads to work that is both thorough and original. One disappointing aspect of this component was the administration, where there was a considerable increase in errors within centre documentation. This can cause delays to the assessment process which causes problems when working to tight deadlines. As ever the reports on each component contain much valuable advice and centres are recommended to both note and communicate the many valuable points that they contain.

Business Organisation, 2321

General Comments

The great majority of candidates continue to show that they have gained some knowledge and understanding of the material. At one end of the ability range, this amounts to a clear understanding of the content of the Specification and how this knowledge can be applied to a wide variety of situations. At the other, candidates have an idea of the basic concepts and can handle numerical data.

It was clear from a very large number of scripts that many candidates had little or no idea of market segmentation, question 1(d) on both papers, or of quality control/TQM, question 3(c) (iii) on both papers. These are both basic ideas in business and, as questions have previously been asked on these topics, one could have expected a greater familiarity with them.

Teachers' Tip

Time spent ensuring that all candidates have sound knowledge of basic concepts will be rewarded in the examination room.

Candidates who did well at both levels were those who:

- read the scenario of the question, 'Pax plc needs to raise a **very large** amount of money' was often ignored on both papers resulting in suggestions which were inappropriate such as taking out an overdraft.
- could name and respond sensibly about a business/businesses they have studied. Some centres had clearly prepared their candidates for the questions requiring the naming of a business and usually reaped their rewards in questions one and three. In other cases, however, candidates were choosing businesses that they appeared not to have studied or were not naming a business at all. Although there is no mark for the name of the business, failure to name one can prevent candidates reaching the top of each level in the mark scheme.

As in previous examination sessions, it was disappointing to discover a high number of candidates who did not make any response to the part of the question carrying the extra QWC marks, 2c on both papers. This meant that candidates lost nine marks. Centres are reminded that their candidates are advised to attempt this question and that it is shown on the paper by an asterisk '*'.

In general, centres continue to exercise care over the entry of candidates for the Foundation Tier although a few, who scored very high marks, would have coped with the Higher Tier. Once again, however, a high proportion of candidates were entered for the Higher Tier when their results clearly indicated that they would have benefited from taking the Foundation Tier. It is discouraging for examiners to mark scripts that receive less than 16 out of the 60 marks available and must equally be so for the candidates when they receive their results.

The examiners would be greatly helped if centres would remind candidates to indicate when they have used the extra pages, at the end of the booklet, to continue their answers.

2321/1 – Foundation Tier

Question 1

- (a) Many candidates did not know the difference between limited and unlimited liability or answered question 2a. The majority of candidates who correctly answered the question went for either limited liability or the company strictly controlling the ownership of the shares.

- (b) Less than fifty per cent of candidates gained both marks. Most went, correctly, for the first statement, but then chose either the second or, perhaps as a random choice, the third one. In part (ii), most candidates were able to offer a sensible alternative method of presentation. Most chose either a bar or pie chart. A few went for spreadsheets, but found development difficult. Others saw the internet as the answer or misread the question and gave other research methods or talked in terms of price.
- (c) Most candidates gained both the marks although a few offered tautological answers to part (ii) e.g. 'one way to satisfy customers' needs is to make sure their needs are satisfied'.
- (d) This question was about market segmentation. It seemed as if many candidates had little idea of this concept including many who got part (i) right, but then could not offer a sensible idea for part (ii) e.g. 'price' or 'make products more up to date'. Those who did give a segmentation method usually chose gender although others such as religion, culture, ethnic group, class and income were seen. In part (iii) there were three distinct responses:
- A few were able to do what the question asked. One excellent response compared age and geography in terms of a football club.
 - A large proportion was able to consider 'age', but either ignored their choice or it was not appropriate.
 - Another large proportion appeared to have no idea and ignored age. These often talked in terms of recruitment or product differentiation or pricing policies.

Question 2

- (a) The most common approach to gain both marks was to say 'run by individuals, not by government'. Too many candidates gave the answer to 1(a) or assumed it meant only sole traders or partnerships. Some thought that it meant that 'this is where no-one knows about it because it is private', while other confused private with public sector.
- (b) Very few candidates scored full marks. Ability to answer the question seemed in some cases to be centre specific. In part (i) some seemed unsure of break even in this numerical format and tried to draw a diagram, while others added the figures along the rows reaching a variety of strange answers. A few did get the correct answer, but a common error was to ignore the 'thousands' and to give the answer as 300. Part (ii) saw a range of correct responses. Those who chose 'allows expansion' usually were able to develop this for the second mark, but those who went for 'survive' often found this difficult. Too many candidates in part (iii) just wrote 'profit' or '£10m' without any explanation. Better candidates tended to compare 400 000 with the numbers either side, i.e. break even to profit to loss. Weak candidates often thought that there was a direct relationship between profits and numbers of customers.
- (c) The majority of candidates were able to compare 'shares' and 'retained profits'. The best answers used the ideas provided and brought in others of their own. They took into account the scenario and usually opted for shares as being the better option. Others used the material, but ignored the scenario. These answers saw the issuing of shares as being problematical and concentrated on retained profits. Weaker candidates appeared unaware of how shares are issued or what retained profits were. Too many candidates offered no answer and thus could not gain any of the QWC marks.

Teachers' Tip

Make certain that candidates understand the need to attempt the question carrying the QWC marks even if they are not very sure of the 'business' answer.

Question 3

- (a) Although the best candidates normally got this question correct, for the majority there was no correlation between the answer given and their overall performance!
- (b) Responses to this question often seemed to be centre specific. In some cases there was little idea of job production. In others, however, candidates recognised that job production would be appropriate where the paintings were essentially of unique animals.

Teachers' Tip

Candidates are likely to gain a better understanding of quality, and the concepts, if these ideas are incorporated into their own work from the start of the course e.g.

- Why is quality important in their work? – exam results
- How can they achieve it – work methods
- Why the customers (the teacher) require quality
- How is this to happen? – quality control (teacher) or TQM (pupils)

- (c) Most candidates were able to recognise that quality would be important to gain more customers and make more profit. Responses to part (ii) were more mixed. Better candidates concentrated on aspects such as time and quality materials. Others gave two ways, but explained neither, so could only gain one mark. Weaker candidates thought that asking the customer what they wanted would be sufficient. Part (iii) was poorly answered. A few candidates scored highly. These candidates had chosen an appropriate business and knew what the concepts were. A large percentage had some confused idea of 'quality control and 'TQM' and were able to reach Level 2. The majority, however, answered in terms of the need for quality. They often thought that 'TQM' referred to 'hiring a manager to be in charge of quality' and that this would be too expensive for a small business, but good for a big one. These candidates achieved Level 1.

Question 4

- (a) The majority of candidates correctly stated one reason why people work, usually in terms of earning money, but a few referred to profit. In part (ii) most candidates were able to obtain one mark but relatively few gained the second mark as their answers were very vague and did not really develop the original point. Weaker candidates often just repeated part (i).
- (b) The majority of candidates were able to gain the mark by referring to methods such as promotion or better working conditions. One candidate suggested lending workers a lawnmower for a year! Some, however, referred to a pay rise or bonuses. In part (ii) there were some very good answers where candidates compared the two methods and then made a supported recommendation. At the very top 'the better way for RJT plc' was clearly addressed. Many candidates were able to explain advantages of one or both methods, but failed to compare or to recommend. A few were very confused about the difference, thinking that bonuses were non-financial.

There was a very wide range of ability shown by candidates on this paper. At the top are those who have an excellent grasp of business concepts and terms and can use these both in the context of the questions and, where called upon, to discuss a business they have studied. At the bottom were candidates who demonstrated little knowledge of the content of the specification, gave vague responses to questions and often ignored the context and/or did not name a business where required to do so.

Question 1

- (a) The majority of candidates went for either limited liability or the company strictly controlling the ownership of the shares. It was concerning to find a significant number writing about unlimited liability.
- (b) This was the first time that candidates had been asked a question concerning data collection and presentation. It was pleasing to find that the majority had some idea of why questionnaires 'would be a good way of collecting 'information and were able to go on to offer a sensible alternative method of presentation. Most chose either a bar or pie chart. A few went for spreadsheets, but found development difficult while weaker candidates talked vaguely about computer displays or PowerPoint.
- (c) While most candidates now have a good idea of what 'needs' are, some found it difficult to avoid tautological statements such as 'to satisfy consumer needs is to give them what they need' which is worth 0 marks.
- (d) The good aspect of responses to this question was that the large majority of candidates named a business. As indicated in the 'General Comments', it was disappointing to see the level of response from many candidates. There were some excellent answers that stated two appropriate ways to segment the market, e.g. age and gender, and then went on to discuss whether segmentation was suitable for their business. Many candidates addressed the question by comparing the two ways. As this was not the question asked, they usually found it difficult to access the higher marks. They were not helped if one of the ways was not appropriate. At the bottom were those candidates who had no or little idea of the concept, often seeing price as the answer.

Question 2

- (a) The most common approach to gain both marks was to say 'run by individuals, not by government'. Too many candidates either confused 'private sector' with 'private limited company', transposing 1(a) and 2(a), or assumed it meant only sole traders or partnerships.
- (b) Relatively few candidates scored full marks. In part (i) some seemed unsure of break even in this numerical format and tried to draw a diagram, while others added the figures along the rows reaching a variety of strange answers. There were many candidates who did score three marks, but a common error was to ignore the 'thousands' and to give the answer as 300. Part (ii) saw a range of correct responses. Those who chose 'allows expansion' were able to develop this for the second mark, but those who went for 'survive' often found this difficult. Too many candidates in part (iii) just wrote 'profit' or '£10m' without any explanation. Better candidates tended to compare 400 000 with the numbers either side, i.e. break even to profit to loss.

Teachers' Tip

Make sure that candidates have had the opportunity throughout the course to meet numerical material in different areas of the specification and presented in different ways

- (c) The key phrase, which was emboldened, was 'very large'. The best candidates opted for issuing shares and compared this with retained profits and/or a bank loan. A common response was 'a mortgage'. This ignored the context of the question, but was awarded some credit in terms of a large sum. Some candidates, however, did not seem to understand either 'very large' or 'financing expansion' and went for overdraft or personal finance assuming that Shaharah was a sole trader. A few candidates offered no answer and, thus, did not gain the QWC marks attached to this question.

Teachers' Tip

Make sure that candidates understand the importance of, and need to, read the scenario, and the individual questions, carefully, and to think about their implications.

Question 3

- (a) With only one mark available a precise answer is required. Only candidates who mentioned 'services' were able to gain credit.
- (b) Candidates found a number of ways to score two marks. Some either said what 'job production' was and then related this to painting the portraits of pets or started with the painting and then said why batch or flow would not be appropriate, while a third group concentrated solely on the painting and the need for uniqueness. A very small minority, however, did not understand 'job production'.
- (c) Once more the key to successfully answering the question, in part (i), was to answer it carefully. A substantial minority concentrated on 'expansion' to the detriment of 'how quality might be affected'. At best this approach gained a maximum of two marks, but often no credit was available. Better answers related expansion to quality usually seeing it in a negative light. The very best pointed out that that while it might be detrimental it could lead to an improvement if the right people were employed, as it would take the pressure off Sabrina. In part (ii) there was a marked difference between those candidates who knew what 'quality control' and 'TQM' were and could then go on to relate these to their business, often providing interesting insights, and those who had only a vague notion of the concepts. The latter were, unfortunately, the majority.

Question 4

- (a) Although the large majority of candidates knew what both 'hourly rate' and 'piece rate' were, the latter was misunderstood by about twenty per cent of candidates.
- (b) The best answers were those where candidates outlined the advantages and disadvantages of the two methods, often referring not only to the employees, but also the employer's perspective, and then came to a supported conclusion. It was surprising that many did the first part well, but then just said 'thus piece rate would be better' without any justification. Other candidates decided that they would introduce other ideas such as 'a bonus scheme', but as the question said 'which of these methods' this material was irrelevant and thus gained no credit.

2322 Coursework

General Comments

The overall standard of the work seen at moderation was high. Candidates in general had been well briefed, producing imaginative work which met the necessary assessment criteria. In a small minority of cases, candidates seemed unaware of how their work would be assessed, as they submitted lengthy descriptive passages which could not be rewarded.

Titles used emphasised the *local* context of business, whether the business itself was purely local or a local business as part of a national chain. The presentation of assignments was once again at a high standard, though at times a logical layout to the work was missing.

Centres should be aware of the free advice on any proposed title available from the Coursework Consultancy Service offered through OCR Coventry office. This service has been shown to be of great assistance to new centres, or centres where there is only one person delivering the subject who simply wishes to discuss ideas. Further support is available through the supported coursework. In this approach a national database is created, investigating the marketing of a large business. 2007 is the last year of T Mobile being the company under investigation. For further information regarding the business and title for 2008 please contact the Coventry office.

Administration difficulties were rather higher than in previous years. One common mistake was entering '0' for a candidate who produced no work. In this instance a mark of 'A' should be entered. There were also errors in addition of marks and transferring marks from a candidate's work to the MS1 form. Centres are asked to check all documents before despatching to OCR and the moderating team.

Application of the Assessment Criteria

Criterion 1

In this criterion, candidates often stated a clear aim but failed to fully explain their strategy. A list of what the candidate will do should not be rewarded with full marks. There should be reasons given why a particular strategy will help achieve the stated aim. In a minority of cases, the aim was not really clear as it was hidden in a list of what the candidate was about to produce.

Criterion 2

Criterion 2 requires candidates to collect sufficient data to complete their investigation. This would normally be a mixture of primary and secondary data. At times information included was of a general descriptive nature with no real connection to the title. This is a particular problem of Internet research. Candidates using Internet based information should be advised regarding the need to carefully sift data, rejecting any which will not support the aim.

In many cases, candidates collected a vast array of varied data which was fully in support of the aim. In the best examples, each piece of data was used within the work to justify later recommendations.

Criterion 3

Here candidates are required to present their work in a clear logical fashion. The general presentation using word processing/spreadsheets continues to impress. Other techniques, using maps, photographs and diagrams were used to good effect, especially where careful annotation of say photographs explained their significance in the context of the study.

Logical presentation of assignments was lacking in some instances. Candidates should be encouraged to develop a sequence within their work, taking the reader through the arguments and context they are investigating. The use of over-elaborate graphing techniques is now at a

minimum. The first rule should be clarity of presentation. It is of little use presenting data in a very different way when the reader is left puzzling at the results!

Criterion 4

For criterion 4, candidates should use appropriate business terms and techniques in their work. It should be remembered here that knowledge on its own cannot be rewarded within the assignment. Thus a candidate explaining pricing strategies in great detail cannot be given any credit unless the work is explained in the context of the business situation being investigated.

Many candidates clearly understood their work and could apply ideas with precision to their chosen business, using appropriate language and techniques. Weaker candidates often failed to use the correct business terms, or failed to use those terms in context.

Criterion 5

In this criterion, candidates must analyse and interpret their collected data. In weaker candidates this often meant simply repeating in words that which a graph had shown. More able candidates not only looked at the figures and percentages shown by the data but carefully interpreted the results. This would usually mean explaining the significance of the results in the context of the investigation. This is often an area of assessment which effectively discriminates between candidates; those able to see the importance of results and the possible reasons behind them are better placed to use those ideas to justify the recommendations which followed. A minority of candidates used separate headings for analysis and interpretation to ensure that each element is addressed in their work. This could be a method to support weaker candidates.

Candidates should also be encouraged to use all the data they collect. In many instances, questionnaires contained elements relating to age and gender of the interviewee. This was then ignored in the subsequent analysis. It may well be the case that a look at, for example, how male and female views differed on a particular question could provide valuable evidence for later recommendations.

Criterion 6

Here the candidate is required to evaluate the data and make reasoned recommendations in the context of the study. The more able candidates clearly linked any ideas being put forward with the earlier data analysis, using figures/percentages to add precision to their arguments. Ideas were also in context. A small corner shop, for example, will require different marketing to a local store within a national chain. Weaker candidates often failed to link their recommendations to the earlier analysis, presenting their own ideas without regard to the collected views of others.

It remains the case that some candidates interpret evaluation as a look back on the assignment, how well, or not, it has worked, and how they would improve it if given the chance. For OCR GCSE Business Studies this is NOT required.

Quality of Written Communication

Marking on this element was usually accurate, though some candidates were over rewarded for work which contained basic mistakes of both language and spelling. Full marks should indicate clear and precise language in a business context, with very few errors within the work.

**General Certificate of Secondary Education
Business Studies B (Modular) (1952)
January 2007 Assessment Series**

Unit Threshold Marks

| Unit | | Maximum Mark | a* | a | b | c | d | e | f | g | u |
|---------------|-----|---------------------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 2321/1 | Raw | 60 | | | | 34 | 27 | 20 | 14 | 8 | 0 |
| | UMS | 69 | | | | 60 | 50 | 40 | 30 | 20 | 0 |
| 2321/2 | Raw | 60 | 45 | 40 | 33 | 26 | 18 | 14 | | | 0 |
| | UMS | 100 | 90 | 80 | 70 | 60 | 50 | 45 | | | 0 |
| 2322 | Raw | 60 | 49 | 44 | 39 | 34 | 26 | 19 | 12 | 5 | 0 |
| | UMS | 100 | 90 | 80 | 70 | 60 | 50 | 40 | 30 | 20 | 0 |

The total entry for the examination was:

2321/1 = 1089 candidates

2321/2 = 1027 candidates

2322 = 1994 candidates

OCR (Oxford Cambridge and RSA Examinations)
1 Hills Road
Cambridge
CB1 2EU

OCR Customer Contact Centre

(General Qualifications)

Telephone: 01223 553998

Facsimile: 01223 552627

Email: helpdesk@ocr.org.uk

www.ocr.org.uk

For staff training purposes and as part of our quality assurance programme your call may be recorded or monitored

Oxford Cambridge and RSA Examinations
is a Company Limited by Guarantee
Registered in England
Registered Office; 1 Hills Road, Cambridge, CB1 2EU
Registered Company Number: 3484466
OCR is an exempt Charity

OCR (Oxford Cambridge and RSA Examinations)
Head office
Telephone: 01223 552552
Facsimile: 01223 552553

© OCR 2007

