

Business Studies B

General Certificate of Secondary Education **GCSE 1952**

Report on the Components

January 2008

1952/MS/R/08J

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This report on the Examination provides information on the performance of candidates which it is hoped will be useful to teachers in their preparation of candidates for future examinations. It is intended to be constructive and informative and to promote better understanding of the syllabus content, of the operation of the scheme of assessment and of the application of assessment criteria.

Reports should be read in conjunction with the published question papers and mark schemes for the Examination.

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2321 Report

General

Many candidates had good knowledge and understanding of the whole specification and a sizeable proportion were able to use this to offer analysis and evaluation where required. Equally, it was pleasing to note that nearly all the candidates are able, now, to name a business they have studied and to write sensibly about it in relation to the question asked. The most successful are those who choose a local business, which could be a branch of a national firm.

It is essential that candidates both read, and take note, of the general scenario of each question as well as the specific information that accompanies each part. Quite often the difference between those who do well and the rest depends on this. The best candidates immediately address the specific question asked. There were, however, several instances on both papers where candidates did not do this.

While it is accepted that not all candidates will be able to tackle every question to the same extent, it is noted that many candidates were unable to demonstrate that they had knowledge and understanding of many of the basic concepts and ideas. Among the areas that caused concern were: 'sole trader' and 'limited', both often being seen as something to do with partnerships; 'pricing policy', many could not go beyond BOGOF or promotion; economies of scale, largely unknown; and quality circles which were confused with TQM.

Centres are to be thanked for getting their candidates to indicate where an answer has been continued at the back of the booklet. This is extremely helpful to the examiners. It would be appreciated if centres would continue to emphasise this.

Although the majority of candidates were entered for the correct paper, it is clear that a small number are being disadvantaged by being denied the opportunity to gain a higher grade by being entered for the Foundation Level. However it should be noted that a number of candidates entered for the Higher paper were unable to demonstrate that they had the required level of knowledge and understanding for this paper and would have been far more suited to the Foundation paper.

FOUNDATION TIER

The responses to the paper varied enormously. There were some good scripts where candidates clearly had a sound grasp of most of the material. There were a number, however, that were rather disappointing, indicating that many areas of the specification had not been understood. Although most candidates offered a response to question 1cii, there were still a number of candidates who did not attempt to answer the question that carried the Quality of Written Communication (QWC) marks. This means that if nothing is written no QWC marks can be awarded.

- 1 (a) Many candidates were able to offer two advantages. There was quite a lot of confusion demonstrated, however, with references to state ownership and unlimited liability being quite common.

Teachers' Tip

Basic Business Studies terms, etc, need to be reinforced throughout the course and not 'taught and forgotten'. Competitions, games etc can help to make this task more interesting and can assist in making sure that candidates remember them in the exam room.

- (b)** The vast majority of candidates gained at least one mark in part (i) with the most often given distracter being number 4. In part (ii) most candidates again achieved some credit, with credit being given here for correct explanation of an incorrect answer in part (i). It was disappointing to find that few were able to expand in a convincing manner on their chosen response.
 - (c)** Although many candidates were able to offer a suitable pricing policy, others either gave a vague answer such as 'cheap prices' or talked about price promotions. A sizeable proportion, however, appeared to have no idea. In the second part a large percentage of candidates were able to offer some application or analysis, but few recognised the need to 'discuss'. A number of candidates wrote about pricing, despite the instruction in the question to write on issues 'other than price'.
- 2**
- (a)** The majority of candidates were able to identify the two correct responses in relation to a sole trader, although a few only offered one response.
 - (b)** A number of candidates seemed to have very poor understanding of what was meant by the primary sector. Some thought that it referred to a sole trader, while others were very confused and wrote about primary research methods. Others had some idea that it represented a first stage but didn't go on beyond that. A minority of candidates did have a good idea, referring to the extraction of raw materials and giving a number of appropriate examples, such as farming or mining.
 - (c)** Many candidates realised that selling direct to customers could increase sales and revenue and, therefore, profits, while others saw increased freshness as an advantage. Others, however, ignored 'also' and thought it meant that selling direct replaced retailers. A number of candidates did not give any response to this question.
 - (d)** Most candidates did not seem to have any understanding at all of the meaning of economies of scale. Those who did generally gained either two or all three marks.
 - (e)** Bank loans seemed to be understood by nearly all the candidates. Most were able to give one advantage of a bank loan, such as that it could be obtained relatively quickly, and one disadvantage, such as that interest would usually need to be paid on it, but development was often limited.
 - (f)** Some candidates did well, offering a useful discussion of both issuing more shares and reinvesting profit and then considering which would be the best way to finance the new store. Overall, reinvesting profits was understood by the majority, but there was often considerable confusion about 'issuing more shares'.
- 3**
- (a)** Motivation appeared to be an area of the specification that candidates had good knowledge of with a very large proportion being able to state two examples of non-financial methods. A few, however, did not read the question very carefully and included reference to financial methods. In part (ii) candidates were normally able to explain how one of their methods could improve the motivation of the workers.

- (b) Candidates felt reasonably confident in addressing the issue of 'different suppliers' and a good answer on this could reach the top level. Quality circles appeared to be unknown with many candidates assuming that they were the same as quality or quality control.

Teachers' Tip

The idea of quality and its different manifestations need to be addressed in a practical situation. Students find this topic easier to understand if they have had a chance to see it/hear about it in a business situation. They find it helpful, also, to try to relate it to some thing they know about eg school or sport or drama, etc.

- 4 (a) In the first part there was an improvement shown in numerical skills with most candidates able to calculate the correct figure of 250, although few stated that this needed to be expressed as £250,000 as the table referred to thousands of pounds. There were still some candidates, however, that provided calculations which were vastly more complicated than the one required for the correct answer. In the second part, while many candidates provided a correct example of a fixed cost, usually rent, many gave examples of variable costs such as raw materials.
- (b) This question was usually well answered, although a number of candidates gave two or three possible advantages of relocating to an industrial estate on the edge of the town, despite the fact that the question explicitly asked candidates to explain just one advantage of such a move. Another failing of some answers was that they ignored one or more aspects of the scenario.
- (c) There were three distinct answers to this question. The better candidates demonstrated good understanding of their business, why it was located in its present situation and whether or not it should remain there. Others were able to explain why the present location was suitable, but did not have enough knowledge to go beyond that, while a few just described the location.

HIGHER TIER

Although there were many good answers, candidates often did not achieve the higher marks because they either did not answer the question that had been set, for example 1a, or by not fully reading the material or by ignoring the key word. The best answers were not necessarily the longest, but those which succinctly addressed what they had been asked to do.

- 1 (a) Many candidates wrote about advantages, thus scoring zero, or were very confused about 'liability'. Correct answers often focused on shares and the limitation this imposed on a private limited company.
- (b) The majority of candidates knew what a 'flat organisational structure' was and could offer a developed example. Some drew a diagram which on its own did not achieve credit, but if explained, full credit was available. A sizeable minority thought that a flat organisation had only one manager, thus misunderstanding the diagram. This could gain limited credit, but more than the answer 'a one-storey building'.
- (c) The first part produced three different responses. The better candidates could both name and explain an appropriate pricing policy. Others could either name an inappropriate policy, price skimming was the favourite showing that the general scenario 'a new low cost airline' had been ignored, or offered, for example, 'cheap prices' or BOGOF. A few had no idea and talked about marketing. In the second part, there were some excellent answers that showed good knowledge of the named business. The majority were able to offer some analysis, but their knowledge of the

business seemed to lack depth. Weaker candidates often gave a long list with a little application with a few talking about pricing despite the question stating 'other than price'.

- 2 (a) While most candidates knew what the two terms meant there was a minority who had little or no idea often talking about partnership in part (i) and primary industries in part (ii).

Teachers' Tip

Knowledge of basic Business Studies terms is essential for success. This needs to be instilled from the start of the course.

- (b) Most candidates were able to achieve one mark. Better answers often focused on 'eliminates the middle man [1] enabling Milos to make more profit [1]'.
(c) Economies of scale appeared to be unknown to many candidates or were equated with producing more. Those who responded correctly usually gained full credit. Most of these referred to bulk-buying, but a few talked in terms of financial or employing specialists.
(d) Nearly every candidate had some idea of bank loans. Many found it easier to write about the disadvantage and could not develop the advantage.
(e) The best answers were those that compared issuing shares with taking out a loan, and/or reinvesting profits, and then came to a supported conclusion. Others could provide a sound explanation, but then finished with a brief statement such as 'thus shares would be best' with no justification. There was a lot of confusion about shares in terms of the need to pay them back or how they were sold, while others thought that Fisher plc was owned by Milos.
- 3 (a) Most candidates could offer two examples and could go on to explain the benefits of one of them. A wide range was allowed, but those which were ambiguous, such as 'rewards', were not credited unless clarity was provided in part (ii). It was good to see that nearly all candidates were able to gain marks in the second part with many achieving full credit.
(b) It was disappointing to see that many candidates still have little idea of this area of the specification. Nevertheless, there were many good answers that showed sound understanding of quality circles, with a few that argued that on its own a discussion between people from different departments was unlikely to make a major difference and that it needed supplementing with, for example, TQM. A large number of candidates knew that discussion was the key element, but had only a limited idea of what this meant. A sizeable proportion of candidates assumed that quality circles were the same as TQM, achieving some credit, with those who talked in terms of quality control being awarded Level 1.
- 4 (a) A common answer was £95. This only achieved part marks with full marks being given for those that correctly identified that the answer should have been given in 000s as £95000. Overall, there seemed to be an improvement in numerical skills over previous years.

- (b)** This question divided those who had read, and thought about the information provided, which clearly indicated that the decision had been made and those who did not. The latter answered either in terms of primary research or the advantages/disadvantages of the new location. Those who had read the information realised that success depended on: informing existing customers; telling potential customers; and persuading the employees to move with the business. Only one of these was required, although many offered at least two possibilities.

Teachers' Tip

Make sure that candidates have had plenty of experience in reading questions and talking about what they mean and how they should best be answered. They should then have plenty of practice at writing the answers in order to develop the necessary skills.

- (c)** Nearly all the candidates named a business. There was a wide variety of interpretation of exactly what specialisation meant, including market segment, product, region, area of employment and the division of labour, all of which were allowed. Good answers tended to answer in terms of smaller local enterprises, but only the very best focused on 'the extent to which'. Most other candidates were able to explain the benefits of specialisation though a few just described the business often repeating large parts of their answer to 1cii. A very small number of candidates claimed they had studied Milos' business or Fisher plc and gained no marks.

2322 Report

General Comments

The high standard of work presented in January for the component was maintained in 2008. Once again there was evidence of good preparation by centres, with candidates producing thoughtful assignments with a generally sound appreciation of business operations.

Choice of titles was varied, with many centres choosing their own title after seeking advice from the free coursework consultancy service. For further details on this, and other coursework enquiries, the first point of contact is the OCR Coventry office. The supported coursework title (this year based on T Mobile and the mobile phone market) was again popular with a number of centres. Details of this can be obtained from OCR Coventry.

As a general area for investigation, marketing was by far the most popular. It is an area in which candidates have some personal experience, is suited to both primary and secondary research, with collected data being analysed and evaluated to make a business decision.

Administration was rather better this year, though there were still examples of candidates being given '0' when no work was produced. In this situation an 'A' should be entered. Care should also be taken in adding up the various criterion marks and transposing these to the MS1, as a number of mistakes were found by the moderating team.

Application of the Assessment Criteria

Criterion 1

Here candidates are required to state the aim of the assignment and explain the strategy to be used to achieve the aim. Whilst most candidates can achieve the first part, the explanation of the strategy was not always complete, even where the general ability of the candidate suggested otherwise. Simply putting a bullet-pointed list of what is to be done cannot be given full marks. The *explanation* as to *why* such a strategy is to be used must be included.

Criterion 2

For this criterion, candidates must collect sufficient relevant data in order to achieve the aim of the work. This will involve elements of primary and secondary data. The balance between these two types of data will vary slightly with the demands of the different assignment titles.

Care should always be taken with Internet based research which can produce large volumes of material which at times have no direct contribution to make to the work as a whole. Candidates should always comment on any information included in their work. If no comment on the relevance of research information can be offered, then it should be discarded.

Many candidates did collect a wide range of information, all relevant to their investigation, which was later analysed and evaluated to produce a coherent argument and recommendation. It is this approach which produced the highest quality work.

Criterion 3

Criterion 3 requires candidates to present their work in a clear logical way which enables the reader to follow the arguments being put forward. Clarity is found in many assignments with good use of ICT. The logical ordering of arguments is a rather higher level skill and should be given rather more prominence within centres.

Candidates should consider using a number of presentation techniques within their work. The use of maps (often at different scales) is improving with thoughtful annotation. Photographs are appearing more with the use of digital cameras. Graphing styles are generally well chosen with less evidence of inappropriate methods which serve only to confuse. In all areas of presentation

candidates should choose the most appropriate method which will enhance the clarity of their work. The choice should come from an understanding of the different methods available prior to the starting of the investigation.

Criterion 4

Here the candidate must show an understanding of business terms and techniques applied to the context of the investigation. It is important for candidates to understand that knowledge on its own can be given no credit in an OCR business studies assignment. This means that, for example, different promotion strategies *must be applied* to the business under investigation.

This criterion is one which differentiates candidates well, with the more able being able to use different business terms confidently and accurately in their work, with weaker candidates often using more general language.

Techniques such as SWOT analysis are often used well by more able candidates in order to analyse the present and potential situation of the business under investigation.

Criterion 5

Criterion 5 requires candidates to both analyse and interpret the data they have collected. For weaker candidates this amounts to little more than repeating in words information which a graph has already shown. More able candidates should be looking to not only analyse the results carefully, but also to interpret the data and comment on the significance of the data in the context of the title.

The most able candidates should also be encouraged to look at their data more closely. Many assignments, for example, contained questionnaires which had information on gender. A number of candidates used this well and analysed how the views of males differed from that of females, though many others tended simply to say how many males and females had helped them in their work. Linking different questions will also help in the later recommendations with candidates being able to comment on, for example, the marketing necessary to encourage males to buy a product.

Criterion 6

In the final criterion, candidates are required to evaluate the data collected and make justified recommendations. Whilst most candidates made some attempt at recommendations, many failed to link the recommendations to the data that had been collected. It is vital that a clear link is established between the analysis of the data and the subsequent recommendations, possibly by quoting figures/percentages to add force to the ideas being put forward.

It is also important that the recommendations are in the overall context of the business under investigation. For example, the marketing strategy of a sole trader is rather different from that of a plc. At times the recommendations made bore no relation to the context of the business being studied.

It should also be noted that there is *no* requirement for candidates to regard evaluation as a look back at how they had conducted their assignment and suggest how they would improve it next time. Whilst this approach may be required in other subjects, it can be given no credit in OCR business studies.

Quality of written communication

This was marked accurately in the majority of cases, though there remains a tendency to over-reward work which contains rather too many spelling and grammatical errors.

Grade Thresholds

General Certificate of Secondary Education
Business Studies B (Specification Code 1952)
January 2008 Examination Series

Unit Threshold Marks

Unit		Maximum Mark	A*	A	B	C	D	E	F	G	U
2321/01	Raw	60				33	27	21	15	9	0
	UMS	69				60	50	40	30	20	0
2321/02	Raw	60	44	38	32	26	20	17			
	UMS	100	90	80	70	60	50	45			
2322	Raw	60	50	45	40	35	27	20	13	6	0
	UMS	100	90	80	70	60	50	40	30	20	0

The total entry for the examination was:

2321/01 = 943 candidates

2321/02 = 1067 candidates

2322 = 1741 candidates

For a description of how UMS marks are calculated see:

http://www.ocr.org.uk/learners/ums_results.html

Statistics are correct at the time of publication.

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