

Business Studies B

General Certificate of Secondary Education **GCSE 1952**

Report on the Components

June 2008

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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 Report

Candidate performance overall was broadly in line with previous years, but with an increase in the number of candidates achieving grade C. The written papers were accessible to the different levels of candidates with some thoughtful answers being provided to the stimulus materials. Coursework continues to be a strength of the specification, with once again some impressive work being submitted for moderation.

An important aspect of preparation for the written papers is to apply business knowledge to the context of the question. Whilst this was done rather better in the pre-release case study examination, in other papers performance was not as might be expected. In all papers, an indication of the size and type of business being studied is given. This should be considered, where appropriate, in response to questions, with candidates using their business knowledge to give a carefully considered solution to the question posed. The most able candidates will adopt this approach naturally. For other candidates, preparation using past questions and mark schemes would be well rewarded.

Certain gaps in candidates' knowledge have been highlighted within individual reports which follow. Centres should look carefully at the preparation of their candidates and how to reinforce their knowledge base as appropriate.

The overall performance of coursework remains high, although there was rather more evidence of centres being slightly generous in the marks awarded. In particular candidates should make sure they *interpret* data collected, as well as analysing, in order to fully satisfy criterion 5. This will then help develop justified recommendations for criterion 6.

2321/01 and 02 Business Organisation

General

Many candidates demonstrated good knowledge and understanding of the whole specification and a sizeable proportion were able to use this to offer analysis and evaluation where required. Although most candidates were able to name a business they had studied and to write sensibly about it in relation to the question asked, there were still some candidates who either offered a generic name, e.g. hairdresser, or no name at all. These candidates were unable, therefore, to reach the top of the level. The most successful were 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. The use of this information will enable candidates to access the higher marks. The best candidates addressed the specific question asked using the information supplied. There were, however, several instances on both papers, e.g. question 2, where candidates appeared to have either ignored the material or misread it.

While it is accepted that not all candidates will be able to tackle every question to the same extent, many were unable to demonstrate knowledge of the basic concepts and ideas. Among the areas that caused concern were: 'induction training' which was seen as being synonymous with on-the job training, 'public limited company' which was often associated with government ownership, and 'job production'. All of these have appeared in previous years so it is disappointing to see so many incorrect responses. In addition, there was some evidence this year of candidates giving answers to last year's paper.

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 for future series.

Although the majority of candidates were entered for the correct paper, there were a large number of candidates who were entered for the Higher paper who would have been better placed to perform well on the Foundation paper.

Foundation

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 of scripts where many areas of the specification had not been understood. Although most candidates offered a response to question 2(d), there were still a number of candidates who did not respond to the question that carried the Quality of Written Communication (QWC) marks. If nothing is written no QWC marks can be awarded.

Question 1

- (a) The majority of candidates recognised that an advantage of the partnership is that partners may have different areas of expertise.
- (b) Candidates were able, generally, to state two ways in which a business might measure its success, such as through growth, profits, survival or sales, but in part (ii) many struggled to explain why the selected method would be a useful measure for Goudge Animal Services.

- (c) Candidates had to choose between fixed and variable cost when 'paying for the buildings'. A majority of candidates seemed to think that the answer was variable. In part (ii) many candidates offered a reasonable solution to the rise in the costs of paying for the buildings, such as moving to cheaper premises or increasing the number of customers.
- (d) The majority of candidates were able to come to the correct answer in part (i) and then realised that a Just in Case system would be preferable to a Just in Time one. Others, however, produced a range of interesting answers to the number of vaccinations required and could not go beyond defining/describing one or both of the concepts.
- (e) The best answers applied expanding the business to Andrew and Angela's situation suggesting taking on more vets to enable them to offer more services or opening another surgery in a different part of the town. Others were able to explain at least one relevant possibility, but failed to make any recommendation. Too many, however, saw this as a generic question and wrote about franchising or even opening in another country. These answers could not get beyond the lowest level of the mark scheme.

Teachers' Tip

Candidates need to have the opportunity, from early in the course, to practice responses requiring AO4 skills of advice, discussion and recommendation both to build their confidence in these questions, but also to learn how to tackle them.

Question 2

- (a) The majority of candidates identified 'non-profit' and 'objectives' and placed them in the correct spaces.
- (b) Some candidates failed to point out what was significant about induction training, i.e. that it is something that takes place at the introductory stage for new employees, and assumed it was the same as training, but it was pleasing to see that quite a few candidates made a reasonable attempt to comment on links with children or schools.
- (c) Answers to advantages were often done reasonably well with most focusing on it being cheaper to get Margaret to do the training. On the other hand, answers on disadvantages were less successful with too many assuming that Margaret was still a teacher and failing to identify her as the Director, thus ignoring the scenario at the start of question 2.
- (d) Some candidates failed to name a business and so could not get to the top of the levels. Good answers knew what was meant by selection and could successfully relate it to their business and/or post. A number of answers were quite good in terms of knowledge in general, but then failed to apply the discussion to the specific business chosen. Weaker answers wrote in terms of advertising which gained some credit at the bottom of the levels. This part of the answer was the one with an asterisk, indicating that quality of written communication would be taken into account. In spite of this, a number of candidates failed to write anything and so could gain no marks for the communication.

Question 3

- (a) Many candidates failed to recognise that two features of public limited companies were that 'large amounts of finance would be fairly easy to raise' and that 'ownership and control are often separate'.

Teachers' Tip

Basic Business Studies terms 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) There were a number of good answers in terms of the higher levels of profits which might be achieved and the enhancement of the firm's reputation, but some candidates found the demand for two advantages was too much or looked at it from the supermarkets viewpoint.
- (c) Many candidates were able to write correctly about selection and could apply it to their named business and/or post. Others could discuss both spending more on promotion and improving the quality of goods or services, but failed to apply it to their business or did not name a business. Neither of these approaches could gain many marks.

Question 4

- (a) Many candidates appeared to be unfamiliar with the term 'job production'. These candidates either wrote about batch or flow production or generally about jobs.
- (b) Although the mark scheme allowed candidates to use a variety of words other than 'revenue' and 'costs' to complete the sentence this still did not accommodate a number of candidates. It was good to see, however, that a large number had some idea and that many did correctly complete the sentence to define the break-even point in terms of a situation where total cost would be equal to total revenue.
- (c) The better answers to this part saw candidates making some sensible, logical and comparative comments in relation to the possibility of increasing the selling price of kitchen furniture and reducing the costs of producing the kitchen furniture. Other candidates were able to explain one or both possibilities, but failed to make a recommendation. Too many candidates, however, think that price and costs are interchangeable as terms and thus presented a confused, and confusing, response.

Higher tier

Although there were many good answers, candidates often lost marks by not answering the question that had been set, e.g. 3(b), or by not fully reading the material, e.g. question 2, or by ignoring the key word. Many candidates seemed unable to discuss, draw any relevant conclusions or make supported recommendations. The best answers were not necessarily the longest, but those which succinctly addressed what they had been asked to do.

Question 1

- (a) Although many candidates were able to give an advantage relatively few could expand to gain the second mark. Equally, many either gave a disadvantage or talked about limited liability.
- (b) The idea of measuring success was unknown to many. These candidates often talked in terms of questionnaires. Those who had an idea did suggest a range of relevant ideas including profits and the number of customers/animals, but only the best could develop these ideas.
- (c) The best answers were those that produced a logical argument such as: prices would have to rise leading to fall in customers and potentially the closure of the business. Too many failed to get beyond a fall in profits, while others just defined fixed costs.

- (d) Although the majority were able to do the correct calculation, there was a range of strange answers including the candidate who added all the numbers and then divided by 16. In part (ii) most candidates realised that if you were a vet you would need to use Just in Case because you would not know how many animals you might see. Some, however, insisted on talking about Just in Time and scored zero.
- (e) The best answers applied expanding the business to Andrew and Angela's situation suggesting taking on more vets so they could offer more services or opening another surgery in a different part of the town or extending the building. Others were able to explain at least one relevant possibility, but failed to make any recommendation. However, many saw this as a generic question and wrote about franchising or opening branches all over the country. These answers could not get beyond the bottom of the mark scheme.

Question 2

- (a) Most candidates had some idea of charities compared to other business types, but some of the answers were so vague they could not be credited. Many candidates thought that 'making money' is equivalent to 'profit'. As with question 3(a) there was a lack of precision when it comes to types of business organisations.
- (b) While the majority of candidates understood what was meant by 'induction training' there was a sizeable minority who assumed that it was either equivalent to 'on-the-job training' or just general training. In part (ii), those who focused on children/schools usually did well. Those who repeated their answer from part (i) gained no credit.
- (c) The ability to answer this question well seemed to relate to whether the candidate had read and understood the introduction to the whole question. There were a number who used the idea of opportunity cost in relation to doing the training and Margaret fulfilling her role as Director. On the other hand were those answers that used imaginary ideas used about the quality, or otherwise, of Margaret's teaching.
- (d) Those who did well addressed both 'selection' and the named business. At the very top were those candidates who had a clear insight into their organisation and were able to recommend a preferred way. There were two main failings: firstly, those who wrote largely or exclusively about recruitment, some credit available, or training, no credit; and secondly those who either described the process, but there was no analysis or recommendation, or who failed to apply their knowledge to the named business. The acid test was, did the answer mean anything if the name of the business at the top was ignored. Many answers appeared to be "textbook" rather than based on experience of the business.

Teachers' Tip

When studying a business, candidates should ensure that as much of the specification for this unit is covered as possible. One way is to give every candidate a check list of terms, concepts etc so that over the period of study for this unit they can ensure a comprehensive coverage from the business(es) studied.

Question 3

- (a) There were three approaches. Some candidates clearly knew the answer and provided it. Others could give one feature, very often selling shares to the general public. Finally, there was a significant minority who thought the answer was 'owned by the government'.

Teachers' Tip

Knowledge of basic Business Studies terms is essential for success. This needs to be instilled from the start and reinforced throughout the course and not 'taught and forgotten'.

- (b) Two approaches were possible and both were allowed, namely selling to retailers or to the four large supermarkets. This did not stop some candidates from finding a third approach, that of buying from Parkers. This gained no credit. Many candidates could do either both briefly or one well and the other incorrectly, normally disadvantages. Better candidates often referred to the absence of the wholesaler in both parts.
- (c) Most candidates could relate the question to their named business. There were some excellent answers that were clearly linked to the named business with some showing good knowledge and insight. Others could explain relevant methods, but offered weak recommendations that limited them to the bottom of Level 3. Those candidates who offered either generic business types or none at all again, as with 2(d), penalised themselves.

Question 4

- (a) Although many candidates were aware of what job production meant many others appeared unfamiliar with the term and confused it with either batch or flow production.
- (b) This question differentiated between those who knew the definition and/or formula and those who actually understood how break even could be used. The best answers often combined both approaches.
- (c) The majority of candidates were able to reach Level 2 and it was good to see a significant number achieving Level 3 by demonstrating good understanding of both possibilities and coming to a supported recommendation. The major flaw in some candidates work was that they only considered increasing production and then made a "recommendation".

2322 Coursework

Introduction

The work submitted for moderation was of a standard comparable to previous years, with candidates producing thoughtful assignments which were well guided by those staff involved.

The most popular specification area for assignments was marketing, with a number of candidates investigating the marketing of a new product, or whether a new business would succeed in the local area.

The supported study, based on the marketing mix of T Mobile, remains a popular choice for coursework. In this study a common questionnaire is developed between centres, coordinated by the principal moderator. This gives individual candidates the opportunity to use a large national database which they can analyse and interpret before making their final recommendations for T Mobile.

Centres should be aware that there is a free consultancy service offered by OCR where a coursework title can be submitted for advice and guidance on suitability. This service has been taken up by a number of centres, often wishing to develop a local business investigation. For further details of this and the supported study, please contact the OCR Coventry office.

Application of the Assessment Criteria

There was rather more evidence of centres being generous in their marking this year, especially on criteria 4, 4 and 6. This resulted in increased scaling of marks in order to maintain agreed standards. Centres should look to individual comments on their report from the coursework moderator for further advice.

Criterion 1

Whilst candidates were able to state their aim clearly, many did not clearly explain their strategy within the assignment and how it would help achieve the stated aim.

A number of candidates used a bullet point approach in this section. If the bullet points are developed to include the explanation required then full marks can be given. If the bullet points simply list what is to come in the work then a lower mark should be awarded.

Criterion 2

Many candidates collected a vast array of information for their assignments. Some of the information is at times not required, but still included within the work. This is often found where a candidate is investigating the marketing mix of a product or service, and all of the Internet material collected is incorporated into the work, however tenuous the link. Guidance is required as to how to sift such material to only include information which is of relevance and is commented on within the body of the investigation.

There should normally be a mixture of both primary and secondary data within an assignment. Different titles will demand different combinations of these two research methods and evidence would suggest that some candidates would benefit from advice on how to bring these different elements into their work.

Criterion 3

The standard of presentation within assignments remains high, with a variety of skills being used by many candidates to add clarity and interest to their work.

Images, both from the Internet and at times digital photography, are well used, especially where thoughtful annotation is included to put the image into the context of the investigation. Maps at various scales can be included to good effect in many assignments, though once again annotation to explain the context in which they are being used is necessary.

Criterion 4

Criterion 4 requires candidates to use business terms and techniques within their work. These terms must be applied to the context of the investigation. Thus a candidate, who, for example describes in some detail all the pricing strategies they can find, cannot be rewarded unless the said strategies are applied to the business they are investigating.

This criterion was at times over-rewarded, with marks being given for knowledge of terms (knowledge cannot be rewarded on OCR Business Studies assignments), or for rather general work which contained only brief reference to the terms expected for the title being studied.

Criterion 5

Here candidates are required to analyse and interpret the data they have collected. Weaker candidates may not score well on this criterion, which has been shown to differentiate between candidates. However, some more able candidates will often analyse the data well but then fail to interpret the results and explain the significance of the data in the context of the study. A higher mark on this criterion should show evidence of both analysis and interpretation.

It may be helpful for some candidates to use analysis and interpretation as separate headings for this section of their work in order to remind them that there are two aspects to criterion 5.

Criterion 6

For this criterion, candidates should make recommendations in the context of the business being studied and ensure that the recommendations are fully justified by using the earlier data analysis.

At worst, candidates make recommendations which are their own judgements and bear no relation to the data, being simple statements which are not in context. More able candidates often lose marks on criterion 6 by not making that clear link between the data and the ideas they are putting forward. It is necessary at the higher mark levels to quote figures from the data to back up proposals, and make sure that business terms are used to explain ideas which clearly fit the context of the investigation.

A thorough approach is also needed. If, for example, a candidate is examining whether the market mix of a business can be improved, recommendations should cover all aspects of the market mix.

A number of candidates are still including as evaluation a judgement on how they enjoyed the work and how it would be improved if more time was allowed. Whilst it is pleasing to see how they liked the work, this work is not required for an OCR Business Studies assignment

2323/01 and 02 Business in its Environment

General Comments

The focus of this unit is the nature of the external environment within which business has to operate and make decisions. This year's paper used brief scenarios concerning for Question 1 a business that produced and sold perfumes all over the world and for Question 2 a bakery operating in a small market town. These settings provided the stimulus for the individual questions that followed in the exam paper.

As in previous years, it was there were some good marks on both the foundation and the higher tier papers. However, there was a marked variation in the standard of work and marks across centres. It was evident that some centres had prepared their candidates in the appropriate techniques that allow them the best opportunity to access the higher marks within the mark scheme. Unfortunately, such good practice did not appear to be universal or where it is taking place too many candidates are not employing such techniques when it comes to answering examination questions under pressure.

There continues to be evidence to suggest that some candidates had been entered for an inappropriate tier. This was felt to be an issue where it appeared that some centres had made a decision to enter all candidates for the higher tier paper, when some candidates would clearly have benefited from sitting the foundation tier paper. However, there was some evidence, even though it was somewhat less prevalent this year that some centres had entered most, if not all, of their candidates for the foundation tier when their performance in the examination indicated that they could have approached the higher tier with confidence.

The higher tier paper differentiated well across the range of candidates and there were some excellent scripts. In addition, many candidates managed to cope well with the foundation tier paper with some very good scripts and even the weakest candidates were able to attempt many of the questions.

As in previous years, the key differentiating factors continue to be subject knowledge, examination technique, the ability to use contextual information and the ability to demonstrate skills of analysis and evaluation.

Due to the time limit of one hour and fifteen minutes for the paper, the business scenario is fairly brief. However, there are elements within the scenario and the stem of the questions that are meant to provide the context for answering the questions. Better candidates were able to use this information to help them to answer the question and to analyse the relevant issues and then reach an evaluative conclusion. However, weaker candidates were prone to simply repeating the information provided and failed to use their knowledge of business to help to analyse and/or evaluate.

One of the main weaknesses demonstrated by candidates related to limited knowledge and understanding of certain areas of the specification, such as interest rates, social costs and benefits, environmental protection, ethical behaviour and exchange rates.

One specific aspect of this specification is that candidates should study actual businesses and so should be able to draw upon that knowledge in order to answer specific questions. Ideally this will be achieved by studying local businesses and local issues. In this year's paper, the issue was that of how a local firm or organisation that they have studied has protected the environment.

Report on the Units taken in June 2008

Due to the nature of the subject specification, future examination paper questions will continue to be set that require candidates to show that they have an understanding of how external factors affect local organisations or organisations that they have studied.

There was no evidence of candidates running out of time. Where there were gaps within the paper it was due to a lack of subject knowledge.

The quality of written communication was formally assessed in the same question on both the higher and the foundation tier papers and most candidates gained credit, with only a very small minority scoring no marks at all. There were some poorly presented scripts, with some having heavy untidy crossing out of the attempted answers. However, despite some evidence of poor spelling on the foundation tier paper, overall the quality of written communication was fairly good with very few scripts that were difficult to read. It is important that candidates clearly mark any extensions to their answers that use the blank page(s) at the end of the answer booklet. It is also very important, is that candidates written answers do not go outside the area of the page indicated in the answer booklet by the four corner symbols on each page.

Pleasingly, some of the cross-over questions targeted at grades C and D were answered very well on the foundation tier, particularly the question relating to the possible purchase of a new baking machine by Bunn's bakery. However, this did not apply across all of the cross-over questions on the foundation tier paper reflecting some serious gaps in subject knowledge. However, as might be expected, this was much less significant on the higher tier.

Foundation Tier

General Comments

This paper is targeted at grades C to G and the questions were accessible to candidates working at this level.

Most candidates coped well with this paper. There was little evidence of candidates being unable to make a good attempt at most of the questions. Candidates seemed to have a good grasp of long term and short term planning for businesses and there were some very good scripts seen. Candidates did not always cope well with the longer answers and, as a result, some failed to achieve the higher levels.

The main reasons for candidates not gaining marks were:

- Failure to answer the question set. Some candidates wrote answers that had no relevance to the question.
- Repetition of information from the stem of the question with no development of that information by use of business knowledge or theory.
- Failure to develop the answers either by a more detailed explanation or little or no analysis and/or evaluation within the context of the question.
- Poor understanding of certain areas of the specification, e.g. exchange rates, interest rates and examples of how firms have helped to protect the environment.

Standards of spelling were sometimes poor, although few scripts were illegible.

A concern was expressed by examiners that in answering Question 2(a)(ii) a minority of candidates recommended that foreign/Polish workers could be employed at pay levels below the national minimum wage as they are not in a position to complain or because this was an acceptable thing for a business to do. Examiners felt that centres should be highlighting the issue of equality in the workplace and that the law is there to protect **all** employees.

Comments on Individual Questions

Question 1

- (a) This question was answered very well and a large majority of candidates answered correctly.
- (b) (i) and (ii) Those candidates who understood social benefits and social costs answered very well. However, other candidates were able to access the question if they read the article carefully and so, overall, this question was answered very well.
- (c) Candidates who best answered this question, tended to be those who gave a local business, which they had studied, rather than using Greenpeace, which was a popular choice. Many candidates were able to identify ways in which businesses are helping the environment; however few went on to explain how those methods that they had stated had helped to protect the environment.
- (d) (i) The majority of candidates identified that testing on animals could harm animals. However, few went on to explain that this is unethical as people or organisations are against this. Most candidates, therefore, only achieved one of the two marks available for this question.

(ii) This question was generally poorly answered. The majority of candidates only achieved the lowest level on the mark scheme relating to identification of issues. Very few achieved anything higher. Candidates tended to repeat information from the question and then failed to comment, explain or analyse. Stronger responses tended to focus on the fact that it would be unethical and possibly dangerous to test on humans. In general, candidates found it difficult to answer this question without quoting extensively from the source material.

Several candidates seemed to have failed to understand the question and gave detailed lectures on the reasons animal testing should be outlawed.

- (e) The majority of candidates achieved full marks on this question although there were a number of candidates who left it blank, rather than to have a go at working out the answer. Some were able to show the correct calculation method despite using the figures from the wrong perfume.
- (f) This question was very poorly answered. Once again, the main reason for this was the fact that candidates wrote at length by repeating the information provided in the stem of the question, rather than attempting to analyse the impact of these facts. It must be repeated that this information is provided to give them a structure upon which they are supposed to construct their own answer by demonstrating skills of analysis and evaluation. As a result, very few candidates achieved above Level 1 in the mark scheme and the majority of candidates were low Level 1.

Another key issue was that there seemed to be a general lack of understanding of import/exports. Another major fault was that candidates seemed to believe BSL was a German company that would be importing into the UK – this showed a failure to read the question paper carefully. A common misconception was that BSL would lose money if the pound were to fall, rather than the fact that this would make it easier to sell to Germany because foreign customers would find the perfumes relative cheaper.

Question 2

- (a) (i) Many candidates confused the definitions of workers and employees, thereby showing how workers and employees should avoid prosecution, rather than how they are protected by the law.
- (ii) This question attracted some very mixed responses and so differentiated between the candidates well. Virtually all candidates achieved Level 1, with many accessing Level 2 by demonstrating knowledge and understanding in context. Basic responses tended to focus on 'sacking workers' in order to reduce the costs of the minimum wage, while stronger candidates were able to consider the implications in terms of union involvement or the fact that if workers were treated unfairly, they may leave the business, which would therefore make it difficult for them to produce enough products. A common theme, among better candidates, was for the business to consider replacing workers with machinery.

Several candidates achieved Level 3 by putting forward some basic analysis. However, few candidates achieved Level 4, as they did not seem to conclude their answers by providing a justified reason as to which would be the best course of action for the business.

- (b) (i) Almost all candidates achieved full marks on this question.
- (ii) Many candidates scored well on this question. Candidates seemed very capable of using figures in context and then making conclusions on what would be the best long term plan for the business. Many candidates considered the short term and long term consequences for the business. It was very common for candidates to be able to make calculations and therefore achieve Level 3. Many then went on to justify why one particular oven would be more effective than the other, displaying sound understanding of the issues involved.

Again many candidates were able to refer to the business and facts they knew about the business, for example that there was a rising population, to provide context for their answers.

Although analysis of the figures was often fairly basic, the majority of candidates did attempt to work with the figures that they had been provided in the stem of the question, which gave many Level 3, without the necessity to verbally analyse the benefits and/or disadvantages of each machine.

- (c) This question provided a clear distinction between centres that had covered interest rates and their impact on businesses and those that had not placed emphasis on this. Considering all of the recent press coverage on interest rates this was poorly answered. One might have expected candidates to have been clearer about the impact that changing interest rates would have upon businesses. Some candidates confused interest rates with inflation (which was referred to in the question) and this exposed those candidates who did not read the questions carefully. Often responses were vague in terms of just increasing costs to the business; although better candidates were able to discuss the implications on the bakery in terms of the greater costs of borrowed money and the increased difficulty of selling to customers who would have to pay more for their loans and mortgages.
- (d) This question was answered well on the whole as the majority of candidates achieved two or three marks out of the three marks available. Almost all candidates attempted the question and seemed to be looking for common sense answers. Weaker candidates tended to believe that a higher population growth rate was an economic objective.

Higher Tier

General Comments

This paper is targeted at grades A* to D and in the main the questions were accessible to candidates working at this level.

The main reasons for candidates not gaining marks were:

- Failure to directly answer the question set.
- Failure to write extended answers, which allowed candidates to demonstrate skills of analysis and evaluation.
- Repetition of information from the stem of the question with no development of that information by use of business knowledge or theory.
- Poor understanding of certain areas of the specification, e.g. interest rates and exchange rates.
- Some candidates were entered for the incorrect tier.

Generally candidates performed well on this paper; there was a clear distinction between candidates who had been taught to answer exam questions and those who had been simply taught the theory; especially when looking at questions that required analysis and evaluation.

Candidates performed least well on questions where there were multiple pieces of information in the stem of the question, as they seemed to simply repeat the information that they had been given.

Standards of spelling were generally good.

Comments on Individual Questions

Question 1

- (a)** This question was generally answered well with many candidates receiving full marks. For those that did not score full marks, their common failing was to forget to explain the nature of a market as required in the question.
- (b)** **(i)** and **(ii)** Once again, many candidates scored full marks on this question. Of the two concepts being tested, social costs caused a few more problems with some candidates interpreting this to mean costs for the business, rather than for the community.
- (c)** This was best answered by candidates who chose and named a local business. Those who opted for organisations such as Greenpeace or McDonalds struggled to score full marks. Candidates who chose two differing methods of protecting the environment tended to score full marks, while those who tried to use rubbish reduction with two explanations often were limited to 3 marks. There was also regular reference to various types of recycling measures.

- (d) This question was not answered well. The majority of candidates struggled to achieve above Level 2 (demonstration of knowledge and understanding in context) in many instances. The main issue seemed to be that candidates simply rephrased the information that they were given in the stem of the question, which limited their response to Level 1 (1 – 2 marks) on the mark scheme.

Many candidates also used their own beliefs on animal testing to influence (and in some cases justify) their recommendations – rather than considering BSL’s best interests.

- (e) Most candidates scored full marks on this question. Those who made errors, but showed their workings, were usually able to score 1 or 2 marks. Very few candidates attempted this question without showing their workings, which allowed many to achieve some marks. Candidates should always be encouraged to develop the practice of showing their working in calculation questions as expressed in the stem of the question.

- (f) The main issue in this question for many candidates came when they did not look at both sides of the argument. Rather, they simply stated which decision they had made and then tried to provide justifications for this.

Many candidates failed to recognise that a rising pound would be a disadvantage to an exporting company. Instead, they felt this would put the company in a stronger position for staying in the UK.

Another common occurrence amongst candidates was to suggest that BSL should stay in the UK, because it would be the ‘wrong’ thing to do for employees and the UK economy to move overseas. Candidates really should be looking for the best interests of the business they are writing about when making their decisions – even if this goes against their personal feelings.

Question 2

- (a) (i) This question was generally answered well in terms of defining a consumer protection law. However, many candidates failed to acknowledge the part of the question that asked for an example and therefore many candidates were limited to two of the three marks available.
- (ii) Many candidates achieved Level 3 in this question, by considering the impact that their ideas would have on the business. Those candidates who achieved the top of Level 3 (6 out of 9 possible marks) were often very methodical in stating their suggestion(s) and then looking for positives as well as negative consequences. This seemed to demonstrate good preparation by centres in preparing their candidates in the techniques of answering exam questions. It is worth pointing out that some candidates thought that it would be possible for a small bakery to relocate to Europe or even to a developing country, which seems rather unrealistic and illustrates the need for candidates to fully understand the context that the organisation operates within.

However, Level 4 (evaluation or a recommendation in context) was not achieved by many candidates as many simply failed to suggest which of their ideas would be the best to use and to justify why as a conclusion to their arguments.

- (b) (i)** Full marks were achieved by many in this question by considering what could be done by the bakery and how this would benefit the bakery. Lower ability candidates simply stated 'increase healthy options' without expanding on why or how this would benefit the business.
- (ii)** This question was answered well by many candidates. However, a significant number of candidates, in comparison to the foundation tier, failed to use the figures which had been provided for them in the stem of the question in order to achieve fairly easy Level 3 analysis marks.

If figures are provided in the stem of the question then candidates should be aware that they should always try to read information from them and provide numeric responses either in terms of comparisons of totals or percentages. Overall, therefore, examiners felt many higher tier candidates seemed to make much harder work of achieving Level 3 than many on the foundation tier paper.

Level 4 was often achieved by simply looking at the numeric analysis and stating in context which would be the best option for the business by considering short term and long term issues. However, some good responses linked the choice of oven to economies of scale and reductions in unit costs.

- (c)** Many candidates only achieved two of the four marks available for this question, as they simply failed to answer the question which had been set. Many candidates explained very well the impact that rising interest rates would have on the consumer and their potential responses in limiting expenditure, however this was not the answer to the question that was set.
- (d) (i)** Most candidates chose to answer this question by reference to either a decrease in unemployment or steady economic growth.
- (ii)** Those candidates who had chosen to answer the previous question by reference to a decrease in unemployment generally performed better in this section of the question as they were able to fully explain what the government could do. Candidates who had put an answer for the first part that they did not appear to fully understand were all too often struggling to answer the second half of the question.

2324/01 Business Processes – Foundation Tier

General Comments

In most cases, candidates applied their answers well to the case study and there was little evidence of students just quoting theory rather than relating their answers to Lambeth Glass. A few candidates had clearly been submitted for the wrong paper and would have been stretched more on the higher paper. There was no evidence of students running out of time, loss of marks seemed to be due to lack of knowledge and understanding.

Some of the candidates did not cope with the "higher level" understanding of the command words - ie when asked to discuss, they managed Level 1 but did not manage to give a rounded argument.

In terms of differentiation, there were sufficient questions which required little or no development which would have met the needs of the less able - and sufficient opportunity for the better candidates to show their understanding.

Comments on individual questions

Question 1

- (a) This was well answered and most candidates gave relevant suggestions from the case study.
- (b) Powerpoint was the most common answer.
- (c)
 - (i) Candidates had better knowledge of primary methods than secondary. But they frequently offered survey and questionnaire as their two answers.
 - (ii) A variety of secondary research methods were offered. A high number of candidates offered 'books' as an answer. Many seemed to be under the impression that secondary information is from abroad and primary is only collected in the UK.
 - (iii) Most candidates had some idea of the value/usefulness of primary versus secondary research or combination of both. Most candidates were able to access some of evaluation marks.

Question 2

- (a)
 - (i) A significant number of candidates thought an overdraft would be suitable. Fundraise seemed to be misinterpreted – not as charity.
 - (ii) There was confusion with features of public limited companies versus private limited companies. The most common mistake was to assume that a PLC is in the public sector (owned by government). Few candidates used the case study to discuss issues of lose of control if they became a PLC. The evaluation marks were not accessed by many candidates.
- (b) A number of the candidates were able to manipulate the data to some degree, working out the cost per unit or percentage increases in costs/production etc. The question asked about changes between 1997 and 2007. A number of candidates talked about 1997 to 2006 which led them to a different evaluation.

Report on the Units taken in June 2008

- (c) (i)** This question was answered well on the whole. Most candidates failed to expand answers and use the context, resulting in plenty of good ideas but only 2/4 marks. There was evidence that the question had not been read correctly as candidates were explaining why there were rejects, not why Lambeth Glass should be concerned about the rejects.
- (ii)** This was generally answered well, however a few candidates went for quality control or checking which was disappointing given the wording of the question. There was very limited use of business terminology here.

Question 3

- (a) (i)** A good range of perspectives was taken by candidates to answer this question. There was clear use of the case study with many candidates able to score full marks.
- (ii)** The stem was not used by all candidates, as many just stated rather than explained why Andy would be worried, therefore many candidates were limited to Level 1 marks.
- (b) (i)** There were some good ideas here but most lacked context of 2012 Olympics, hence a lot of candidates scored only 3 out of 6. A significant number of candidates did not understand the term human resources.
- (ii)** There was evidence of confusion here. Candidates were more keen to discuss why the Olympics were important and not why planning is important.
- (c)** Candidates could answer relatively easily about methods of measuring success, but were unable to analyse why their methods were the best.

2324/02 Business Processes – Higher Tier

General Comments

In general the quality of candidates' response was strong and there were a number of candidates who achieved very high marks. Candidates applied their answers well to the case study and there was little evidence of them just quoting theory rather than relating their answers to Lambeth Glass. A few candidates had clearly been submitted for the wrong tier and would have had more success on the foundation paper. Poor performance was typically seen where candidates did not apply their knowledge to the question being asked.

There was no evidence of candidates running out of time i.e. in general all questions were attempted, and many students felt the need to write considerably more than in the space given. The best responses, however, were those that answered the question asked in a precise and succinct language. There were a high number of students who wrote on additional pages but did not indicate this on the question. Some of the candidates did not cope with the "higher level" understanding of the command words - ie when asked to discuss they managed the Level 1 but did not manage to give a rounded argument.

In terms of differentiation, there were sufficient questions which required little or no development which would have met the needs of the less able - and sufficient opportunity for the better candidates to show their understanding.

Comments on individual questions

Question 1

- (a) (i) All candidates were able to give objectives of Kate and/or Andy, although a large number did not explain the reason for the difference in their objectives.
- (ii) Again, most candidates were able to show how they would try and persuade the board, but a large number did not explain why the methods they described would be the best.
- (b) (i) Candidates frequently offered survey and questionnaire as their two answers.
- (ii) A wide variety of secondary research methods was offered. A high number of candidates offered 'books' as an answer. A large number of candidates seem to be under the impression that secondary information is from abroad and primary is only collected in the UK.
- (iii) In general, a well answered question, as the vast majority of candidates offered a judgement. It was quite easy for them to get 3/4 marks, however, a significant number of candidates discussed the advantages and disadvantages of primary and secondary research to get 5/6 marks.

Question 2

- (a) Again a wide variety of sources of finance discussed. Frequently candidates suggested methods which would not be suitable for such a large investment. Quite a few candidates related the question to the 'credit crunch' and current general economic problems. There were a minority of candidates who wrote in detail of advantages and disadvantages of various sources of finance and then forget to make a final judgement of which source would be best.

- (b)** A well answered question and candidates found it relatively easy to achieve the full 6 marks, which was possible even if they had done productivity calculations and made a judgement. It was clear that the majority of candidates were fully familiar with the necessary calculations. Some candidates, however, digressed from the question and discussed the number of rejects in detail. Some candidates used the words 'profits' and 'price' instead of costs.
- (c)**
 - (i)** The majority of candidates answered this question well, although some merely described the situation on the graph.
 - (ii)** The majority of candidates answered this question in terms of production and quality control. Some had very limited understanding of what TQM was.

Question 3

- (a)** Candidates had no problem in identifying possible effects of the article. However, a number did not appear to have read the question properly and discussed the effect on the employees and the local community rather than Lambeth Glass.
- (b)** The majority of candidates showed some form of prioritising in answering this question but a few just listed activities. However, there were very few candidates who reached level 4. Many answers didn't show any particular order of priority. This question differentiated the candidates, some provided just lists whereas a few others could explain relevant points
- (c)** Similar to question 1(a)(ii) in that candidates could answer relatively easily about methods of measuring success, but were unable to analyse why their methods were the best.

Grade Thresholds

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

Unit Threshold Marks

Unit		Maximum Mark	a*	a	b	c	d	e	f	g	u
2321/1	Raw	60				33	27	21	15	9	0
	UMS	69				60	50	40	30	20	0
2321/2	Raw	60	44	38	32	27	22	19			0
	UMS	100	90	80	70	60	50	45			0
2322	Raw	60	50	45	40	35	27	20	13	6	0
	UMS	100	90	80	70	60	50	40	30	20	0
2323/1	Raw	60				38	32	26	21	16	0
	UMS	69				60	50	40	30	20	0
2323/2	Raw	60	51	45	39	34	26	22			0
	UMS	100	90	80	70	60	50	45			0
2324/1	Raw	60				36	29	22	16	10	0
	UMS	69				60	50	40	30	20	0
2324/2	Raw	60	52	46	40	35	24	18			0
	UMS	100	90	80	70	60	50	45			0

The total entry for the units were:

2321/1 = 1185 candidates
2321/2 = 1925 candidates
2322 = 2135 candidates
2323/1 = 1217 candidates
2323/2 = 1891 candidates
2324/1 = 1193 candidates
2324/2 = 1913 candidates

The total entry for the examination was 3108

Overall

	A*	A	B	C	D	E	F	G
Percentage in Grade	1.5	12.1	32.2	58.4	78.7	91.3	97.6	99.5

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