

Business Studies Specification B

General Certificate of Secondary Education **GCSE 1952**

Reports on the Units

June 2006

1952/MS/R/06

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Chief Examiner's Report

Overall, the completion of this year's examination saw a consolidation of the standards and improvements made over the last four years. One particularly welcome feature of this year's cohort of candidates was the very consistent performance over the four units, and in particular the three examined units. This year's performance in unit 2323, particularly at Higher Tier, was much improved.

There are two themes running through the Principal Examiners' and Principal Moderator's reports this year and it is worth centres taking note of both of these areas.

The first theme relates to the questions requiring knowledge of a business studied. It is worth reminding centres that one of the features of the specification is the emphasis on studies of businesses in 'the local environment'. There will normally be two questions related to these in unit 2321 and unit 2323. What was apparent this summer is that, in some cases, candidates had not been expecting these questions at all and had either left them blank or chosen totally unsuitable business of which they had no real business knowledge and which had clearly not been studied or discussed in the context of business studies. In other cases, the businesses studied were clearly only of a national (or international) nature. Use of local business contexts in the teaching of the course does not require a visit (although they are sometimes possible); what is more important is the inclusion of reference to such businesses and organisations in the teaching of the course and the opportunities for candidates to be aware of and to practise the type of questions that can be expected. All candidates have experience of businesses – if only as a consumer.

The second theme relates to the inability of candidates to answer the question set. This was particularly a feature of unit 2321 and unit 2324. In both tiers, many marks were wasted by a lack of attention to commands words, context (generally required) and, in the case of unit 2324 in particular, the candidate's desire to answer the question expected rather than the one actually set. Examiners have considerable experience and flexibility in rewarding answers that, although not what might have been expected, represent good business studies. Centres should, therefore, try to provide opportunities within class for practise of such open-ended discussion type questions so that candidates are able to realise that there often is not a right answer, and that it is the quality of the argument developed that is often critical in gaining high-level marks.

As ever, the coursework provided a real opportunity to study in depth. In general the titles that worked least well were those which were too wide and resulted in very general (and often copied) description. The titles that worked best were those that offered clear opportunities for research, often phrased as a question to be answered by the candidate. It is also worth noting that, where the study is based on a business, it provides a further resource for the unit 2321 and unit 2323 questions on a business studied.

2321 - Business Organisation

General Comments

The great majority of candidates continue to show that they have gained some knowledge and understanding of the material. At one end, 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.

Candidates who do well at all levels are those who:

- read the scenario of the question, 'a large frozen food manufacturer' was often ignored on both papers resulting in suggestions which were inappropriate or comments such as 'TV advertising would be too expensive';
- read and think about the information that is given, 'He is usually out fixing electrical problems in other peoples' houses' seemed to have no relevance for many candidates on both papers;
- can 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 two. In other cases, however, candidates were choosing businesses that they appeared not to have studied or, in question one, were electing for inappropriate ones.

As in June 2005, it was disappointing to discover a large number of candidates who did not make any response to the part of the question carrying the extra QWC marks, 2d (Foundation) and 2b (Higher). This meant that candidates lost eight 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 could have coped with the Higher tier. Once again, however, too many candidates were entered for the Higher tier when their results clearly indicated that they would have benefited from taking the Foundation tier paper.

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

2321/1 Foundation Tier – Business Organisation

Question 1

- (a) The majority of candidates were able to correctly identify that it is in the secondary sector that goods are manufactured.
- (b) In parts (i) and (ii), it was pleasing to see that the majority of candidates could correctly identify both 'needs' and 'wants'. Many candidates, however, seemed less sure why 'firms produce goods that customers demand' and produced responses that did little more than rewrite the question. The best answers were often simple such as 'in order to get more revenue so as to produce more profit' or 'to gain more profit so as to expand the business'.
- (c) There were some excellent answers that clearly demonstrated knowledge and understanding of CAD and/or CAM. These candidates knew that CAD was likely to give greater accuracy and save on storage, while CAM led to quicker and lower cost production. Too many candidates, however, saw one or other of these as being equivalent to automation and gave answers in terms of 'save money as no men are required'.

- (d) The first part of the question was answered well. The most frequent error being to insert 'break even' in the first space. Answers to part (ii), frequently, were disappointing with many having little or no idea of division of labour and, too often, no business being named. A minority of candidates did show knowledge and understanding and were able to apply this to a business they had studied and named. It was clear that some candidates were making good use of either their work experience placement or their 'Saturday job'.

Teachers' Tip

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

Question 2

- (a) This proved to be more challenging than had been anticipated, with many candidates unable to correctly draw the lines matching the terms from the advertisement with their descriptions. The one that was answered correctly by most candidates was 'job description'.
- (b) There were some very good answers, with candidates able to explain why a business might offer all employees regular training opportunities. Many of these responses were in terms of Oakenbow Hotels plc although there was no requirement for this. Weak candidates often ignored 'regular' and gave answers to a question from a previous examination on 'induction training'.
- (c) Candidates tended to approach this question in one of two ways, both of which were acceptable. They either discussed the effectiveness of the advertisement in general or they wrote about it in terms of the suitability of the people who would be attracted to it. Good answers kept closely to this approach, but many wandered off into criticisms of the advert, in terms of lack of colour or not enough detail. It appeared as if many candidates had never seen, or analysed, a job advertisement.
- (d) Candidates who had clearly studied a business were able to gain at least four of the six marks. Those who got to the top were able to discuss the suitability of the methods. Some candidates, however, did not name a business and did not relate the comments to a particular business. Some failed to write anything and so were unable to secure any QWC marks.

Teachers' Tip

Candidates need to have studied at least one business in depth before taking this unit. It might be an idea to ask each candidate to write down what they know about their business(es) under the headings of 'communication, marketing, operations and people' to check their knowledge before the examination.

Question 3

- (a) The majority of candidates were able to correctly put a tick against the statements that indicated the advantages of a sole trader.
- (b) Once more, many candidates got the idea of a budget confused with a profit and loss account. In part (ii), the majority of candidates were able to correctly calculate the income at £52,500. A minority insisted on subtracting 'total expenditure' from 'revenue from sales', but as this still gave a positive figure they were not disadvantaged in part (iii). There were two distinct responses to this part. Many took the simple route of saying 'yes, because it is too low' or 'no, because he is making a profit'. Others, however, extended these answers, for example 'yes he should be worried because although he is making £1500 profit this does not allow for any fall in revenue or rise in costs'.

- (c) Although the vast majority of candidates realised that relying only on a mobile phone could cause problems, it was surprising to see the number who saw only disadvantages in using a mobile with batteries running out, phones being stolen, no network and other calamities. This was because too many candidates ignored the part of the scenario that said 'he is usually out fixing electrical problems in other peoples' houses'. Those who did note this not only considered why Shuo needed a mobile, but also referred to a range of back up methods such as emails, fax and answer machines.

Teachers' Tip

Make sure that candidates realise the need to answer questions in terms of the scenario and have had practice at doing so.

Question 4

- (a) A large proportion of candidates was able to correctly identify the other three elements of the marketing mix. Many, however, inserted their own 'p' - the favourite being 'profit'. Too many candidates seemed unable to state any of the elements and gave random responses.
- (b) The better answers both took note of the scenario, 'a large frozen food manufacturer', and looked at both possibilities, discussing their advantages and disadvantages, before making their recommendation. While most candidates were able to gain some credit by offering one or more reasons in support of their choice, too many dismissed television advertising as too expensive, clearly ignoring the scenario. Some candidates did not name a business and were further restricted in the credit available.

2321/2 Higher Tier – Business Organisation

There was a very wide range of ability shown by candidates on this paper. At the top were 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 those who had little knowledge of the content of the specification, often 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 vast majority of candidates knew this, although some weaker candidates gave confused responses.
- (b) It was pleasing to find that the majority of candidates understood the difference between needs and wants and were able to go on to explain why satisfying them was important, usually in terms of profits, increased sales and customer loyalty. Weaker candidates tended to offer tautological answers such as 'needs are what people need', but sometimes gained some credit for correct examples.
- (c) Too many candidates assumed that because the word 'computer' was involved that this meant automation. This gained no credit. Others offered simplistic answers in terms of 'quicker', 'easier' or 'less people', which gained limited reward. The best candidates, however, knew that CAD was likely to give greater accuracy, facilitate easy exchange of designs via the internet or save on storage, etc. CAM was seen by these candidates in terms of accuracy and long run cost savings.

- (d) Although many candidates were able to offer accurate definitions of the division of labour and to go on to apply this either positively or negatively to a business they had studied, to many candidates the concept seemed to be barely known. These candidates found it difficult to then answer part (ii). Many were not helped by either not naming a business, choosing one they clearly knew little about or even selecting a 'one-man' business. On the other hand, there were some centres who were well prepared. One centre, for example, had visited a Royal Mail sorting centre and their handling of the division of labour showed an in-depth understanding.

Teachers' Tip

Make sure that candidates have had the opportunity to study at least one business in depth. Where appropriate, candidates' knowledge gained from work experience and/or 'Saturday' jobs could be incorporated into class work.

Question 2

- (a) The majority of candidates knew both concepts, although some confused the two. Again, weaker candidates were inclined to offer tautological statements such as 'a job description is a description of a job'. It was pleasing to see a range of good answers to part (iii) with most realising that they needed to make some reference to the service sector, often in terms of customer satisfaction. There was a mistake in part (iv). The question incorrectly referred candidates to the advertisement in Fig. 3, rather than Fig. 1. This was discussed with the examiners at the standardisation meeting and does not appear to have confused candidates. Better candidates addressed 'how effective' and 'suitable people' and offered a constructive critique of the advertisement. Other candidates, however, were too intent on saying what the advertisement lacked, with many wanting a job description/person specification, or criticised it for lack of colour. It appeared as if some candidates had never seen a job advertisement.
- (b) Candidates who had clearly studied a business were able to gain at least four of the six marks. Those who got to the top were able to discuss the suitability of the methods. This led to a wide range of responses depending on the business selected. Once more, those candidates who failed to name a business or who had not studied the one they had chosen did poorly. This question carried the Quality of Written Communication (QWC) marks. Too many candidates' work lacked punctuation and had poor grammar and spelling.

Teachers' Tip

Make sure that candidates are aware that the question with an asterisk (*) carries the QWC marks and that they should both attempt it and pay extra attention to their written communication.

Question 3

- (a) The vast majority of candidates were able to score one mark, although a few offered a range of other answers, not all appreciated the need to 'explain'. Those who did usually chose either 'unlimited liability' or 'takes all the profit'.
- (b) Most candidates were able to identify the correct figures, but not all were able to subtract correctly or gave the answer as £1,100 instead of £11,000. These candidates still gained some credit, but not the full amount. In part (ii), a majority of candidates were able to offer some idea of why a budget would have been drawn up, although only the best took any notice of 'for the next six months'. It was pleasing to see that a large percentage gained two or all three marks. The most common mistake was to confuse budget with profit and loss.

- (c) At the top end were some outstanding answers where candidates had clearly taken note of 'he is usually out ... in other people's homes'. They realised the importance of a mobile phone for instant contact for those with emergencies and for Shuo to warn customers of any delays. They then contrasted the mobile phone with other means of communication such as email, a fax and a fixed telephone line showing how one or more of these might be useful, but less immediately effective. Other candidates were able to give a good explanation of different methods and their uses, but either failed to recommend with reasons or became too involved with the downside of mobile phones such as batteries running out. Some candidates concentrated disproportionately on this aspect to the detriment of their response. A small percentage of candidates assumed that communication equalled promotion.

Question 4

- (a) This question elicited three types of response:
- a large majority offered price, product and place scoring three marks;
 - others offered two correct ones, place was often omitted, but gave a variety of other words such as production instead of product with profit often featuring;
 - a few had no idea and the words chosen did not even start with 'p'.
- (b) The mark gained by the candidates usually depended on whether or not they had read the opening scenario 'a large frozen food manufacturer'. Those who had done so realised that a national promotional scheme was likely to be 'the most effective method' and concentrated on television and national newspapers with some making reference, also, to discount offers. Too many, however, ignored the scenario, or made a passing reference such as 'he might use TV if he had enough money', and concentrated on methods such as local newspapers, leaflets and posters in shop windows. Indeed, in many cases it seemed as if they thought the question was talking about a campaign by a local supermarket. These answers could gain, at most, half marks.

Teachers' Tip

Make sure that candidates have had experience of responding to different scenarios. It might be an idea to heavily mark up in schoolwork those who respond to questions in context so as to reinforce the need in the examination to pay close attention to it.

2322 - Coursework

Introduction

The overall high standard of coursework moderated this year was in keeping with previous years.

With the absence of prescribed titles within the specification, many centres devised their own work to take advantage of local business decisions. The coursework consultancy service was used by a number of centres to check on the viability of their ideas and whether they would enable candidates to meet all the assessment criteria. This is a free service and available through OCR.

An alternative approach was to use the supported study based on T Mobile. This is especially popular within this specification, allowing candidates to join in a national data collection exercise based on the marketing of T Mobile. This gave candidates a broad database to analyse and interpret and make rather more meaningful conclusions on the marketing of the business. For those centres wanting further details, please contact OCR.

Whilst many candidates managed their assignment well, choosing material to include within the work very carefully, a large minority still include irrelevant work. This often included pages of downloaded material which add nothing but weight to the assignment, every copy of the filled in questionnaire (only one required), and pages of illustrations from magazines. Candidates should make sure that any such material included in the assignment is accompanied by a comment to explain its relevance to the assignment as a whole. If this is not possible, then in all probability the material is not required.

Administrative problems were centred once again on candidates who produced no work. In this situation, a mark of 'A' should be recorded. A mark of '0' indicates that a candidate has produced *some* work which is of no value. Centres are also reminded of the need to enclose the Centre Authentication Form with the moderated sample in order that the moderation process can be completed.

Application of the Assessment Criteria

Criterion 1

This criterion requires the candidates to state their aim clearly and then explain their strategy to achieve that stated aim. In some instances the aim was simply an adaptation of the title of the work, and though this was achieved by most candidates, many were unable to explain how they proposed to achieve the aim already stated.

A simple bullet point list is not enough, unless it is extended to justify why a particular strategy is necessary. In some instances, candidates were wrongly awarded full marks for what was a list of contents within the assignment.

Criterion 2

Here candidates must collect sufficient information to achieve their aim. In the vast majority of cases this involved collecting both primary and secondary data. In many cases a vast amount of data was collected, with candidates showing both resolve and determination to ensure that every aspect of the investigation was covered in detail, whilst carefully selecting material to include.

In other cases, the primary data in particular was lacking, with candidates making very sweeping comments based on a very small database. Whilst there is no set number of interviews which

must take place within a GCSE assignment, it should be sufficient to make meaningful recommendations later in the work.

The problem of Internet material has already been mentioned in the introduction. It is sometimes the case that the information overload actually detracts from, rather than adds to, the assignment as a whole. Candidates need guidance prior to their assignment on how to select and justify the inclusion of such material.

Please note that knowledge on its own cannot be rewarded in coursework. For example, a candidate researching the advantages of a sole trader from a text book and including this in their work cannot be given credit, unless it is applied to the context of the investigation.

Criterion 3

Criterion 3 requires candidates to present their work in a clear, logical fashion. The use of ICT has meant that many assignments now have a professional look, with charts, tables and graphs being used to good effect. In certain titles, annotated maps and photographs also add to the clarity of the work.

In some cases, the logical ordering of the work was questionable. The aim was sometimes found nearer the end of the work than the beginning and there was a lack of order in the data collection, analysis, interpretation, evaluation and recommendation.

Criterion 4

Criterion 4 often differentiates candidates very well. It is here that candidates must use appropriate business techniques and terms within their work.

Those scoring well within criterion 4 used a wide range of business terms with confidence, applying them carefully to their chosen business. Weaker candidates often used general statements without the precision of the relevant business terminology. In some instances there was a lack of depth within the work, for example using some business terms within product (life cycle, etc.) and little else within an assignment based on the market mix. In this case reward can only be within the lower level.

Criterion 5

Criterion 5 requires candidates to analyse and interpret the data they have collected. Whilst the majority of candidates analysed at some level, many candidates failed to interpret the results, and explain their relevance to the business and the investigation they were undertaking. It is often helpful to use separate headings in this section of the work to make sure that both aspects of the criterion are covered.

Candidates should also use all the data they have collected. Many candidates, for example, used gender and age sections within their questionnaire, but failed to comment on how, say, males and females viewed a particular aspect of their enquiry. The use of a grid or a suitable database would enable rather more focused interpretation which would, in turn, lead to more meaningful recommendations later in the work.

There is still a tendency for centres to over reward this criterion, with candidates receiving rather generous treatment for what are general comments without clear reference to the figures or context of the assignment.

Criterion 6

Here candidates must evaluate the data collected (*not* how the assignment as a whole might be improved if given another chance) and make recommendations which should always be justified by quoting from the earlier analysis.

Report on the Units Taken in June 2006

Many candidates understood the need to make recommendations which were in line with the context of the work. Clearly, making marketing recommendations for a sole trader will be different from those applying to a plc. These recommendations were then accompanied by figures and percentages from the data analysis to add both impact and clarity to their work. There were many instances of perceptive, thoughtful work in this criterion which was a credit to those concerned.

In some instances, candidates seemed to ignore the data they had collected and made recommendations based purely on a personal viewpoint. This approach should not be rewarded.

2323 - The Business in its Environment

General Comments

It is pleasing to report that the examining team felt that this paper was an appropriate challenge to the candidates and this was borne out by their overall performance. There were many examples of very good scripts on both the Higher and Foundation tiers showing that candidates had a good overall understanding of the specification content, as well as showing an ability to demonstrate good higher order skills of analysis and evaluation.

Overall, the performance compared to June 2005 was slightly lower on the foundation tier, but on the Higher tier the level of performance was improved.

Most candidates appeared to have been entered for the appropriate tier, although occasionally there was evidence that candidates did not have the required subject knowledge or the ability to use higher order skills to cope with the demands of the higher tier.

Once again, the key differentiating factors were subject knowledge, examination technique, the ability to use contextual information and the ability to demonstrate skills of analysis and evaluation.

The examining team expressed some concerns about the lack of subject knowledge shown by some candidates and by the majority of candidates from specific individual centres. These gaps in subject knowledge related to the areas of economic growth, exchange rates, income tax and, particularly, social benefits.

In contrast to unit 2321, this examination paper consists of two questions, which use brief scenarios concerning a specific organisation as both a setting and a stimulus for the individual questions. As has been written in previous reports, candidates must remember that this information is not there to be repeated at great length in the answer to the question. It is essential that candidates are taught to use the information to structure their answers **in their own words**.

The information provided at the start of the question and each sub-question is provided to allow the candidates to structure their answer by considering the relevance, validity, consequences and importance of the issues for the business concerned. As such they can allow the candidates to reach justified conclusions only if they weigh up the relative importance of these issues or use them to reach evaluative conclusions. It is disappointing to see many candidates failing to bring very good analytical answers to a rounded conclusion which is clearly evaluative in nature. Too many candidates simply resort to repeating suggestions already made earlier in their answers or finishing with a rather bland sentiment stating that the decision should or should not be made because the candidate thinks it is the best option with no attempt to justify why.

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 or a failure to answer the numerical question, which was either due to a lack of a calculator or uncertainty as to how to attempt an answer to the question.

Where candidates use the additional sheets at the back of the answer booklet, they are advised to inform the examiner so that the answer can be read as it was intended to be read. As might be expected, the cross-over questions targeted at grades C and D were not answered very well on the Foundation tier and reflected some significant gaps in subject knowledge. However, the Higher tier candidates were often better equipped to provide well-structured and detailed answers with the exception of the question on social benefit, which proved to be an area of weakness on both tiers.

2323/1 Foundation Tier - The Business in its Environment

General Comments

This paper is targeted at grades C to G and the questions were accessible to candidates working at this level. The quality of written communication was quite good.

The main reasons for candidates not gaining marks were:

- (a) limited amounts of evaluation demonstrated;
- (b) the information given in the question to inform answers was often not made use of;
- (c) the information given was simply copied into the answer;
- (d) weaknesses in subject knowledge, for example, social benefits seem not to have been taught to the majority of the candidates, which led to disappointing results for the final questions;
- (e) failure to attempt the numerical question.

Candidates seem to have made good use of their time.

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

Comments on Individual Questions

Question 1

- (a) Many candidates scored full marks, but some answers suggested that XBL was in the public sector because it sold products to the public.
- (b) There were few problems with this question and many candidates scored full marks.
- (c)
 - (i) The majority of candidates answered this question correctly.
 - (ii) The majority of candidates answered this question correctly.
- (d) This question was answered poorly. Many candidates did not seem to know what government economic objectives were, but rather gave methods to achieve government objectives, e.g. increase taxes. Many candidates did not read the question properly and suggested keeping interest rates low.
- (e) Candidates were able to identify whether XBL should expand, but then often they used their own reasoning as to why, rather than taking into consideration the options that were given in the stem of the question. Candidates generally quoted theory rather than applying their knowledge to the question. However, many were able to discuss the relative advantage(s) of using loans, often with issues relating to re-payment, against using retained profits.
- (f) The majority of candidates scored full marks on this question.
- (g) There were many very poor responses to this question. Candidates either copied the quotes that were given in the stem of the question or did not attempt the question at all. However, candidates who performed well discussed the comments which were made and came to a conclusion based on other facts and opinions of their own.

- (h) This question was either answered very well for full marks or poorly for no reward at all. The main problems seemed to be that candidates could not identify factors which may affect a local business from within the local economy. Rather, they answered in terms of national issues such as laws banning smoking. Some candidates used scenarios to attempt to build up answers and, as in previous years, no credit was given for such an approach.

Question 2

- (a) (i) While candidates were often able to score full marks on this question, it was apparent that others could not interpret the information correctly as positive or negative factors for the new caravan park.
- (ii) The majority of candidates were able to give a reason as to why it was or was not a good idea for the dairy farm to change to a caravan park, although this was often not backed up with figures or valid reasons. Candidates who answered this question well were aware that analysis of the figures provided would inform their answers to a higher level and so provide a basis for their decision. However, often this involved simply adding up the figures rather than using them to work out the potential for extra profit. Many candidates mistakenly thought that turnover was, in fact, profit, and tried to use this to support the change.
- (b) (i) Most candidates answered this question correctly.
- (ii) Most candidates answered this question correctly.
- (c) Once again candidates who performed well on this question were able to take the information given in the stem of the question and use this as the basis of their answers. However, the majority of candidates failed to relate the question to the information given and talked in more general terms, rather than specifically addressing what was asked. Many candidates answered this question by simple analysis of the information in the findings from the market research and then considering what the caravan park should do to resolve the issues that emerged. For example, it was common to read candidates stating that, because 20% of people wanted to be able to see the caravan park, then pictures should be put on a website. Clearly, such answers demonstrated that many candidates had not read the question properly.
- (d) A disappointing number of candidates were unable to answer this question. Of those who did attempt it, approximately 50% were correct; however, many candidates left this question blank.
- (e) (i) The majority of candidates scored no marks on this question, due to not understanding the term 'social benefits'. Candidates often identified advantages to the business of being environmentally friendly, such as leading to an increase in customers or positive feedback and profit. However, very few were able to identify any social benefits. Many of those that were awarded 1 mark had often stumbled across the correct answer rather than writing confident responses.
- (ii) The majority of candidates scored either 2 or 3 marks on this question. Most were able to identify a pressure group, although there were many doubtful examples provided. A lot used Greenpeace, but it was evident that some centres had not covered pressure groups. Where this was the case, many candidates from a teaching group gave examples such as McDonalds as a pressure group.

2323/2 Higher Tier - The Business in its Environment

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. In general, Question 1 seemed to be better answered than Question 2.

The main reasons for candidates not gaining marks were:

- (a) lack of subject knowledge, e.g. exchange rates, social benefit, income tax, pressure groups;
- (b) failure to read the question properly or focussing on a narrow range of issues provided in the stem of the question;
- (c) too much time spent on repeating the information provided in the stem of the question;
- (d) failure to analyse issues mentioned in candidates' answers;
- (e) failure to evaluate when trying to justify a decision rather than simply repeating issues already discussed;
- (f) not having a calculator to answer the numerical question;
- (f) Inability to work out a percentage change.

Standards of spelling and written communication were generally good.

Comments on Individual Questions

Question 1

- (a) For 2 marks, this question required candidates to explain that, for a market to exist, it requires buyers **and** sellers. While most candidates were able to explain this fairly accurately, there were some references to market share and to target market, both of which only addressed the selling side of the market and only achieved 1 mark.
- (b)
 - (i) This question was generally well answered with the implications assessed and thus allowing candidates to achieve good Level 2 marks. However, in some cases the answer focused on XBL paying income tax when clearly it is a limited company. Worryingly, there was some evidence that such misunderstanding occurred across the majority of candidates from certain centres.
 - (ii) Successful candidates usually answered by reference to lower unemployment or less risk of high inflation. Significant numbers of candidates could identify an issue of relevance, but were unable to link this with why it would benefit the government.
 - (iii) Candidates often wrote about changes in exchange rates rather than the benefits of stability, with many answers explaining if XBL would be in a better situation if the exchange rate went up or down.
- (c) The focus of this question was the decision about whether XBL should expand or not. Unfortunately, many candidates focussed on a discussion of the relative merits of the possible sources of finance identified in the stem of the question thus indicating a failure to read the question carefully enough. Due to the information provided, most candidates opted for expansion, usually to be financed by retained profit. Frequently, attempts to justify the candidate's decision were limited to repeating the advantages that had already been suggested without any attempt to offer any evaluation or weighing up of the arguments.
- (d) This question was well answered with the majority of candidates achieving full marks.

- (e) This question was not very well answered. There was a tendency for many candidates to answer this question in terms of their own opinions and, as a result, they often overlooked the statements provided in the stem. Alternatively, many repeated all of the statements without forming an argument of any kind. Some candidates answered in terms of benefits to the mother and the new baby and failed to remember that this is a business studies examination! Better answers focussed upon the possibility of future legal issues in justifying why XBL should allow time off in such circumstances.

Question 2

- (a) A significant number of candidates did not read the question clearly and so thought that the change referred to in the stem had not yet happened. Consequently, they wrote in terms of whether the farm should or should not become a caravan park when it had already done so. Once again, many candidates limited much or all of their answer to repeating the statements provided in the stem of the question. Interestingly, some centres had clearly spent some time looking at the workings of the Common Agricultural Policy with their candidates, but this meant that there was evidence of responses that were too detailed on one aspect of the question and so failed to leave time or room for discussion of the other issues raised.
- (b) Generally, this question was well answered. However, there was some evidence of misunderstanding where candidates answered in terms of the possible adoption of the Euro.
- (c) This question was well answered. However, some candidates failed to identify either that it was the internet or that it was actually selling on the internet that was behind the concept of e-commerce.
- (d) This question was also answered well with many candidates providing a balanced argument, which showed a good understanding of positive and negative points associated with e-commerce. However, it was disappointing to see that some candidates failed to actually develop fully the points made and/or to provide a conclusion/judgement for what they had written beyond “.. therefore I think they should go ahead”.
- (e) Numerical questions often throw up a multitude of weird and wonderful answers and this was no exception to the rule. Unfortunately, some candidates were clearly hampered by the fact that they did not have a calculator, while others tried a variety of long division or multiplication routes to achieving an answer. Worryingly, there was evidence that all of the candidates from some centres failed to even attempt the question. The most common mistake was to work out a proportion as opposed to the requirement of the question, which was for a percentage change.
- (f)
 - (i) This question was very poorly answered and produced the weakest answers on the whole paper. It was quite apparent that many candidates had not come across, and therefore did not understand, the term ‘social benefit’. As a result, the vast majority of candidates either answered the question incorrectly by writing about benefits to the firm or the question was not attempted at all.
 - (ii) While some candidates did not appear to know what a pressure group was, many were able to provide an example such as Greenpeace and then explain one of its objectives. Even if candidates could not name a pressure group, they were still able to score a mark if they could identify a likely objective of a pressure group.

2324 - Business Processes

General Comments

This year's case study gave candidates the opportunity to consider the primary sector and some of the issues involved. By bringing in the context of organic food, it provided some interesting debates as to the costs and benefits of organic produce and production. It also saw a return to the business start-up situation and the role of the entrepreneur, albeit in a rather unusual re-location situation.

Candidates were again mostly well prepared for this examination and had clearly spent much time discussing many of the issues outlined in the case study. There was some evidence of candidates preparing for the obvious questions, although, this year, there were far fewer pre-learnt answers reproduced. There was, however, a corresponding increase in the number of candidates failing to answer the question set and answering the one expected. This was most notable in the questions surrounding the recruitment of the new employee and, to a lesser extent, the market research questions.

The most disappointing answers were those to Question 3 where many candidates seemed unable to develop a prioritised strategy. Also, the evaluation question part of this question was badly answered. This carried a higher mark tariff (particularly on the Higher tier) than in previous years, yet candidates rarely answered the question set or gave sufficient development to their answers given the mark allocation. It is worth noting that "Implementation and Evaluation" is one of only five sections in the specification for this unit and there has been a question set from this area every year.

Calculations are a requirement in all examination papers for this specification and, given the tables of data provided in the pre-released material, there was a surprising lack of use of calculations in the question based on the data. The ability to comment and make calculations on such data should be an essential feature of case study preparation.

Overall, the best candidates identified with the case study situation and were able to think as if they were the entrepreneur involved in the situation described. Developing opportunities for candidates to discuss issues from this perspective remains the best possible preparation for this examination.

2324/1 Foundation Tier – Business Processes – Synoptic Paper

Candidates made good use of the context and were able to describe many of the issues. Although this indicated that the case study itself was familiar, what was far less evident was the ability to respond to the specific question set. This meant that analysis and evaluation marks, even in the most accessible questions such as 1d(ii), were often not gained. There was some evidence of candidates answering questions expected rather than those set and there was also some evidence of candidates giving up on certain questions rather than making an attempt (there was no evidence that this was caused by time pressure).

Comments on individual questions

Question 1

- (a) Most candidates gained at least one mark for this question, with common objectives being to escape from London and/or run her own business. Some candidates provided two reasons rather than developing one.

Report on the Units Taken in June 2006

- (b) Generally well answered with answers revolving around cost, organic status, current business and land/house size.
- (c) This was a crossover question and candidates found the reasons for profit maximisation (mainly revolving around getting money for personal use and/or re-investment) much easier than the reasons against (normally related to quality of life or needing to survive first).
- (d)
 - (i) Providing candidates answered the question set, this was a very easy question. Many, however, failed to use the context of expanding the range of products to sell in 2006 and often provided possible questions that did not therefore make contextual sense.
 - (ii) Most candidates gained some marks on this question, although many were confined to Level 1 as they merely described the two options. Even where analysis/discussion was attempted, the context (Beth being the only user) was often weak.

Question 2

- (a) This was not as well answered as expected, with a surprising number of candidates considering that regional TV or national newspapers would be appropriate to advertise for one assistant in a village store!
- (b) Most candidates were expected to choose the best candidate but, in spite of this, good reasons were given for rejecting Jim and Mel, including lack of contact details, informality, poor reasons for changing job and insufficient information.
- (c) This was a crossover question but where questions answered the question set marks were easily gained at Level 1 and Level 2. Candidates generally considered either an interview or a practical test/trial as being the best selection methods.
- (d) A significant number of candidates failed to read the question and described other aspects of the selection process – or who was the best candidate.
- (e) Both terms in this question had been included in the SWOT analysis (Table 2) so were familiar to candidates.
- (f)
 - (i) Seasonal supply was often muddled with seasonal demand. Where supply was considered, there was a good understanding that different products would grow at different times or that the weather may not be as required.
 - (ii) Wealth was an easier concept and most candidates gained some marks on this part of the question.

Question 3

- (a) Again this question followed directly from Table 2 in the case study so well prepared candidate were able to describe or analyse the effects of ignoring the supermarket's actions or reacting to them. These arguments often centred around a major competitor (threat) or that Beth had a different set of customers or her products would be better/different.
- (b) This was generally a well-answered question with most candidates gaining some analysis marks. Some candidates misinterpreted the question as a 'should she move...?' question but most compared the reason for the move with some of the results described in the case study.

- (c) Although this was a predictable question, too many candidate merely reproduced the list of possible options given in the case study (gaining no marks). Many candidates did gain Level 1 with some description of some of the options but only a minority attempted to analyse the options. References to priorities or best options were very rare.

2324/2 Higher Tier – Business Processes – Synoptic Paper

There was a wide range of marks on this paper which proved to be a little more demanding than in previous years. Often performance was variable between centres as well as within centres. In some cases, candidates provided answers that were completely in line with the marking scheme, reflecting attention to previous papers, command words, and the type of questions likely to be set given the specification content and the case study material. Other candidates, however, seemed disadvantaged by poor examination technique or an inappropriate entry to this tier of examination.

Comments on individual questions

Question 1

- (a) Although most candidates gained at least two marks for this question, many did not address the business reason comparison required for the higher level marks.
- (b) The reason for choosing profit maximisation was generally well answered with most candidates referring to the ability to generate additional personal income, or money for growth through investment. The reason against was less well explained although issues surrounding quality of life and growing too fast too soon were common answers.
- (c)
 - (i) Most answers concentrated on the advantage of primary research (undertaken by Beth) compared to research from other sources, which might be out of date or inappropriately targeted. There were few references to sampling procedures, although this was an equally valid answer.
 - (ii) A very clear framework was provided in the question in terms of the context (single user) and the requirement to consider 'methods' and to provide a recommendation. Most candidates, however, merely provided some general description of one method of display, e.g. charts with little or no reference to the context.

Question 2

- (a) Most candidates addressed issues of cost, or the sense of having local applicants for the job. Many candidates, however, went on to explain the benefits of having a local assistant rather than explaining why to use a local newspaper.
- (b) This was a well-answered question, with a variety of acceptable answers ranging from technical limitations of answering machines to issues of candidate suitability and even fraud.
- (c) This question differentiated between candidates. A minority discussed the options available for selecting candidates once they were at the farm, generally comparing an interview with a practical test, and made a recommendation. Many answers, however, were either very descriptive or did not relate to the question, e.g. describing the application process or stating/explaining which candidate should be selected.

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- (d) This was a well answered question, with most candidates providing a balanced response considering the possible expansion opportunities for Beth that market growth might bring compared to the danger of strengthening competition. Answers were often developed sufficiently to gain full marks. In some cases there was confusion between market growth and the actual growth of Beth's business which were equated.
- (e) Many answers were very descriptive and opportunities for calculations were missed. The best candidates calculated and compared scale or percentage growth of the products in the table and went on to consider issues such as seasonality and the inherent growth in a new business. Many other answers, however, were low-level descriptions of the data with some simple addition of figures.

Question 3

- (a) Given the reference to this question it was disappointing that many candidates merely explained some of the options listed in the case study. Whilst this filled the space, it addressed neither the 'discuss' nor 'priority' aspects of the question. The SWOT analysis provided many opportunities for analysis and prioritisation, but was rarely used in spite of the framework provided in the case study. The best candidates did address these issues, in particular the need to overcome seasonal demand and overwork (the reason for the relocation in the first place).
- (b) Many candidates appeared to ignore the wording of this question and provided an answer that was often an extension or a repetition of 3(a). There were many ways of accessing high marks but it did require some comparison or evaluation between 2006 (e.g. survival) and 2008 (possible profit – or an easier lifestyle). Rarely was there any discussion of the changes or the best method to use.

General Certificate of Secondary Education

Business Studies B (Modular) (1952)

June 2006 Assessment Series

Unit Threshold Marks

| Unit | | Maximum Mark | a* | a | b | c | d | e | f | g | u |
|---------------|-----|--------------|----|----|----|----|----|----|----|----|---|
| 2321/1 | Raw | 60 | | | | 38 | 32 | 26 | 21 | 16 | 0 |
| | UMS | 69 | | | | 60 | 50 | 40 | 30 | 20 | 0 |
| 2321/2 | Raw | 60 | 45 | 41 | 35 | 30 | 23 | 19 | | | 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 |
| 2323/1 | Raw | 60 | | | | 35 | 29 | 24 | 19 | 14 | 0 |
| | UMS | 69 | | | | 60 | 50 | 40 | 30 | 20 | 0 |
| 2323/2 | Raw | 60 | 45 | 41 | 35 | 29 | 23 | 20 | | | 0 |
| | UMS | 100 | 90 | 80 | 70 | 60 | 50 | 45 | | | 0 |
| 2324/1 | Raw | 60 | | | | 35 | 29 | 24 | 19 | 14 | 0 |
| | UMS | 69 | | | | 60 | 50 | 40 | 30 | 20 | 0 |
| 2324/2 | Raw | 60 | 43 | 39 | 33 | 28 | 20 | 16 | | | 0 |
| | UMS | 100 | 90 | 80 | 70 | 60 | 50 | 45 | | | 0 |

The total entry for the examination was:

- 2321/1 = 1360 candidates
- 2321/2 = 1869 candidates
- 2322 = 1982 candidates
- 2323/1 = 1318 candidates
- 2323/2 = 1647 candidates
- 2324/1 = 1286 candidates
- 2324/2 = 1680 candidates

Specification Aggregation Results

Overall threshold marks in UMS (i.e. after conversion of raw marks to uniform marks)

| | Maximum Mark | A* | A | B | C | D | E | F | G | U |
|-------------|---------------------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 1952 | 400 | 360 | 320 | 280 | 240 | 200 | 160 | 120 | 80 | 0 |

The cumulative percentage of candidates awarded each grade was as follows:

| | A* | A | B | C | D | E | F | G | U | Total Number of Candidates |
|-------------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------------------------------|
| 1952 | 3.0 | 12.0 | 28.9 | 55.7 | 76.8 | 90.3 | 97.0 | 99.4 | 100.0 | 2965 |

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