GCSE

Business Studies

General Certificate of Secondary Education **J253**

Examiners' Reports

January 2011

J253/R/11J

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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 specification content, of the operation of the scheme of assessment and of the application of assessment criteria.

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

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Chief Examiner's Report

The general improvement in candidate performance seen in June 2010 was maintained in this session.

On the Controlled Assessment (unit A291) there were fewer changes to centre marks, with teachers being able to apply the mark scheme to the three assessment objectives much more accurately than was the case in January and June 2010. On the Business and people written paper, (unit A292) candidates displayed a greater knowledge of the subject content. There were, however, still noticeable gaps in the knowledge base; for example, multi-nationals and the role of trade unions.

It may well be beneficial if candidates were to be reminded of the different weightings of the assessment objectives in units A291 and A292. The controlled assessment is heavily weighted towards application; whilst the unit A292 written paper is weighted towards knowledge. Candidates aiming for the higher grades must perform well on these important assessment objectives.

A291 Marketing and Enterprise

There was a further increase in candidate numbers this session, with the overall quality of work moderated maintaining the improvement seen in June 2010.

In general, candidates were better able to apply their knowledge and understanding to the context, and to analyse and evaluate data. Marking overall was more accurate; however, there was some evidence of generous marking on AO2 (application) and A03 (analysis/ evaluation), though not as evident as in previous sessions.

Candidate preparation in the 10 hours prior to the close control write up is vital to the success. In this time candidates should look to plan and prepare their arguments, ideas and recommendations in order to maximise the time in the more controlled environment. Supporting evidence/data such as graphs, charts, web pages, etc. should be stored in a secure area ready to drop into their final work with the minimum of time loss. The six hours of close control should be spent writing up their thoughts and ideas for the three investigations. Ideally, the judgements and recommendations which are to be made should be known prior to the write up commencing.

For 2011 the scenarios were Tom, a young entrepreneur wanting to set up a new, small business providing children's parties; and Amy, similar to Tom in being young and inexperienced in business, though her business would be in a much more competitive market. These elements should be considered by candidates when *applying* their knowledge and understanding, and when making recommendations as to course(s) of action which Amy or Tom should take.

Administration from centres was rather better than last year. As stated in the June 2010 report, it is helpful if centres annotate the candidates' work to indicate where a particular AO is being met, and complete the candidate front cover sheet with comments which justify the mark being awarded. This will allow more detailed feedback to be given by the moderating team.

Application of the Assessment Objectives (AOs)

AO1

In general, the marking of this AO was more accurate, with candidates being able to show their knowledge of market research, pricing strategies, promotion, product mix, place and support for business as appropriate.

Candidates should make sure that they show knowledge *and* understanding *in order* to gain full marks in AO1. A bullet point list of different promotion strategies, however comprehensive, cannot be given full marks if there is no work present to show that candidates understand the features of, say, sales promotions. For weaker candidates it may be helpful to put a heading of knowledge to direct them to show what they know of a particular subject. This can be purely generic, with the *application* to the context following under a separate heading. Many more able candidates will often automatically flow from knowledge and understanding to application without the need for such a framework.

In Investigation 1 there was some weakness in the knowledge of different market research strategies, compared to, for example, pricing which was completed rather better. Most candidates rightly saw promotion as both sales promotion and advertising.

In Investigation 3 for Amy's business, candidates were asked to recommend whether or not a shop was the best way for Amy to reach her potential customers. Candidates were further prompted to consider 'place' for Amy's different products and services. This gave candidates an opportunity to show their knowledge of different distribution methods which many developed very well, including the Internet, with others simply considering whether the shop was/was not suitable not.

For Tom, Investigation 3 gave the opportunity for candidates to show their knowledge and understanding of the help available to new businesses. It was pleasing to see a number of candidates collecting good secondary data on local help available, as well as the more nationally available support from The Princes Trust, etc.

AO2

AO2 is the most important objective in terms of the total marks within the controlled assessment. It is vital, therefore, that candidates aiming for the higher grades ensure that the detail of the context is fully understood in order that knowledge and understanding can be correctly applied.

Most candidates recognised and applied the general context, ie. a hairdressers or a children's party organiser. At times the detail of the context (young entrepreneurs, small new business, etc.) was ignored to such an extent that proposed promotions, in particular for Tom, were fanciful to say the least. In these instances a visit by a local businessperson (hairdresser, etc.) would have brought some healthy realism to the proposals being made. Those centres which did use such resources produced work which was more balanced and certainly more fitting to the given scenario.

The local aspect of 'application' was developed well by many candidates, again using the information from local business people. The competitive aspect of businesses, especially in Amy's case, was used well to help develop arguments regarding a choice of pricing strategy.

Further detail in Amy's case was the need to appreciate the ethical approach which she wished to use in her business. More able candidates picked up on the possibility that this would possibly need different treatment to her other services/products and conducted appropriate primary research in order to find local opinion on how it was bought.

In Investigation 3 for Tom it was important that candidates recognised his age and general circumstances when looking at the support he might receive.

AO3

Here candidates must analyse and interpret data, and then go on to make recommendations which should always be based on the earlier data analysis. It is important, therefore, that candidates collect sufficient data for Investigations Two and Three in order to give sufficient opportunity to analyse and evaluate.

For Investigation 1, candidates are only required to analyse, interpret and evaluate the data given in the scenario. The mark scheme gives two marks for this work, and candidates should keep this in mind when approaching this section of the assessment. At times, far too much was written, often to the detriment of the other investigations.

Although most candidates collected both primary and secondary research for Investigations Two and 3, a minority restricted their opportunity to analyse by relying on a narrow source of secondary data.

Primary research was often in the form of questionnaires. These should be clearly focussed to give the information relevant to the investigation. Data on gender and age was often collected, but then ignored in any analysis. With the use of a database, candidates could more precisely analyse data in order to give a more detailed comment on the views of different ages or genders. This would, in turn, give candidates further evidence on which to base any ideas they wish to put forward.

Secondary data from existing hairdressers or children's party organisers was used well, with more useful evidence for recommendations. Candidates collecting data on pricing strategies often simply collected the prices charged by competitors without looking at what *strategy* the competition was pursuing. This meant that recommendations could not be fully supported by earlier analysis.

Any recommendations should be supported by data collected by the candidate. It was often the case that generally plausible ideas were put forward, though lacking in any support from the data which had been collected. Wherever possible, figures/percentages should be used in any analysis and again in the recommendations in order to add precision to any suggestions being made about the business.

The change over time element within Investigation 2 (pricing or promotion) was completed rather better this session with candidates putting forward sensible ideas in the context of the assessment. Others suggesting that Amy or Tom might sponsor a league football club or the Olympics were rather wide of the mark.

A292 Business and People

General comments

The cohort for the January session consisted mainly of Year 11 candidates retaking unit A292 or, in some instances, attempting the examination for the first time, and some Year 10 candidates who had studied Business Studies for only three months. As a consequence, the standard of the scripts varied markedly. Some candidates displayed an excellent knowledge of the specification content and many outstanding scripts were seen. However, there were other scripts which displayed major gaps in knowledge and understanding, and centres should remember that this particular unit has a heavy weighting for this assessment objective.

It also seemed apparent that some candidates were very well prepared, whilst others were not. Some candidates seemed to have not covered certain topics, whilst candidates from some other centres displayed only a vague understanding. Aspects of the A292 specification which were varied in coverage appeared to be 'leadership styles', 'trade unions', 'multi-nationals' and 'industry sectors'.

As expected, only the more able candidates could fully evaluate and provide good responses to Questions 1(c)(i), 1d(ii) and 2(d). These questions were targeted at the higher end and differentiated as such.

Comments on individual questions

1(a)(i) This part of the question was well answered. Most candidates were able to obtain at least one of the two marks on offer with a high percentage obtaining both marks. Many obtained full marks by referencing 'donations from public/people'. Additional common correct answers included 'selling goods to the public in charity shops', and 'government grants'.

(ii) This part of the question was also generally well answered with the majority of the candidates obtaining two or three of the four marks on offer. Most candidates were familiar with the aims of the private sector and were, thus, able to obtain two marks. Many candidates could also obtain a mark for displaying knowledge of an appropriate objective for GCT. Some candidates were confused as to whether the charity was a public sector business and some thought a charity was run by the government.

Correct responses included '*GCT's objectives are to maximise donations and money in order to protect the environment, whereas a private sector business aims to make a profit and expand'.*

1(b)(i) This part of the question was generally well answered with the majority of the candidates obtaining two or three of the marks on offer. Some candidates misread the question and provided reasons as to why verbal communication was better than communication by letter and, as a consequence, did not achieve any marks. Correct responses included '*With letters you can always go back to review what has been written because there will always be the letter. This is in sharp contrast with face to face as there is likely to be no record of the conversation'.*

1(b)(ii) This part of the question was also well answered with over a half of all of the candidates obtaining each of the three marks on offer. For those candidates not achieving full marks it tended to be that the 'attitude barrier' and the 'language barrier' explanations usually earned the marks but vague replies often existed for the 'time barrier'.

For the language barrier correct responses included 'the sender may be rude so the receiver does not like what he/she hears'. For the language barrier correct responses included 'different languages which mean people might not understand what is being said'; whilst for the time barrier correct responses included 'the receiver may not be available as he is on lunch or if in a different country he maybe in bed'.

1(c)(i) This part of the question was satisfactorily answered. Approximately half of the candidates obtained three of the six marks on offer by correctly explaining the advantages of using either a website or a recruitment agency when recruiting a Marketing Director. As expected achieving higher marks proved challenging, mainly due to a lack of analysis of both recruitment methods.

Rare full mark answers often reflected the mark scheme and included '*I think the GCT website would be better. The main reason being low cost, ie. no need to pay an agency. In addition, applications from the website are likely to demonstrate an eagerness to work for this charity as they are reviewing the website in the first place and they have an interest in the business. This may contrast sharply with those applicants from a recruitment agency who are after any job'.*

1(c)(ii) This part of the question was also satisfactorily answered. Many candidates obtained one or two of the marks on offer by providing a basic advantage or disadvantage of using presentations as part of the recruitment process. However, it was clear that many candidates did not know the meaning of 'presentations' and as a result achieved no marks.

Answers which achieved full marks included *'an advantage of using presentations is that you can see the ability of the candidate to use ICT in putting together the presentation which is an important part of a Marketing Director's job as they will often be presenting for business'.* For the disadvantage, correct responses included *'the candidate may be nervous when presenting, thus do not do themselves justice which may mislead the board of directors in terms of ability, that is, the smoothest talker may not be the best candidate'.*

1(c)(iii) This part of the question was well answered with over four fifths of the candidates achieving one or both of the marks on offer. Most candidates could demonstrate some knowledge of how induction benefits employees. The loss of one mark tended to be because the candidate's explanation linked to 'company gains' rather than to 'employee gains'. Some candidates got confused with 'on-the-job training' and thus achieved no marks.

Correct responses included *'introduce the new employee to staff members, thus he/she feels more comfortable with their new surroundings'* and *'introduce the new employee to the business and give them a better understanding of issues such as health and safety regulations'.*

1(d)(i)&(ii) This part of the question was satisfactorily answered. It seemed apparent that some candidates did not understand leadership styles. This is non-monetary method of motivation and will be examined in future examination styles.

Regarding (d)(i), whilst over half of the candidates obtained both of the two marks on offer for identifying the meaning of 'autocratic' and 'democratic' leadership styles, a surprising quarter achieved no marks.

Regarding (d)(ii) paraphrasing the definition given in the previous question was common among weaker candidates. Many candidates only provided answers in support of 'one side' of the argument, that is the advantages of an autocratic leadership style, as opposed to the advantages and disadvantages, which was required to achieve the higher marks.

The more able candidates recognised that an autocratic management style may stifle creativity and ideas both of which are clearly important in a marketing team and these candidates tended to recognise that this style of leadership may lead to a lack of motivation amongst staff thus causing poor moral amongst staff. An example of a good response included *'The disadvantages of an autocratic leadership style outweigh the benefits. Workers may feel alienated from the decision making process which may decrease motivation and morale. Without worker participation GCT will not be open to new ideas and it is likely that this style of leadership will stifle new innovation. Such a style is even more unlikely to work in a charitable organisation where employees are working for the good of a cause. However, I do recognise that decisions can be made quickly and GCT would be able to change quickly, although the disadvantages are clear and could be very damaging for a charity'.*

Question 2

2(a)(i) This part of the question was generally well answered. About five sixths of the candidates could obtain at least one of the two marks on offer by defining the meaning of a 'multi-national' by referencing 'operating' or 'manufacturing' in more than one country. The lack of a reference to being based in one country led to a loss of one mark. Correct responses often reflected those outlined in the mark scheme namely *'A company which is based in one country but has manufacturing facilities in many other countries'.*

2(a)(ii) This part of the question was poorly answered. Even though the mark scheme was 'opened' thus allowing one mark for the advantage 'higher potential sales and profits', few candidates linked their answers to shareholders. Regarding the disadvantage, a common incorrect response related to 'language and distance problems between the shareholders'.

Full mark answers were rare but did include *'an advantage of being a multi-national is that production may be located where production costs are low, thus giving more profit which means higher dividends can be given'*; whilst *'a disadvantage can be that there may be communication difficulties caused by being located in different countries which decreases efficiency and this may lead to lower profit and lower dividends for shareholders'.*

2(b)(i) This part of the question was also poorly answered. Despite being provided with Fig.1 few candidates were able to explain the meaning of deindustrialisation. This was surprising. Even those candidates who could highlight the decline in secondary sector employment explained, incorrectly, in terms of an increase in machines/lower costs abroad rather 'doing' as the question stated, that was using the data shown in Fig.1.

A rare two mark answer included *'a reduction in the size of the secondary sector. This can be seen with the percentage of employment in the secondary sector in the UK reducing from 30% of employment in 1990 to 22% by 2010'.*

2(b)(ii) As with the previous part of the question, this was part was also poorly answered. Common incorrect answers often related the increase in tertiary employment to a 'lack of employment in the secondary sector' or 'wanting better paid jobs which are in the tertiary sector'.

Rare correct answers included *'People have more leisure time and this has created more jobs in health and entertainment', and 'there has been a sharp increase in the number of people living longer which has meant there has been an increase in the demand for services such as homes for older people'.*

2(c)(i) This part of the question was very well answered. Over 90% of the candidates could accurately select the definitions of full-time employee, namely 'an employee who works more than 36 hours per week for the same business', and a seasonal employee, namely 'an employee who works during particular times of the year'.

2(c)(ii) This part of the question was generally well answered with approximately three fifths of the candidates achieving at least two of the three marks on offer. Most candidates recognised the need for additional employees during peak times but many failed to highlight the implication of 'lower costs by not paying workers in low season'.

Good responses were regularly seen and they included 'hotels are generally seasonal thus, at specific times of the year, there will be more demand for rooms in hotels and, thus, a higher need for employees to cope with the extra demand. When times are not as busy' Kyles plc can save money by releasing seasonal workers'.

2(c)(iii) This part of the question was satisfactorily answered. Surprisingly only a small proportion of the candidates obtained marks for explaining two benefits to employees of being a member of a trade union. Even some good candidates had difficulty which suggests that this is an aspect of the specification which may have been rushed in terms of coverage.

The most common correct trade union benefit included 'c*ollective bargaining means the employee will be more powerful in bargaining as a group of workers rather than individually bargaining'.*

2(d) This part of the question was also satisfactorily answered. Whilst the more able candidates could explain how 'each action' may improve profitability, the less able were particularly unsure as to the linkage of 'employing temporary employees', and using a 'piece rate method of payment' to increase profitability. However, most of these less-able candidates could obtain one or two marks by linking the increase in staff training with better service and, thus, more profit. It tended to be the more able who highlighted that the use of a 'piece rate' method of payment was not really applicable to a hotel.

A good response included *'staff training will benefit the hotel as staff should feel they will do the job better, and they will have higher level skills, therefore, they will do their job better, thus providing a better service for customers which may lead to repeat visitors and higher profits. Employing temporary staff may cause problems with the existing staff, especially if the jobs of any permanent staff are lost. Piece work is not really applicable as these workers are not making anything. Therefore, staff training offers the best method of the hotel increasing its profit, whilst keeping the employees feeling positive about change;*

2(e) This part of the question was generally well answered with approximately half of the candidates obtaining each of the three marks on offer. However, it is to be noted that there were a number of candidates which did not offer a response.

Correct three mark answers included '*Alan uses computer monitors and he uses them more or less daily for continuous spells of an hour or more. It is clear that Regulation 1 is not being met as he spends two hours without a break. We do not know if Kyles plc has prevented Alan from a free eye test. Yes, because he uses a computer monitor for more than one hour without a break'.*

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