

GCE



Chief Examiner's Report Business Studies

Summer Series 2019



Foreword

This booklet outlines the performance of candidates in all aspects of this specification for the Summer 2019 series.

CCEA hopes that the Chief Examiner's and/or Principal Moderator's report(s) will be viewed as a helpful and constructive medium to further support teachers and the learning process.

This booklet forms part of the suite of support materials for the specification. Further materials are available from the specification's section on our website at www.ccea.org.uk.

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GCE BUSINESS STUDIES

Chief Examiner's Report

General

There were four examination units assessed:

1	Introduction to Business	AS1 (SBU11)
2	Growing the Business	AS2 (SBU21)
3	Strategic Decision Making	A21 (ABU11)
4	The Competitive Business Environment	A22 (ABU21)

The overall performance of candidates is based on their ability to:

- understand the content of the specifications;
- read the stimulus and the stated questions carefully;
- apply their understanding of the questions to the given stimulus; and
- address the specific questions.

Many candidates demonstrated an excellent understanding of the four modules in the GCE Business Studies' specification content. A review of scripts at both AS and A2 levels suggest that candidates had prepared in advance of the examinations for the revised specification. Many candidates at both AS and A2 excelled in demonstrating their skills in applying data from the given case studies in each module, analysing the given data to aid decision making and evaluative skills which attract the higher marks.

To gain level 4 marks in the evaluative questions at both AS and A2 levels, candidates' judgements must always be supported by data from the given stimulus and based on detailed analysis of this evidence with a final judgement. Examiners have noted that many candidates had composed their evaluative responses based on the guidance materials available from the CCEA website and CCEA podcasts.

However, there is still a number of candidates who lack knowledge and understanding of subject content and this leads to an award of marks in the lower level mark bands.

Examiners have stated that there was little evidence of candidates being unable to complete the papers due to time constraints. However there is still a small minority of candidates who do not allocate their time correctly and their scripts are not fully completed.

Higher ability candidates who approach each question through focused and structured planning, and who succeed in developing appropriate points based within the stimulus to answer each question can be awarded level 4 marks. The direct focus on the question leads the candidate to an evaluation of the arguments identified and a realistic final judgement.

As with previous Chief Examiner Reports the following are areas identified by examiners to improve candidates' preparation for exams:

- Make better use of the many CCEA resources on its website.
- Train candidates in time management skills in order to complete questions.
- Instruct candidates to read the 'Instructions to Candidates' section on the front cover of the examination paper where the Quantitative Skills (QS) questions are identified.
- Read the stimulus carefully identifying areas that will facilitate application to the questions asked.

- Encourage candidates to plan and structure the answers to their questions.
- Encourage candidates to plan a logical, structured answer focusing on the stimulus.
- Train candidates to focus on building analysis and development of a chain of reasoning, using in-depth logical arguments based on sound knowledge.
- Ensure that candidates include a final judgement and a balanced argument, reflecting the points being argued to attain marks in a higher mark band (Level 3 or 4).
- Instruct candidates to correctly answer in respect of the assessment of quantitative skills and follow the precise instructions given in the question.
- Direct candidates to use business terminology.
- Instruct candidates to use clear hand writing as unreadable scripts will be returned to centres.
- Instruct candidates not to use texting vocabulary as a method of communicating in the exam.

Assessment Unit AS 1 Introduction to Business

Unit Overview

In general, the paper was very well attempted by many candidates. It was an accessible paper for candidates of all abilities. The majority of students follow the most suitable structure for each question.

Candidates' knowledge in a 4 mark question needs to be more focused, to avoid any ambiguity.

Centre's need to remind candidates to leave a space between each question and correctly label all responses. Generally speaking, there was good use of BLT and AJIM methods of analysis by many candidates which is to be congratulated. However there are some candidates using application from the stimulus as their analysis which means they cannot achieve the higher level marks. The analysis needs to be related to the point.

For the (c) and (d) questions some students started with a definition. Definitions are not required or credited unless stated in the question.

- Q1**
- (a)** This was generally well answered. The majority of students demonstrated a good standard of knowledge of quality and it was well applied to the case study.
 - (b)** A straight-forward question, which was accessible to all students. There was a lot of potential application in the case study and many candidates did make more use of the information provided for application.
 - (c)** The mark scheme allowed for a wide range of answers, but the stronger candidates recognised the characteristics within the case study and applied and analysed the points to a good standard. Those candidates who only discussed two characteristics could not be awarded marks at level 3. The large majority of candidates managed to identify three characteristics and there was a lot of potential application within the case study. The higher ability students analysed the characteristics well.

- (d)** Candidates must read the question carefully. The question related to 'interview' as a method of appraisal. A significant number discussed appraisal in general and could not be awarded marks in the higher mark bands.

A good proportion of students demonstrated an understanding of the importance of application, analysis and evaluation linked to the point throughout their answers. The final conclusion or AJIM was attempted by the majority of candidates. This skill needs to be reinforced by centres.

- Q2 (a)** This was generally well answered. The mark scheme was looking for a differentiation or cost advantage, which some students did mention specifically. Candidates' knowledge in a 4 mark question needs more focus on the question requirements.
- (b)** The majority of candidates discussed two points. The focus of the question was on the reasons why Sky Plc would outsource customer service operations to Firstsource Limited. Candidates need to read the question carefully. Some candidates did not avail of the data in the case study and could not gain application marks. Candidates who demonstrate use of stimulus material coupled with a good standard of analysis can be awarded marks at Level 3. Candidates must differentiate application from analysis, quoting text from the case study is not analysis.
- (c)** Three benefits of monetary methods can be found in the case study. This facilitates a candidate's understanding and application of stimulus material. The mark scheme did allow for other relevant answers, but candidates may lose marks related to potential application of knowledge. Some answers lacked development - analysis of key issues needs to be specific and informative.
- (d)** The main focus of this question was missed by a large number of candidates. Again candidates need to read the question carefully. Candidates must understand the importance of reading the question as opposed to answering a question they may have expected or prepared in advance. Candidates who did not answer the stated question could not be awarded Level 4 marks.

Candidates who did answer the stated question from the perspective of the management team, were awarded Level 3 or 4 marks in general. Their knowledge, application to Sky's management team, analysis and evaluation were of a good standard. Those candidates who followed the BLT formula for analysis tended to achieve higher marks. Those with a related evaluation point and sound AJIM performed very well.

Assessment Unit AS2 Growing the Business

Unit Overview

Generally the paper was well attempted. The paper challenged candidates across a wide range of topics. The paper enabled candidates of differing abilities to access questions and allowed the more able candidates to access the higher level grades. Candidates in the 4 mark questions need to improve their explanation skills to enable them to achieve top marks in this question.

There is evidence that some candidates' performance in the 8, 10 and 18 mark questions can be improved by applying the recommended BLT technique for analysis and evaluation questions to help them achieve the top level in each question. Higher ability candidates demonstrated excellent ability to apply knowledge and understanding to the case study scenarios.

The case studies gave candidates a variety of scenarios including a large organisation and a small business.

Candidates are required to read the 'information for candidates' on the front cover of the exam paper. Quantitative skills were assessed in Question 2 parts a, b and d. Some candidates did not include QS data in their answers to these questions.

- Q1**
- (a)** This was generally well answered. The majority of students had good knowledge of introduction stage of the product life cycle and it was well applied to the case study.
 - (b)** Candidates were challenged by the context of Q1 b. Some candidates focused on the factors that Jet2.com could use to compete with other firms rather than the factors that affect the degree of competition.
 - (c)** The mark scheme allowed a wide range of answers. The large majority of candidates managed to identify 3 benefits of using mobile technology from the data given in case study. However some candidates struggled to link this to increasing market share. Candidates lost marks in this question by not developing their answer. Some candidates gave very repetitive points therefore they were unable to gain Level 3 marks.
 - (d)** The majority of candidates identified two different extension strategies contained within the case study. There was evidence of various skills employed by many of the students who understood the importance of application, analysis and evaluation of the point. The final conclusion was attempted by the majority of candidates but this skill needs to be developed further by the candidature.
- Q2**
- (a)** This question was generally well answered. Candidates lost marks in respect of knowledge through a failure to correctly explain the term 'leasing'. In addition, marks were also lost in respect of application, through a failure to use the relevant figures from the case study. Candidates' knowledge needs to be focused, to achieve top marks in this question. Some candidates confused leasing with hire purchase. 'Quantitative Skills' marks were awarded for this question.
 - (b)** The majority of candidates identified 2 points on how to improve contribution. Candidates lost marks in this question by not using figures from the case study, showing how Groomin Gorgeous could improve their contribution per unit. QS marks were awarded in this question. Some candidates in this question made the 2 points needed but failed to analyse the issues, therefore could not achieve Level 3 marks.

- (c) The three different methods of advertising were contained within the case study. The majority of candidates identified the methods and correctly analysed them, achieving Level 3 marks. Some candidate's answers lacked analysis and development and therefore were unable to reach top marks in this question.
- (d) Some candidates in this question lacked knowledge and understanding of a fixed budget and tended to evaluate budgeting in generic terms. Candidates did not use the correct figures as required from the case study and did not achieve application marks. Candidates' must read the question carefully and answer the question requirements in order to achieve Level 4 marks.

Assessment Unit A2 1 Strategic Decision Making

Unit Overview

The examination paper was well received by the vast majority of candidates and questions were accessible to the full ability range thus achieving differentiation. In the main, candidates followed the appropriate structure for each question but quite a few wasted valuable time writing lengthy introductions/definitions that warranted no marks and possibly impacted on their ability to complete detailed evaluations in the latter stages of the paper.

The examination paper provided all candidates with excellent opportunities to score marks for application and this was successfully achieved at the higher ability end. There was a tendency however, among candidates at the lower ability end to use application as analysis and the marks awarded reflected this. The use of techniques such 'BLT' helped many candidates improve the quality of their analysis leading to detailed answers that attracted high level marks. Similarly, the 'AJIM' worked favourably for most candidates in their final judgement. However, too many candidates are still not evaluating individual points by offering a valid counter argument. Centres' must also reinforce the need for candidates to identify specific knowledge in a 4 mark question as answers that include application only will be discarded.

Some handwriting was particularly poor and difficult for examiners to decipher. It is the responsibility of each Centre to encourage candidates to write legibly, to label all responses clearly and to leave a space between each question. Illegible scripts will be returned to centres' for correction.

- Q1** (a) This was generally well answered with many candidates achieving full marks. However, quite a few did not identify the KPI as a 'measure' of performance so did not achieve full marks for knowledge.
- (b) Well answered by most candidates with excellent application. However, some struggled to explain clearly the terms 'power' and 'task' culture but could apply it to the business.
- Q2** This was a very straightforward question that encouraged many candidates to produce a Level 3 response. It was pleasing to see that the majority of candidates made good use of application contained within the stimulus to enhance their answer. A small number of weaker candidates confused a 'contingency plan' with a 'business plan'.
- Q3** This proved to be a challenging question with only the stronger candidates answering it correctly. The guidance provided for Centres was largely ignored as many candidates attempted to evaluate all the ratios rather than two individual ones. Consequently, the level of analysis and evaluation presented for each of the ratios was limited thus attracting only Level 2 marks for these candidates.

- Q4** This was a popular question and generally well answered by most candidates. In many cases excellent knowledge and application assisted the weaker candidates achieve an appropriate Level 2 or 3 answer, while the better candidates scored highly with detailed analysis and evaluation. Centres must advise students to read each question carefully as some candidates spent time discussing in detail what an 'Organic Growth Strategy' was rather than 'Evaluating the implications of a growth strategy for NTRY Ltd.'
- Q5** This was a challenging question and invited a mixed response from candidates. There were some excellent answers at the top end with these candidates achieving Level 4. However, many candidates either struggled to find a third point or did not actually know they had to focus on three points in this 25 mark question. If the latter is the case then Centres' must drill candidates in the requirements of each question in this A2 Paper. Quite a few candidates included very general knowledge that could be attributable to any method of investment appraisal and in many instances the figures in Table 1 were not referred to for application which was disappointing.

Assessment Unit A2 2 The Competitive Business Environment

Unit Overview

The data in the stimulus regarding Dale Farm was very detailed providing sufficient evidence for all six questions on the paper. The data is presented in different formats and the question paper provided candidates with opportunities to display the full range of their analytical and evaluative skills required to answer the questions fully.

The A2 specification requires synoptic assessment on Paper ABU21 from the ABU11 specifications.

The examiners noted that some students did not avail of the very detailed data in the stimulus regarding Dale Farm. There is sufficient data on each of the six questions for students to enhance their answers. The examiners also noted that the some students did not read the front cover which advised that quantitative skills would be assessed in questions 1 and 3.

- Q1** Explain two possible outcomes of Dale Farm's decision to increase the price paid to its farmers for milk by 10%

The stimulus material alluded to this issue hence candidates were expected to identify and fully explain possible outcomes. However the front cover stated that Question 1 was a QS question and would require use of quantitative data - specifically Table 1 data. Accordingly, the omission of quantitative data from a candidate's answer meant that it was not possible to gain full marks. Overall this question was answered particularly well with many candidates gaining Level 3 marks.

- Q2** Analyse two effects of Dale Farm's modernization programme on Dale Farm's profits

Within the stimulus material there were several Dale Farm modernization programmes discussed. This question was particularly well answered by the majority of the candidates with many candidates discussing two modernization programmes and their effects on Dale farms profits overall, achieving Level 3 marks. The higher ability candidates discussed the modernization cost effects on both short and long terms profits. Some students did not discuss profits and did not attain level 3 marks. Again it is worth noting that some candidates are still evaluating issues within an analysis-type question which does not attract marks. Exam technique must remain a focus for students since analysis such questions do not require an evaluation of issues.

Q3 Evaluate Dale Farm's use of its bank overdraft to finance its takeover and modernization programme.

This synoptic question was not particularly well-answered. This question was identified on the front page as being a QS question. The data presented in Table 1 allowed candidates to formulate an answer. Some students misread the question and discussed the topic of takeovers in general. Some students discussed the use of a bank overdraft to finance its takeovers without the use of any quantitative data. It is crucial that centres' revisit the Quantitative Skills (QS) requirement of the specification, especially the candidates' ability to interpret, apply and analyse quantitative information, presented in tabular, graphical and other forms.

Q4 Evaluate the use of takeovers by Dale Farm as a way of achieving business growth.

The stimulus contained information regarding Dale Farm's takeover strategies. The question required an evaluation of takeovers as a way of achieving growth. This question was very well answered with candidates using the appropriate data from the stimulus to evaluate takeovers. There were a small number of candidates who discussed the benefits and limitations of takeovers generally and this was considered to be a generic approach which could apply to any business, therefore did not attract level 4 marks.

Q5 Evaluate the threats to Dale Farm of trading globally.

There was sufficient data provided within the stimulus material regarding specific threats to Dale Farm trading globally. The question required the candidate to evaluate those specific threats. Some candidates discussed a generic approach and discussed the advantages and disadvantages of trading globally by Dale Farm which did not attract the Level 4 marks. Many of the candidates responded well to this question by specifically identifying the specific threats to Dale Farm and made good use of the stimulus material. However, some candidates had difficulty evaluating the threats to Dale Farm in trading globally.

Q6 Evaluate Dale Farm's corporate social responsibilities using any two elements of Carroll's CSR Pyramid.

There was sufficient data in the stimulus regarding Dale Farm's CSR policy using Carroll's CSR Pyramid elements including for example, Economic, Ethical, Legal and Philanthropic. This question was very well answered by many of the candidates. Candidates identified two of the four CSR elements and used data from the stimulus to evaluate each. Some candidates discussed environmental issues but the examiners considered their replies under the banner of the ethical element. Some candidates still continue to comment on generic issues without application to the stimulus which cannot be awarded marks within the top-level mark band. Some candidates had difficulty evaluating the CSR elements of Carroll's CSR Pyramid.

Contact details

The following information provides contact details for key staff members:

- **Specification Support Officer: Arlene Ashfield**
(telephone: (028) 9026 1200, extension: 2291, email: aashfield@ccea.org.uk)
- **Officer with Subject Responsibility: Jill Armer**
(telephone: (028) 9026 1200, extension: 2426, email: jarmer@ccea.org.uk)

