

GCE



**Chief Examiner's and
Principal Moderator's Report**
**Professional
Business Services**

Summer Series 2018

Foreword

This booklet outlines the performance of candidates in all aspects of CCEA's General Certificate of Education (GCE) in Professional Business Services for this 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 microsite on our website at www.ccea.org.uk.

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GCE Professional Business Services

Chief Examiner's Report

May 2018 saw approximately 500 candidates sitting the first series of examinations for GCE AS Professional Business Services. The two examined Units are AS Unit 1 - Introduction to Professional Business Services (SPB11) and Unit 3 Financial Decision Making (SPB31). Questions in both examinations provided candidates with opportunities to demonstrate levels of knowledge and understanding, application of knowledge and understanding with analysis and evaluation of findings leading to informed final judgements.

The examining team was pleased with the quality of the answers from the majority of candidates. It was especially pleasing to see extensive evidence of attempts to use subject specific terminology when answering the questions in both examination papers.

For questions which require analysis or evaluation, candidates should ensure that their responses are clearly structured with AO1, AO2 and AO3 aspects for each point made. For questions which require candidates to evaluate, a final judgement must be included. It is good practice for candidates to number the points being made, where relevant, in each answer. Candidates are advised to take particular note of the command words in questions to ensure their answers are clear, specific and relevant to the question. Candidates must also take care with hand writing to ensure responses can be understood.

Assessment Unit AS 1 Introduction to Professional Business Services

Candidates showed good knowledge and understanding of the introduction to professional business services. The following points should be noted for future series':

Question 1

(7 marks) examined:

- Professional Business Services Sector;
- Differences between tangible and intangible goods and services.

- Q1 (a)** Many candidates were able to define the term 'Professional Business Services' with an example. Some answers lacked accurate definition to gain full marks as more than a simple definition was required.
- (b)** Most candidates were able to explain the difference between tangible and intangible goods and services. Some answers lacked accurate explanation of the difference between tangible and intangible goods and services to gain full marks as more than a simple statement was required.

Question 2

(9 marks) examined:

- Types of business ownership - a private limited company to a public limited company.

A mixed range of responses were observed in relation to this question. Candidates who had revised this area of the specification were able to explain three reasons as to why Technology Software should become a public limited company. Some candidates misread the question and gave reasons for a private limited company instead of the reasons why they would go from a private limited company to a public limited company. Quite a few answers

lacked full marks for not outlining three reasons. To obtain full marks the candidates needed three accurate and clear explanation of reasons.

Question 3

(10 marks) examined:

- Ethical code benefits.

This question was challenging for some candidates. The responses reviewed were satisfactory (Level 2) in most cases. Several candidates were able to analyse three benefits of having an ethical code for Bradley and Clay Accountants. To gain full marks the candidates needed to show excellent knowledge and understanding of three benefits to Bradley and Clay Accountants on having an ethical code. The analysis needed to be appropriate, clear and logical based on a thorough application of benefits to Bradley and Clay Accountants on having an ethical code. This question was challenging for some candidates. The responses reviewed were satisfactory (Level 2) in most cases. Several candidates were able to analyse three benefits of having an ethical code for Bradley and Clay Accountants. To gain full marks the candidates needed to show excellent knowledge and understanding of three benefits to Bradley and Clay Accountants on having an ethical code. The analysis needed to be appropriate, clear and logical based on a thorough application of benefits to Bradley and Clay Accountants on having an ethical code.

Question 4

(24 marks) examined:

- Market research;
- Sampling methods.

Q4 (a) This question was answered well by most candidates. Although there was some evidence of limited knowledge and understanding of market research methods with candidates not using the words 'primary research' and 'secondary research'. Some answers failed to identify each type highlighted with a clear explanation and an example of type to gain full marks.

(b) This question provided an opportunity to access high marks across a variety of assessment objectives. The responses reviewed were satisfactory to good (Level 2/3) in most cases. Stronger candidates accessed higher marks (Level 4) by demonstrating excellent knowledge and understanding of the purpose of sampling reasons, why it is used in market research and three methods of sampling. There was also thorough application to Super Jacks and the analysis and evaluation was appropriate, clear and logical.

Question 5

(16 marks) examined:

- Key elements of effective relationships.

Most candidates had little difficulty answering this question. Answers demonstrated strong evidence of application and analysis of the four key elements required for effective relationships. However, it is important to understand that a detailed analysis of each element is required to answer the question fully, rather than a short explanation of each element.

Question 6

(16 marks) examined:

- SWOT analysis.

Most candidates produced very good answers although some failed to carry out a SWOT analysis before making three justified recommendations for the way forward. Many failed to achieve full marks. To access Level 4, candidates needed to show excellent knowledge and understanding of the four elements of a SWOT analysis. Application to Specsavers had to be excellent and the candidate needed to justify three recommendations which were informed by their own knowledge. In these longer response questions, candidates are reminded to read the question carefully to ensure they manage their time effectively.

Principal Moderator

Assessment Unit AS 2 Human Resource Services

The quality and standard of the candidates' work for this unit was completed to a good and satisfactory level. The candidates carried out extensive primary and secondary research in order to meet the requirements of this AS unit. There were excellent examples of primary research evidence of employee questionnaires and manager interviews which gained a mammoth amount of detail aiding the candidates to complete their reports. The evidence of this was included in their appendices. Secondary research was also carried out to a very good standard and included within the reports by the candidates. However, it is important for all candidates to include their secondary research evidence as an appendix at the rear of the report as is required for the primary research evidence.

Not all of the reports submitted for moderation followed the recommended report structure. The following points must be implemented for 2019 submissions:

The **structure of reports** should be:

Executive Summary

- 1.0 Introduction
- 2.0 Research Methods
- 3.0 Analysis and Discussion of Findings
- 4.0 Conclusions and Recommendations

Bibliography

Appendices.

The structure for 1.0 Introduction, 2.0 Research Methods, 3.0 Analysis and Discussion of Findings, 4.0 Conclusions and Recommendations must be divided into sub sections and follow the pattern of 1.1, 1.2, 1.3, etc. for all areas to be addressed within each section of the report. This is the same for all numbered areas (Research Methods, Analysis and Discussion of Findings, Conclusions and Recommendations) of the report.

Centres must be reminded of the word count for this unit and teachers should encourage the candidates to keep to the recommended guideline of 3,500 - 4,000 words. This was not the case as we appreciate that meeting the word count is challenging (that is why it is a guideline) and candidates should be taught to write succinctly. Good practice would see candidates being encouraged to include all relevant content to attract marks and then requiring them to review their writing style to move closer to the guideline word counts. This is a key skill essential at higher level study and reports printed on up to 7000 or more

words. It is also important for the candidates to write their report in the third person as a number of the candidates found this challenging and those candidates who managed this are to be commended. The line spacing of 1.5 and page numbering were also issues that had not been addressed by a great number of candidates. These requirements are clearly mentioned in the Internal Assessment document for this unit.

The **Executive Summary** is an overall summary of the issues and recommendations for the four management goals set out in the Client Brief. Centres need to ensure that candidates include an overview of the main issues and proposed recommendations of the report. Some Centres omitted the recommendations for this aspect of the report. Therefore, affecting the marks awarded. It is recommended that the key findings are recorded and addressed under the four management goals.

In the **Introduction** the candidates must have the aim of the report (clearly stated), a succinct summary of the company (JavaCocomo Ltd), and a concise section for the issues within the company showing an understanding of these issues. This was not the case for a number of Centres.

Research Methods must include the research objectives, justification of the research methods used and the reliability and validity of the data to be collected. It must also include the method and size of the sample to be used for the primary research. A number of candidates omitted the reliability and validity as well as the sample method and size from their reports, which was disappointing. The vast majority of Centres moderated failed to include relevant research objectives and to detail the issues in relation to validity and reliability including, sample size and method. It is essential that all Centres also include copies of both their primary and secondary research tools, as well as the information/ screenshots on their/any relevant secondary research sources. It is good practice for all candidates to include all their research, both primary and secondary as appendices to support the completed report.

Evaluation of research methods in the Analysis and Discussion of Findings had not been completed by a number of candidates. Centres need to ensure that candidates include the relevant theory to support their discussion and to demonstrate awareness of the wider context as this was omitted by a number of candidates. Centres must include an evaluation of research methods used to carry out their research in order to complete their report. In order for a Level 4 mark to be awarded the candidates must provide a comprehensive set of research findings from a variety of formats drawing together primary and secondary research; supported by relevant theory which address the issues and concerns raised in the Client Brief and providing an awareness of the wider context.

In the **Conclusions and Recommendations**, candidates need to be reminded of the importance of identifying wider issues and risks which may hinder the successful application of their proposed recommendations within their reports. Again, candidates must include relevant theory, models or concepts in order to support their conclusions and recommendations as these had not been fully addressed by a number of the candidates in the reports. Candidates who are awarded an excellent (Level 4) mark must draw conclusions from their findings and provide recommendations which address the issues and concerns raised in the Client Brief (supported by research evidence and relevant theory, models and concepts) and accompanied by wider issues and risks relevant to the points made.

A **Bibliography** was included by majority of candidates. Not all candidates completed it using the Harvard referencing style as required. This needs to be addressed by the Centres for the next internal submission for this AS unit.

The overall quality of the reports for this first submission was good. This was encouraging for the moderation team which was greatly assisted by the annotation on the candidates' reports and summative comments recorded on the eCRS by the majority of teachers. It is

important that all Centres attend the Agreement Trial and any future support events for this unit of work an understanding.

It is also good practice for Centres to include the CCEA Cover Sheet for Samples which is available on the CCEA website, clearly identifying the Centre Number, Candidate Number along with the mark awarded for each report submitted in the sample. The recording of marks on this Cover Sheet must match the marks that had been electronically submitted by the Centre on the eCRS, which, for a number of Centres was not the case. Centres are requested to submit their sample in rank order of merit which was not the case for many Centres.

Chief Examiner's Report

Assessment Unit AS 3 Financial Decision Making

Candidates have to demonstrate financial competency in this paper. This requires showing good knowledge and understanding of financial calculations and the written aspects of financial decision making for Bruce's Garage. The following points should be noted:

Question 1

(34 marks) examined:

- Difference between cash flow and profit;
- Cash flow forecasting;
- External sources of finance.

- Q1 (a)** Most candidates were able to explain the difference between cash flow and profit. Some candidates confused cash flow with profit. Some answers lacked sufficient detail to gain full marks as the candidates only provided a basic description/phrase.
- (b)** The majority of candidates were able to complete the cash flow forecast for Bruce's Garage and calculate the various amounts missing as well as the opening and closing bank balances. Some candidates appeared to be confused as the answers provided were incorrect for aspects of the cash flow forecast.
- (c)** The analysis of the closing bank balance figures for Bruce's Garage (October - December (fourth quarter)) was attempted by the candidates. Some found this difficult in relation to the interpretation of these figures for each month and showed a lack of knowledge and understanding. Many candidates gave a descriptive but not analytical answer. Candidates did not place the context of cash flow in future tense - many referred to past tense failing to recognise that cash flow is a future business financial activity.
- (d)** The vast majority of candidates were able to analyse two advantages and two disadvantages of a suitable external source of finance, appropriate for Seamus to use for the purchasing of new machinery. Some decided to compare one external source with another or discuss an internal source of finance which were both incorrect answers.

Question 2

(24 marks) examined:

- Reasons for setting a budget;
- Variance.

- Q2 (a)** A very pleasing response was provided for this question by the candidates with almost all showing excellent knowledge and understanding of reasons why Seamus should set a budget.
- (b)** The majority of candidates were able to state the correct answer of favourable and adverse variances for this question. Incorrect answers included, positive and negative as well as predicted and unpredicted.
- (c) (i)** Candidates were confident in calculating an accurate January Sales Revenue Variance and stating it was an adverse variance. However, some candidates confused the projected and actual figures when calculating the answer which resulted in an incorrect result and variance being provided. Some failed to state the type of variance which resulted in the loss of one of the two marks available for this question.
- (ii)** Candidates were confident in calculating an accurate February Expenses Variance and stating it was a favourable variance. Some confused the projected and actual figures when calculating the answer which resulted in an incorrect result and variance being provided. A number of candidates failed to state the type of variance which resulted in the loss of one of the two marks available.
- (iii)** Candidates were also confident in calculating an accurate March Wages Variance and stating it was an adverse variance. Some candidates confused the projected and actual figures when calculating the answer which resulted in an incorrect result and variance being provided. A number of candidates failed to state the type of variance which resulted in the loss of one of the two marks available.
- (d)** Candidates were able to analyse the reasons for and the implications of the calculations in Question 2 Part (c) in January and February for Bruce's Garage with relevant points having been applied and analysed for both months. Some candidates went on to discuss the reasons for the March variance which was not required. A number of candidates failed to provide the implications of these variances for Bruce's Garage.

Question 3

(22 marks) examined:

- Ratio analysis.

- Q2 (a) (i)** A very pleasing response was provided for this question by the candidates with almost all showing excellent knowledge and understanding of reasons why Seamus should set a budget.
- (ii)** A very good attempt was made by candidates to compare the 2017 and 2018 Trade Payables results. Those who understood the purpose of this ratio constructed a meaningful answer for Bruce's Garage with other candidates providing a confused response.
- (b) (i)** As in Part (a) (i), the majority of candidates successfully extracted the correct financial data from the table to calculate the Trade Receivables

Ratio for 2017 and 2018. A number of candidates did not state the answer in days which meant only one mark could be awarded i.e. for the calculation.

- (ii) A very good attempt was made by candidates to compare the 2017 and 2018 Trade Receivables results. Those who understood the purpose of this ratio constructed a meaningful answer for Bruce's Garage with other candidates providing a confused response.
- (c) The vast number of candidates were able to evaluate one benefit and one limitation of using ratio analysis for financial decision making in Bruce's Garage. It was pleasing to see a good level of knowledge, understanding and application with appropriate evaluation to Bruce's Garage. Others had written an answer which lacked understanding and application with little attempt to evaluate the benefit and limitation. A number of candidates failed to provide a final judgement, which is a requirement of an evaluation question.

Candidates should be fully aware of the 'information to candidates' on the front cover of the examination paper. Of particular importance is the quality of written communication which is credited in a number of questions. It is important that teachers are aware of the holistic marking of these questions using the mark band levels as indicated in the mark scheme.

The examining team was extremely pleased with how the candidates answered this year's examination papers which appear to have been accessible to all.

Contact details

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