

**GCE**



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

**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](http://www.ccea.org.uk).



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# GCE PROFESSIONAL BUSINESS SERVICES

## Chief Examiner's Report

### Overview

The summer 2019 series was the second awarding of the GCE AS Professional Business Services qualification. Unit 1 and Unit 3 examinations allowed candidates to demonstrate their knowledge and apply it. The most successful candidates went on to analyse and evaluate their findings, culminating in effective final judgements.

The quality of the written answers from the majority of candidates was pleasing. Examiners remarked on the frequency of poor and illegible handwriting however, they were encouraged by candidates' wide and varied use of subject specific terminology.

For questions which require analysis, discussion 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 discuss or evaluate, each point made should be 'weighed up' and a final judgement included. Longer answer questions should be written in continuous prose with a clear paragraph structure for each point made. Candidates should be encouraged to read the questions and command words carefully to ensure their answers are clear, specific and related to the question.

## Chief Examiner's Report

### Assessment Unit AS 1

### Introduction to Professional Business Services

Candidates demonstrated a good knowledge and understanding of the relevant theory for this unit. The following points are noteworthy:

#### Q1 (6 marks)

- Identify three Professional Business Services firms that operate globally.
- Explain the term quaternary production and give two examples.
  - (a) The majority of candidates were able to identify three Professional Business Services firms that operate globally. Most popular answers were PWC, EY and Deloitte.
  - (b) Most candidates were able to explain what the quaternary sector was but struggled in giving two valid examples. A number of candidates mixed up the sectors of production (tertiary sector with quaternary) and as a result gave the wrong definition examples.

#### Q2 (10 marks)

- Evaluate two benefits for your client of a code of conduct versus external regulation.
  - (a) This question received a mixed range of responses. Some candidates correctly provided an evaluation of two benefits for the client of a code of conduct versus external regulation. However, some discussed the benefits to Moore and Proctor Solicitors rather than benefits to the clients. Many discussed the benefits and drawbacks of both a code of conduct and external regulation; marks were not awarded for drawbacks. To obtain full marks the candidates needed to evaluate two benefits with explanation and application to the client and several failed to do this.

**Q3** (10 marks)

- Using the information in the case study below identify and explain with examples two Ansoff Matrix strategies Volvo are using within the business
- (a)** This question was very well answered by most candidates. The majority were able to identify and explain two Ansoff Matrix strategies and then successfully support their answer using examples from the case study. On occasion, some confused the Boston Matrix with the Ansoff Matrix.

**Q4** (18 marks)

- Define the term market segment.
  - PD Sports, manufacturers of sportswear, would like to target their customers more effectively. In your role as a professional business services consultant, analyse the benefits PD Sports is likely to gain as a result of segmenting their market.
- (a)** Most candidates gave a good definition of the term market segment.
- (b)** Many candidates accessed high marks in this question. Most responses were satisfactory or good (Levels 2/3). In some cases candidates analysed how PD Sports could segment the market rather than analysing the benefits of doing so. Stronger candidates accessed higher marks (Level 4) by demonstrating excellent knowledge and understanding of the benefits of market segmentation. They also showed thorough application to PD Sports with appropriate analysis and evaluation, which was clear and logical.

**Q5** (16 marks)

- As the professional business services consultant, analyse how you could use negotiation to influence employees of ABC Engineering to accept the change in their working practices.
- (a)** Many candidates experienced difficulty answering this question. Some answered by focusing on incentives employees could be given rather than the skills a professional business services consultant requires to negotiate successfully. Others accessed higher marks (Level 4) by demonstrating excellent knowledge and understanding of how negotiation could be used to influence others. These candidates showed excellent application to ABC Engineering and their analysis was appropriate, clear and logical.

**Q6** (20 marks)

- Roe Valley Solutions are planning to introduce a new ICT system in their business. Employees are not happy with the proposal and Mr Carter, the Director, has sought the advice of a Professional Business Services firm. Analyse the five phases of the consultancy process that the Professional Business Services firm will use to help Roe Valley Solutions.
- (a)** Many candidates scored well in this question. The responses reviewed were of a good to excellent standard (Levels 3/4) in most cases candidates analysed the five phases of the consultancy process that the Professional Business Services firm would use to help Roe Valley Solutions. There was also thorough application to Roe Valley Solutions and the analysis was appropriate, clear and logical.

## Principal Moderator's Report

### Assessment Unit AS 2 Human Resource Services

Much of the work produced for this unit was of a very high standard. Most Candidate Record Sheets (CRS) were completed as required and teachers assisted the moderation process by noting the level of help given on the CRS. Where guidance has been given to candidates, marks should reflect this i.e. highest mark level should not be awarded.

It is also essential for centres to include the CCEA Cover Sheet for Samples, which is available on the CCEA website. The Cover Sheet must clearly identify the Centre number and Candidate number with the mark awarded for each report submitted in the sample. The recording of marks on this Cover Sheet must match the marks that have been electronically submitted. This was not the case for some centres. Centres must follow CCEA instructions and submit the sample in rank order of merit.

The moderation process was enhanced by the majority of teachers' annotation throughout candidates' reports and as summative comments recorded on the eCRS.

Candidates demonstrated extensive use of primary and secondary research methods in order to meet the assessment requirements. Primary research, collected through employee questionnaires and manager interviews enabled candidates to gain the necessary level of detail needed to complete their reports. Evidence of this was included by candidates in the appendices. Secondary research was carried out to a high standard with relevant evidence included in the reports. It is important for candidates to include primary and secondary research evidence in the appendices.

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

#### Report Structure

Executive Summary

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

Bibliography

Appendices

Each of the sections above should be sub divided. For example, 1.0 Introduction, 2.0 Research Methods, 3.0 Analysis and Discussion of Findings, 4.0 Conclusions and Recommendations must follow the pattern of 1.1, 1.2, 1.3, etc., for all areas to be addressed within each sub-section of the report.

Centres should be mindful of the word count and teachers must encourage candidates to adhere to the recommended guideline of 3,500 - 4,000 words. Most reports were in excess of this guideline and many extended to more than 50 pages. Reports must be written in the third person. This is an important skill which should be rewarded appropriately. Candidates who did not write in the third person could not access the highest marks for this section. A small number of candidates did not use the prescribed line spacing of 1.5 nor page numbering. This also impacted on the marks they could access for Report Format and Structure. These requirements are clearly stipulated on page 3 of the Internal Assessment document on the CCEA website.

The **Executive Summary** should consist of 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 candidates omitted the recommendations for this aspect of the report and as a consequence, were not able to access the top mark level.

In the **Introduction** the candidates must state clearly the aim of the report, provide a succinct summary of the issues the company currently faces, demonstrating an understanding of these issues. A number of candidates did not do this correctly.

**Research Methods** must include the research objectives, justification of research methods used and measures to be taken to ensure reliability and validity of the data 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 the reports, resulting in lower marks being awarded. Testing of primary research was addressed by a number of candidates. Those who failed to include any testing were unable to access the top marks in level 3. It was pleasing to see that the majority of candidates included relevant research objectives. Candidates must also include copies of primary research tools, as well as presenting secondary research information used, throughout the report. It is good practice for candidates to include all relevant primary and secondary research as appendices to support findings in the report. Candidates should be discouraged from including excessive secondary research material in the appendices.

In the **Analysis and Discussion of Findings**, centres need to ensure that candidates include the relevant theory to support their discussion and to demonstrate awareness of the wider context this was omitted by a number of candidates. An evaluation of research methods used to carry out the research must also be included in order to complete the report. A Level 4 mark must only be awarded to candidates who provide a comprehensive set of research findings from a variety of formats drawing together primary and secondary research for each of the four research objectives/management goals. This should be supported by relevant theory, which addresses the issues and concerns raised in the Client Brief and provide an awareness of the wider context.

In the **Conclusion and Recommendations**, candidates need to be reminded of the importance of identifying wider issues and risks which may hinder the successful implementation of the proposed report recommendations. This was completed poorly by a number of candidates. Candidates must include relevant theory, models or concepts in order to support the conclusions and recommendations. These had not been fully addressed by some. Those awarded a Level 4 mark were able to draw conclusions from their findings and provide recommendations to address the issues and concerns raised in the Client Brief. This was supported by research evidence, relevant theory, models and concepts and accompanied by relevant wider issues and risks. Candidates should be encouraged to include an updated organisational structure in line with their proposed recommendations for Foyle Hotels Ltd.

The **Bibliography** was included by most candidates. Some, however, failed to use the Harvard referencing style, a requirement of this unit. Centres need to address this for the next submission.

The moderating team was greatly encouraged by the overall quality of the reports. It is important that all centres attend the Agreement Trial for this unit of work to ensure appreciation of the standard being applied.

## Chief examiner's Report

### Assessment Unit AS 3 Financial Decision Making

In this examination candidates needed to demonstrate good knowledge and understanding of financial calculations and financial decision making for Joyce and John's farm to diversify and produce elderflower cordial.

#### Q1 (24 marks)

- Financial decision making
  - Internal sources of finance – own capital
- (a)** The majority of candidates were able to explain the term financial decision making. Some answers lacked detail to gain the second mark available.
- (b)** A good number explained why effective financial decision making was important to Joyce and John's business, whilst some provided limited explanations for the reason stated. The remainder provided reasons for Joyce and John's business with no explanations, which limited the marks awarded.
- (c)** The vast majority of candidates were able to discuss two advantages and two disadvantages of own capital as an internal source of finance, for the refurbishment of a building on the farm to aid the production of the elderflower cordial. Some responses lacked detail in their discussion of the advantages and disadvantages of using own capital, which limited the mark band level awarded. In addition to this a number of candidates failed to provide a justified conclusion to complete their answer.

#### Q2 (29 marks)

- Ratio analysis
  - Benefits and limitations of cash flow forecasting
- (a)** Responses were disappointing for this question with many listing ratios rather than the areas covered by the different types of ratios.
- (b) (i)** The majority of candidates successfully extracted the correct financial data from Tables 1 and 2 to calculate the Net Profit Margin. A number of candidates did not state the answer as a percentage, this resulted in one mark being awarded for the calculation only.
- (ii)** As in (b)(i), the majority of candidates successfully extracted the correct financial data from Tables 1 and 2 to calculate the Return on Capital Employed. A number of candidates did not state the answer as a percentage, again resulting in one mark being awarded for the calculation only.
- (iii)** As in (b)(i) and (ii), the majority of candidates successfully extracted the correct financial data from Tables 1 and 2 to calculate the Current Ratio. Some did not state the answer as :1 which resulted in one mark being awarded for the calculation only.
- (c) (i)** A significant number of candidates were able to analyse the findings of (b)(i) in relation to the answer obtained. However, some did not provide sufficient detail in their analysis for the second mark available.
- (ii)** A significant number of candidates were able to analyse the findings of (b)(ii) in relation to the answer obtained. However, some did not provide sufficient detail in their analysis for the second mark available.

- (iii) A significant number of candidates were able to analyse the findings of (b) (iii) in relation to the answer obtained. However, some did not provide sufficient detail in their analysis for the second mark available.
- (d) Candidates were able to analyse two benefits and one limitation of cash flow forecasting, to show knowledge and understanding, application of knowledge and understanding and analysis in the context of Joyce and John's farm. Some did not provide any justification in the answer provided.

**Q3** (27 marks)

- Investment appraisal
  - (a) Most responses explained the payback and net present value methods of investment appraisal. Some did not fully explain the meanings which limited the marks awarded.
  - (b) (i) The majority of candidates were able to carry out the payback method of investment appraisal, with only a few failing to place the answers for Years 1 and 2 as a negative cumulative figure. The remaining candidates were confused and not able to record the correct calculations. Some worked out the answer in years and days which was given credit.
  - (ii) The candidates who correctly calculated the payback method of investment appraisal in (b)(i) were able to identify Equipment 1 as the correct answer for this question.
  - (c) A vast number of candidates were able to evaluate payback as a method of investment appraisal. It was pleasing to see a good level of knowledge, understanding and application, with appropriate evaluation to Joyce and John for the new equipment required. The remaining candidates had written an answer which lacked understanding and application, with little attempt to evaluate the payback method. 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. This is with particular reference to the quality of written communication, which was addressed 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.

Past examination papers, mark schemes and specimen materials are available on the website ([www.ccea.org.uk](http://www.ccea.org.uk)). These may assist in familiarising candidates with questioning techniques and time management for the external examinations.

## Assessment Unit A2 1 Technology in Business

Candidates demonstrated a good knowledge and understanding of the relevant theory for this unit.

### Q1 (4 marks)

- Identify four areas where a business uses technology.
  - (a) This question was very well answered by most candidates. Those who did not answer the question well, tended to identify functional areas in which technology can be used.

### Q2 (8 marks)

- Describe one main feature of the following IT systems used by Professional Business Services firms.
  - o Transactional Processing Systems (TPS)
  - o Management Information Systems (MIS)
- (d) The majority of candidates were able to identify features of the systems showing good knowledge and understanding. Candidates lost marks in their ability to provide a description of the features with many candidates only providing basic to good descriptions. Few candidates provided an excellent description of the features.

### Q3 (16 marks)

- Evaluate the suitability and effectiveness of an online reservation system for H2O Arena and its users.

Most candidates answered this well. Most candidates showed good knowledge and understanding of the suitability and effectiveness of an online reservation system. Application to the H2O Arena and its users was mostly very good, however, some candidates confused Chartam and H2O. Most candidates gave a good evaluation of each reason. Most candidates provided a recommendation with a fully justified reason in support. Some candidates appeared not to understand the command word 'evaluate' and consequently did not provide a final judgement. A number of candidates used additional pages and booklets to answer this question. The more able candidates provided an in-depth evaluation. Candidates must ensure the inclusion of a final judgement and a balanced argument, reflecting the points being argued to attain marks in a higher mark band (Level 3 or 4).

### Q4 (24 marks)

- In your role as a professional business services consultant, outline how three features of the Health and Safety Act may influence the operations of Chartam Ltd.
- Analyse the main features of a disaster recovery plan that Chartam Ltd should have in place.
  - (a) This question was generally answered very well. Some candidates appeared to misread the question and did not answer from Chartam Ltd's perspective. The question clearly asked to outline three features but some candidates failed to provide three. Some responses included features but gave no explanation to Chartam Ltd.

- (b)** Candidates showed good knowledge and understanding of the main features of a disaster recovery plan, but many failed to provide even a basic analysis preventing access to Level 3 or 4 marks. Several candidates struggled to apply to Chartam Ltd and analyse the features whilst others did not recognise the command word and failed to provide a final judgement.

**Q5** (20 marks)

- Analyse the social, moral and ethical issues for Chartam Ltd of using this technology for capturing, storing and analysing this personal information.

**(a)** A disappointing response by most candidates. Some confused the social, moral and ethical issues and therefore struggled to construct the answer in application to the user and client. Analysis was weak and a general lack of understanding was evident in many responses.

Most candidates used additional pages and booklets to answer this question. Better responses provided an in-depth evaluation whilst weaker responses had a lack of analysis and extensive repetition.

**Q6** (20 marks)

- As the financial consultant, evaluate the suitability and effectiveness of spreadsheets to support the financial decision making in Chartam Ltd.

**(a)** This question was very well answered by most of candidates showing good knowledge and understanding of the suitability and effectiveness of spreadsheets to support financial decision making. Application was mostly very good to Chartam Ltd. The majority of candidates provided a good evaluation of each reason.

Some candidates appeared to recognise the command word 'evaluate' and did not provide a conclusion to allow for a final judgement. Most candidates used additional pages and booklets to answer the question, better responses provided good analysis and an in-depth evaluation.

## Assessment Unit A2 2 Leadership and Management

Candidates demonstrated good knowledge and understanding of Leadership and Management. The following points should be noted for future series:

### Q1 (16 marks)

- Leadership styles
- Difference between transformational and transactional leadership
  - (a) Many candidates were able to state and explain an advantage and disadvantage of a democratic style of leadership. Some responses simply stated an advantage and a disadvantage but did not provide explanations which were all necessary to.
  - (b) Most candidates were able to describe the difference between transformational and transactional leadership. Some answers lacked an accurate description of the difference between transformational and transactional leadership.

### Q2 (10 marks)

- Galbraith's Star Model

A variety of responses were presented for this question. Candidates who were familiar with Galbraith's star model were able to relate the elements of the model to the merger between the airlines. A number of candidates failed to cover all five elements. Some referred to Lewin's change model which was the misapplication of a model. To obtain full marks the candidates needed to explain how all five elements related to the airline merger.

### Q3 (9 marks)

- Adair's Action Centred Leadership

A mixed range of responses were offered for this question. Some candidates explained how the three elements of Adair's model could be employed to address the issues in Jumpin Doughnuts Ltd. Some candidates employed elements that were not part of Adair's model.

Quite a few responses did not explain how all three elements could be employed. To obtain full marks the candidates needed to explain how each element could address the stated issues.

### Q4 (15 marks)

- Fayol's five functions of management

Most candidates displayed knowledge and understanding of Fayol's functions of management and related them to Bob Black's position in the large manufacturing business.

The responses reviewed were satisfactory (Level 2) in most cases. However, there were instances where responses displayed limited knowledge and understanding of the five functions.

A number of responses identified fewer than the five functions and there was limited application of the functions to the manufacturing business.

### Q5 (20 marks)

- Belbin's Nine Team Roles Model

This question was answered well by most candidates. Most responses were satisfactory to good (Level 2/3) with better responses demonstrating excellent knowledge and understanding of the strengths and weaknesses of Belbin's model. It is important to note that detailed coverage of the strengths and weaknesses can enrich the evaluation of the usefulness of the Belbin model.

**Q6** (20 marks)

- Performance Review

Candidates produced some very good answers regarding the advantages and disadvantages of performance review for the employer. To reach Level 4, candidates needed to show excellent knowledge and understanding of the strengths and weaknesses in relation to the manufacturing business.

In these longer, discussion type, questions, candidates are reminded to read the question carefully to ensure they manage their time effectively.

Candidates should be fully aware of the 'information to candidates' on the front cover of the examination paper. In particular references to questions assessing the quality of written communication. 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.

It is advisable to prepare candidates for examinations using past examination papers, mark schemes and any specimen materials produced by CCEA which are available on the website ([www.ccea.org.uk](http://www.ccea.org.uk)). This would allow the summer 2020 candidates to become familiar with the questioning techniques and time management for these external examinations.

## Principal Moderator's Report

### Assessment Unit A2 3

### Project Management Skills and Processes

The first submission of work produced for this unit was completed to an excellent standard. It was clear that almost all centres had followed the guidelines and benefitted from the support events provided by CCEA when completing this unit. Most eCandidate Record Sheets (eCRS) were completed as required. Teachers should record the level of assistance given on the eCRS. Where help has been given candidates' marks should reflect this e.g. high level marks should not be awarded.

It is also essential for centres to include the CCEA Sample Cover Sheet on all the candidate work requested, which is available on the CCEA website. The Sample Cover Sheet must clearly identify the Centre Number and Candidate Number with the mark awarded for each assignment submitted in the sample. The recording of marks on this Cover Sheet must match the marks that have been electronically submitted. This was not the case for some centres. Centres must submit the sample in rank order of merit.

The moderation process was enhanced by teacher annotation throughout candidates' assignments and as summative comments recorded on the eCRS by the majority of teachers.

Candidates had chosen a wide and varied range of projects to undertake which allowed for knowledge and understanding, application of knowledge and understanding along with analysis and evaluation to be addressed in order to gain Level 3 marks.

The following points should be used to inform future submissions:

**Task 1 (Introduction to Project Management):** was completed extremely well by the majority of candidates with excellent presentations and user guides produced. Some candidates failed to write the User Guide in the third person and a small number of candidates were confused who the User and Project Board were. The User is the person attending the project to be organised and the Project Board is made up of a representative of Project Client (Principal, Board of Governors or Fundraising Committee), project User, project Client (who is the Fund Raising Committee), Project Supplier and the Project Manager. A significant number of candidates were able to identify and discuss the various key documents required for Project Management. However, some candidates failed to include the plan and registers for this task.

**Task 2 (Project Initiation):** was completed to a high standard with candidates using a variety of sources to carry out primary and secondary research in order to produce the required Business Case including three options to be investigated before settling on the final project. The Project Brief was generally also completed to a high standard. However, in several cases the discussion and analysis of research findings lacked detail and some assignments lacked detail in elements of the Business Case, for example the risks associated.

**Task 3 (Project Planning):** was used to address the planning of the project with the majority of candidates using a Gantt Chart, however, some of these were limited in detail. It is important that candidates record the time scales, activities and milestones which may affect the project on the Gantt Chart. The majority of assignments lacked detail for the Stage Review and failed to include a thorough assessment of the reason to proceed with the project.

**Task 4 (Project Execution, Closure and Evaluation):** most candidates had grouped this task together to produce one presentation for the range of checks, report and registers, steps to close the project and evaluation questionnaires. The presentation was then followed by the final reports/registers and evaluation questionnaires for the client, user and project team. This was an acceptable and viable way to submit the content required for this task. However, some candidate failed to include the range of checks that would be used to review the progress of the project and steps to close the project and therefore did not meet the requirements of this task. Some candidates did not include all three evaluation questionnaires required for the user, client and project team nor include a specific question to address where improvements might be made for a future project.

A suitable reference list was included by the candidates for Task 2 as required however, some opted to insert this at the end of the assignment while other candidates placed it at the end of Task 2. Either way was accepted.

The moderation team was greatly encouraged by the overall quality of the work submitted by the candidates for this unit of work. It is important that all centres attend the Agreement Trial for this unit in the Autumn Term.

## Contact details

The following information provides contact details for key staff members:

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