

**Cambridge Nationals**  
**Business and Enterprise**

Level 1/2 Award in Business **J804**

Level 1/2 Certificate in Business and Enterprise **J814**

**OCR Report to Centres June 2015**

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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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## OCR REPORT TO CENTRES

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## R061 Introduction to Business

### General Comments:

In this session most candidates made some attempt to answer all of the questions on the paper. There remains a need for centres to investigate thoroughly all of the areas and issues involved and highlighted in the research brief. This type of preparation gives the candidates the best chance of accessing the questions and improves their ability to apply the answers in context. The next step is to encourage candidates to access the skills of analysis and evaluation by using the information the candidates have discovered in the research and looking at the implications to the business. The research brief is available eight weeks before the examination and should be used to identify and analyse key areas of the specification in preparation for the examination. Use of knowledge and understanding which may have been gained from other units is also important in informing responses on this paper.

There was less evidence this session that candidates had misunderstood the requirements of the questions. An exception was Q.6(c). One of the purposes of preparing the research brief is to investigate specific characteristics of the business, such as the type of organisation, the product and service it sells, its target market, how it raised its finance, its key features etc. Candidates should have a good overview in order to give relevant responses to any decision the business might need to make.

Most candidates responded reasonably well to the more straightforward questions, although there was evidence that they did not really know how to achieve the marks available. Preparation should include candidates becoming familiar with the different ways to gain marks. For example, 'explain' means to develop a point not just to add another point. Centres should familiarise the candidates about how marks will be awarded on all the different types of question, in particular, the longer questions which are assessed using levels of response and use of research. There is still evidence that candidates' knowledge is missing. For example, Q.1 (a), Q.1(c), Q.3 (a) and Q.7 showed particular gaps in knowledge amongst many of the candidates. Overall, there remains a real problem with candidates explaining ideas, applying them in context and analysing the implications of certain suggested actions. Use of past papers, mark schemes and reports would improve the overall standard of the answers. Q.8 follows the same structure each session and its purpose is to explain and analyse how external factors impact on business. There is limited evidence that candidates have been properly prepared to meet the requirements of this question.

### Research Brief

**The research brief should be downloaded from Interchange eight weeks before the examination. Previous reports, past papers and mark schemes can also be downloaded from Interchange and used in preparation for the examination.**

Preparation and understanding of the research brief remains crucial to the success of the candidates. The brief is set out to follow the learning outcomes in the specification and gives an idea of the areas to be covered in the examination, the type of business and the decisions which the business, in this case, DDL, will need to make. It is vital that candidates research similar businesses so that the responses to some of the longer questions can be applied realistically in context. There was some evidence this session that centres had prepared candidates in this way but this was rare. For example, simple identification that the business is a private limited company should trigger a number of characteristics and businesses which could be researched in terms of their legal set-up, finance, ownership etc. Sentences such as 'the business wants to increase sales, profit and market share' need more clarification and centres should deliver a

number of scenarios about how businesses might achieve these objectives and how they may change over time. Candidates who do not carry out the research and prepare for the examination in this way will be at a disadvantage.

## **Comments on individual questions**

### **Section A**

#### **This section tests Learning Outcome 1**

Q.1(a) This question required candidates to simply identify two characteristics of a company. Too many candidates did not answer this correctly.

Q.1(b) Most candidates answered this correctly.

Q.1 (c) Answers to this question were disappointing. Candidates made general statements like 'it has limited liability' and 'it can sell shares'. The question is about public limited companies. These two statements are true of private limited companies and therefore have no value. Best answers explained that a public limited company could raise more finance from selling shares to the public on the stock exchange and that this money might be used to expand the business.

### **Section B**

#### **This section tests Learning Outcome 2**

Q.2(a). Knowledge of objectives was limited. Most candidates had some idea that lower prices would mean that the competition would take custom from DDL. It was not always clear that candidates really understood the meaning of market share. This was highlighted in the research brief and could have been addressed as part of the preparation.

Q.2(b). This was the first of the questions requiring candidates to use their own research to support the answer. It is important that candidates actually name the business that they have investigated. The best candidates were able to state and explain why objectives might change but few candidates were able to exemplify this from a real business and therefore analysis was rare. Those candidates who have done R063 should be able to draw from the real experience of running an enterprise to inform them as to how and why objectives might change over time.

### **Section C**

#### **This section tests Learning Outcome 3**

Q.3 (a). Candidates did not really know the difference between an overdraft and a loan. Knowledge of different types of finance is important when a business makes decisions. The idea that finance might be needed by DDL is highlighted in the research brief. Candidates need to follow the rubric which asked them to use four statements.

Q.3 (b). It was encouraging to see that many of the candidates were able to define 'break even' correctly.

Q.4. On the whole answers to this were disappointing. There was limited evidence that candidates really understood reasons why DDL might need to plan and control its purchase of raw materials for production. The best candidates explained that some materials were coming from China and therefore there might be problems of distance and quality. Others identified the

need for more time to produce the fireworks in time for displays and in case products were not delivered. Once again, the idea that there might be a problem with raw materials, and the importance of getting quantities and supplies right, in the particular context of fireworks, was highlighted in the research brief.

Q.5 (a). This question required candidates to simply identify and explain one disadvantage of primary research. It is important that candidates practise this type of question in order to gain full reward. Three separate disadvantages do not show a candidate's ability to explain a reason such as time, cost, limited sample etc.

Q.5 (b). Candidates answered this well. Very few ignored the list and used their own forms of promotion. The best candidates were able to select two and explain with reference to a number of people and the particular characteristics of the type of promotion.

Q.6(a). Generally well answered.

Q.6(b). Answers to this were very specific. The process should have been familiar to all candidates who had completed R062.

Q.6(c). This question required candidates to evaluate the costs and benefits to the firm of training. Again, training was highlighted in the research brief as a possible issue for this business. A common problem was where candidates simply showed knowledge of different types of training. Some candidates made simple statements such as 'it costs money' but failed to go any further. Far too many simply explained 'on the job' and 'off the job' training rather than the costs and benefits of training to the business. Costs and benefits can be more than financial. The best answers showed that the candidate had researched a similar business dealing in potentially dangerous products and services and at the same time identified and analysed the implications of a well trained workforce in terms of safety, less accidents, motivated workforce, higher productivity etc. These answers gave a balanced argument for each in terms of the effect on the business. Evaluation came out of this analysis in the form of an assessment of the relative importance of the cost and benefits to the business.

## **Section D**

### **This section tests Learning Outcome 4**

7. Candidates found it surprisingly difficult to identify one improvement in technology that might have affected DDL or any business at all. The best candidates had researched similar businesses and were able to explain that computers were now used to set off displays and that this meant that more people were going to displays and there was more work for the business. However, marks could have been gained by explaining any change in technology which would have affected the business.

8. The basic format of this question remains unchanged from previous sessions. Candidates need to use their own research of businesses in their area to inform the answer to this question. In this case, the two factors chosen were easy to access and would have been particularly relevant to this and similar businesses. Candidates should practise looking at how different external factors impact on any business and the decisions it makes.

This type of business and any similar manufacturing or entertainment business are really affected by both legal and social factors whether it be Health and Safety or simply the change in fashion to watching public displays rather than having them at home in private gardens. When preparing for the examination using the research brief, it is important that candidates look at all the external factors and their impact on the business. The majority still find the process of

analysis difficult. Candidates should be encouraged to discuss the implications of these factors on all aspects and functions of the business as well as its customers and other stakeholders. Once again, evaluation was rare. Only a few candidates made the effort to link the external factors with the impact on the business' objectives. Simply making a recommendation is insufficient if it is not underpinned by research, analysis in context and based on at least one of the factors in the question.

## R062 Planning for Work

### General Comments:

Some candidates had produced good evidence to meet the requirements needed for higher marks to be awarded. The best responses were achieved when the candidates followed the model assignment alongside the marking criteria grid. The Unit Recording Sheets were completed well by most centres. All centres should be encouraged to complete these to show how marks have been awarded. Most of the candidates followed the model assignment with few deviations. Where weaknesses occurred in candidate work for unit R062 it was often due to a lack of identifying one employment area and job vacancies within this employment area; application to a specific job role; errors in the business documents; failing to use the job descriptions or person specifications; changing the job role throughout the assessment without giving any explanation as to why, with the biggest impact on changing career plan. A problem is still the use of templates/help and feedback to students. Page 24 of the specification outlines that this is not allowed and centres should read the specification very carefully to identify what is and is not allowed.

### Comments on Individual Questions:

#### Learning Outcome 1 (LO1)

Candidates achieved higher marks when they took more than a traditional view of recruitment, eg they looked at online recruitment, recruitment agencies, networks, and applied these to specific businesses etc. The best responses were evidenced when the candidates used a job description and person specification to identify the skills and competencies and then used these to inform their decision as to a choice of employment area/job role.

Candidates who did well on this learning outcome researched a wide range of different job roles in one single employment area and were able to show the differences between the roles and working practices. Those who presented theoretical evidence of working practices achieved lower marks. More still needs to be done to integrate this section into the rest of the work and more real examples would help. Work was better in terms of employment areas although there is still a problem with job descriptions and person specifications.

#### Learning outcome 2 (LO2)

Candidates achieved the higher marks when their self-assessment was thorough and self-reflective. Some candidate's self-assessment included tick boxes without any further expansion as to the interpretation of their findings resulting in lower marks. The purpose of why they were doing the self assessment remains unclear in a lot of the work and was loosely linked to the chosen role.

The best responses to this learning outcome were when the candidates produced customised application forms and application letters which were fully tailored to the job role. The application documents showed the skills, experience, behaviours and attitudes needed to meet the requirements in the job description and person specification. Those candidates who did not tailor their application, nor relate it to the job description and person specification limited the mark they could achieve. Those candidates who achieved marks in band three fully customised their documents to match all/most of the requirements from the job description/person specification.



Candidates achieving the highest marks for the interview plan fully related this to the job description and person specification to the specific job for which they wanted to apply. Questions were detailed and had full relevance to the vacancy. No marks could be awarded to candidates who copied interview questions from the Internet without any referencing.

### **Learning outcome 3 (LO3)**

The best responses were when the candidates produced an evaluation rather than a description of the tasks which they had carried out in the completion of the model assignment. Candidates could only achieve relatively low marks where they had simply described what they had done, without making any judgement.

Candidates achieved the higher marks when their career plan was related to the job vacancy for which they had applied and showed how they would overcome any weaknesses. The plan clearly identified dates, qualifications/experience which would be needed to be successful in this area of employment.

## **R063 Setting up and running an enterprise**

### **General Comments:**

The candidates who achieved the best responses were those who followed the model assignment accurately and included individual evidence to show their contributions. This was supported with a detailed/individual witness testimony confirming the contributions of each candidate. Where team portfolios/evidence were included without any evidence of individual contributions, it was very difficult to confirm the marks awarded. Centres which submit evidence electronically must follow the instructions in the Administration Guide and upload to the repository.

### **Comments on Individual Questions:**

#### **Learning Outcome 1 (LO1)**

This unit needs an introduction. Too many candidates starting with a mind map of ideas with no explanation of the purpose of the unit. Candidates achieved the higher marks when they were able to describe the factors which would influence the viability of an enterprise activity by looking at, for example, break even, competitiveness, the availability of resources and the differentiation of products/services. Those candidates who failed to look at these factors achieved few marks. The best responses were when the candidates documented their contributions to the selection of ideas through either a diary or log or write up, which was supported with a witness testimony from their teacher. When the candidates were given three ideas, this prevented them from meeting the criterion. Candidates need to include the relevant agenda and minutes for each meeting as it happens and not in a pile in the middle of what they are doing.

#### **Learning Outcome 2 (LO2)**

The best responses were those where the candidates clearly identified their own and others contributions to the business planning process. Candidates who all included the same business plan without explanation achieved very few marks. Inclusion of business plans with limited analysis affected some of the marks awarded.

The candidates achieved the higher marks when they were able to show clearly relevant skills/knowledge from other the units within the qualification in terms of carrying out market research, allocating job roles, looking at financial statements, etc. When the candidates were clearly able to give information about what they had learnt and how they were using it within this unit, they achieved the highest marks.

#### **Learning Outcome 3 (LO3)**

Candidates achieved the highest marks when they were individually able to show the contributions which they had made to organising and running at least one meeting and where supporting evidence was organised. Marks were limited where the candidates had either all presented the same evidence of the meetings, or it was unclear who had contributed what aspect to each meeting. Some of the meeting documentation did not follow traditional formats and this had an impact on the marks which could be awarded.

The best responses to written, verbal and remote communication were from those candidates who evidenced different business documents which they had individually produced throughout

the enterprise activity. These included letters, promotional materials, agendas, minutes and emails. Verbal communication was supported through detailed and individual witness testimonies from the teacher.

The candidates who produced their own project plan as well as combined project plans achieved the highest marks. Candidates who produced identical plans without any explanation were limited to mark band 1.

#### **Learning Outcome 4 (LO4)**

The candidates achieved the highest marks when they individually showed their contributions to the running of the enterprise activity. Those candidates who failed to produce individual evidence, or a supporting witness testimony from the teacher, achieved lower marks. The best responses evidenced before and after project plans showing how progress was monitored against these plans and where changes had to be made. Those candidates who clearly described the issues which they had come across, and how they dealt with these issues, achieved high marks. Although photographs are helpful, they do not show how an individual contributed to an aspect of the activity and centres may wish to reconsider using these in the future.

#### **Learning Outcome 5 (LO5)**

The best responses were those when the candidate's review was supported by a wide range of evidence, eg peer feedback, tutor review, customer feedback, etc. Those candidates who compared their activity with the original objectives and identified SMART targets for improvement achieved the highest marks. Candidates who produced an honest and critical review of their own performance based on supporting evidence, eg minutes, feedback, peer review, also achieved the highest marks.

The main problem which arose on this unit was that it was frequently difficult to differentiate candidate evidence or when witness testimonies were produced which were insufficiently detailed or which were not specific to the candidate in question. The evidence presented must clearly show what an individual candidate has contributed to a team activity. Guidance on witness statements is provided in Appendix A of the qualification specification.

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