

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 January 2017

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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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R061 Introduction to business

General Comments

In this session candidates were able to attempt all of the questions. There was little evidence of 'No Response' which was encouraging. There was much more evidence that candidates had been well prepared for the exam using the research brief and researching outside businesses. A greater number of candidates mentioned the actual name of a business which had been researched and hence gained the higher mark in each level.

Most candidates responded reasonably well to the more straightforward questions and were able to engage with H-tel plc and the products and service offered by the business. There was more evidence of candidates having a good base of knowledge on most of the questions, in particular Questions 2b and 6b. On others, in particular Question 6c, candidates struggled to really show understanding of payment methods or working conditions. In some cases, for example Questions 1b and 3b, candidates found some difficulty explaining the terms and therefore explanations could be muddled.

Candidates should use the practical knowledge they have gained from other units (if studied first) to inform their answers in the examination. R062 for example covers much of the content of Section C and much of the paper, especially Question 8, is addressed in the work of both R062 and R063.

The quality of the responses overall was better this session with most candidates attempting the questions and interpreting the questions correctly. An exception to this was Question 4a where candidates confused market segment with types of promotion and question 6c where candidates wrote the benefits to the business rather than the employees. Use of paragraphs in the longer questions would be useful when addressing different issues. On the shorter questions requiring explanation of a reason, there was less evidence of candidates giving different reasons instead of explaining one reason as required. However the third mark is often given for context and many candidates did not address this in their responses.

Skills of analysis were more evident this session with many candidates understanding that analysis arises by looking at the implications to either the business or some other stakeholder. However justified evaluation is still an issue. It is not sufficient to state what is best; it must be supported by analysis and a final justification.

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.

Thorough preparation and understanding of the research brief remains the best way for candidates to do well in this examination. Centres seem to have taken on board comments made in previous reports, regarding preparation and research of actual businesses and the results are encouraging.

There was much more evidence that candidates had prepared using the research brief. The business which is researched must be named. This reference is essential when answering the longer questions in particular. The business can be any local business and only has to be 'similar' to that in the research brief for example similar in size, ownership, product or service.

It is very important that candidates are prepared for possible questions by looking at the issues highlighted in the research brief. In this case it was obvious from the research brief that H-tel plc had an issue with occupancy, recruitment and finance impacting on its future objectives. Such areas need to be thoroughly prepared in order to give candidates the best chance of success. Use of past research briefs, papers and mark schemes is essential in order to see how the paper is structured and how the questions are linked to the business itself.

Comments on Individual Questions

Section A

This section tests Learning Outcome 1

1a. Generally well done.

1b. Most candidates found it difficult to explain the term 'limited liability' which is a fundamental part of business. However more candidates achieved at least one mark for understanding the consequences. Better candidates gained all 3 marks for knowing limited liability and referring to debt and the limited amount that they would need to pay back in terms of their own investment.

1c. Reasonably well answered with many candidates giving possibility of takeover, loss of control and cost of setting up as relevant disadvantages. It was encouraging to see that many candidates gained the second mark by explaining the disadvantage correctly.

Section B

This section tests Learning Outcome 2

2a. Generally well answered. Some candidates failed to read the stem of the question and repeated the objective stated in their response.

2b. Overall this was done well. It is an integral part of R063 in particular but also in R061 LO2. Best candidates were able to give examples such as raising finance, setting targets, achieving objectives, and setting contingency plans. These answers were able to apply their explanation to H-tel plc in order to achieve all the marks. There were still some examples of candidates giving more than one reason and not explaining one in context.

2c. The research brief highlighted this issue under the heading 'objectives' with the sentence 'to provide an effective standard of customer service.....' Although the answers to this were variable, it was pleasing to see that a number of candidates recognised how important customer service is in the hospitality sector. Best answers also used research into local hotels to give reasons such as the amount of competition and the use of online reviews which would reflect the standard of customer service and hence impact on H-tel plc. Analysis was evidenced by looking at the implications of both good and bad customer service and how this could impact on sales costs and therefore profit. Candidates should be discouraged from simply saying that something will increase or decrease profit with no supporting statement regarding sales or costs.

Section C

This section tests Learning Outcome 3

3a. The majority of candidates answered this correctly. Very few ticked more than two boxes.

3b. Candidates still find it difficult to define the concept of break-even. Best candidates achieved both marks by stating that there would be no profit or loss, total revenue equals total cost or in a

few cases, fixed cost divided by contribution. This is a fundamental measure of the performance of a business and candidates should be totally familiar with it.

4a. Most candidates were able to identify two relevant market segments. However there are still a number who give methods of promotion as the answer.

4b. Once again the context was key to answering this question correctly and the clue was in the research brief under 'marketing' where it was stated that 'a marketing strategy must be created to promote and sell.....'. Candidates should have researched relevant promotional methods that such a business as H-tel plc might use. Linking the methods to the market segments identified in 4a would have been a good starting point. Best answers analysed at least two methods and were able to apply the answers using their research. However very few were able to come to a justified decision about which would be best in this context.

5. The responses to this question were variable. The answer to this was a method of quality control and an example of how this would affect the quality of the product or service offered. Best answers gave examples such as quality checks, inspection, training, performance management, finding new suppliers or total quality management. Others gave examples such as keeping food fresh, adhering to sell by dates and were able to explain these in context.

6a. The majority of candidates answered this correctly.

6b. Candidates were able to answer this in terms of why retention of staff might be good thing for H-tel plc but unfortunately in the majority of cases lost the third mark because the answer was not contextual. This type of answer for three marks will usually give reward for context.

6c. This question was generally misconstrued by the candidates who answered it from the viewpoint of the business rather than the existing or future employees. Most candidates were able to explain why pay might be important and best answers were able to relate this to the employees by explaining that this would encourage them to stay with the business rather than moving o other jobs where pay might be better. Others went down the motivational route and explained that increased pay, especially if it were piece rates i.e. how many rooms they cleaned, would encourage them to work harder and achieve a higher pay rate. Too many did not really understand what working conditions meant and were unable to give examples. Those who could, explained that this was important because it allowed a good environment to exist which in the long term may be as important as money. There was very little evaluation in terms of balancing one against the other and too many only looked at one side of the argument.

Section D

This section tests Learning Outcome 4

7. Most candidates answered this correctly.

8. The structure and requirements of this question remain the same in each session. This is the one area which is not specifically mentioned in the research brief and therefore relies on centres to identify how external factors might impact on the actions and decisions of the business. Candidates need to look at any potential decisions made by H-tel plc specifically in terms of their implication to the business in terms of loss of customers, sales revenue, increased costs and perhaps loss of reputation for example

In this case H-tel plc is a large company in the hospitality and catering sector.

It is disappointing that quite a few candidates found it difficult to give any examples of the actual technology which might be used in a hotel. In such a business the impact of changes in the

technology especially in terms of online booking, review sites, swipe cards instead of keys, security, Wi-Fi in rooms, payment and money transfer systems, the internet and social media have had a huge impact on business operations. In this case candidates might have suggested that social media might help with both market research and promoting the business. Best answers did give such examples and were able to analyse the effect of these using their own research into a hotel in their area.

Social factors were done better this session with many candidates giving examples such as social media reviews and changes in population. It was encouraging to see that candidates were able to explain these in terms of the hotel in some cases especially with regard to impact of online reviews on the hotel and its bookings and potential profit. Best answers referenced actual research of local hotels and gave relevant explanations of the impact and its effects.

A few candidates were able to analyse both factors using local research and come to an informed judgement about which factor would be more likely to affect the business. However too many simply made a statement about which was better without analysis of both and therefore the decision was unjustified.

R062 Planning for Work

General Comments

It was good to see that improvements had been made to the marking of the unit and the quality of evidence submitted by candidates. Marking was much more accurate reflecting the actual standard of the work received. There were no evidence of malpractice this session which was good and it was pleasing to see that more candidates are accessing tasks in both assignments. 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 and applied the marking scheme relating to the sample assessments. The Unit Recording Sheets were well completed by most centres; however some have a tendency to repeat the criteria which is not helpful. 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 or changing their job role throughout the assessment without giving any explanation as to why with the biggest impact on changing career plan. Candidates should still look to use proper and realistic job descriptions and person specifications and referencing to synoptic element to be improved.

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. Some centres seem to have grasped the idea of an employment area, and there was some good customisation of job descriptions and person specifications. However, there are still too many not doing this and over marking LO1. More real examples would help. Work was better in terms of areas of employment and they were also more realistic on the whole. There is still a problem of customisation and really using the JD and PS, but once again there was more evidence than previously.

Candidates who did well on this LO 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. This was improved on previous sessions. 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 however this is not always followed through the assignment and the work loses its way due to a lack of planning. More evidence to show the qualifications and skills required to match their own qualities and expected qualifications would enhance the evidence presented.

Learning outcome 2 (LO2)

Candidates achieved the higher marks when their self-assessment was thorough and self-reflective. However not all the self-assessments were realistic and usable. 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 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 or who did 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 should be encouraged to proofread their work. Documentation is still very variable. There were some excellent examples of customised application forms with extra information but there are still a lot of inaccuracies in letters in particular.

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. Some candidates still did not use an actual advertisement which is essential to identify key features of the application. Interview questions from the Internet without any referencing meant no marks could be awarded.

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. This needs to be taught as a skill in order for better candidates to achieve the higher mark bands. Also these reviews still rely on the candidate's commitment to the chosen role, this remains a problem especially in the second part of the learning outcome. When the candidates had simply described what they had done without making any judgement then they could only achieve relatively low marks. Evaluation remains an issue. Some candidates still go 'through the motions' and often only look at the positive aspects of the process. The skill of evaluation needs to be taught and the self-reflection has to be relevant to the position applied for.

The 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.

OCR (Oxford Cambridge and RSA Examinations)
1 Hills Road
Cambridge
CB1 2EU

OCR Customer Contact Centre

Education and Learning

Telephone: 01223 553998

Facsimile: 01223 552627

Email: general.qualifications@ocr.org.uk

www.ocr.org.uk

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Head office
Telephone: 01223 552552
Facsimile: 01223 552553

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