

# **Business Studies**

General Certificate of Secondary Education **GCSE J253**

## **Report on the Units**

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**January 2010**

**J253/MS/R/10J**

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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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## **Chief Examiner Report**

This was the first assessment of the new specification, with over 2000 candidates being entered for either the Controlled Assessment (A291) or the Business and People written paper (A292).

For the controlled assessment, Centres could either enter candidates through the OCR repository or the traditional postal route. The repository requires candidates' work to be uploaded electronically, and this was possibly not fully understood by some Centres whose entry was finally dealt with by the postal route. Care should be taken when selecting the most appropriate entry route and code.

The standard of work seen overall reflected the fact that candidates were year 10 students who had studied business studies for a few months. Within the Controlled Assessment, candidates who immersed themselves in the context of the investigations, collected primary data to support their work and applied their knowledge fully were able to score well across the three assessment objectives. Candidates who did less well often failed to fully apply their knowledge and may well benefit from the detail contained in this report and possibly re-submitting in the summer series.

In the written paper, it was clear that certain elements of the specification (trade unions, for example) were less well understood by some candidates. This may be because of time pressures in preparing candidates for an early entry. The Business and People paper is weighted towards knowledge, and it is, therefore, imperative that candidates go into the examination with clear knowledge and understanding of all the specification content.

## **A291 – Marketing and Enterprise**

This was the first time the new Controlled Assessments were undertaken by Centres. The work produced varied in standard with Centres and candidates coming to terms with the new method of working and assessment after only a few months of studying the subject. Overall, it was pleasing to see the work of candidates making a genuine attempt at a new assessment format. It is the intention of the work that candidates undertake their own research (primary and secondary) within the research phase of the assessment, and use that research to answer the tasks set within the three investigations.

Knowledge was rewarded for the first time within an OCR GCSE Business Studies moderated unit, with candidates generally responding well to that particular challenge. What tended to differentiate candidates was the requirement to apply their knowledge to the context of the investigation, and use analysed data to reach justified recommendations.

It is important that candidates plan their work carefully in the research phase. There was some evidence of work where there was little coherence, with a lack of general organisation, including paragraphing in some instances. The use of appendices may well help certain candidates, as will the planning of where graphs and charts might appear within the body of the investigations. Planning itself is rewarded within Assessment Objective (AO) 2.

In general, Investigation 1 was completed to a higher standard in both scenarios, with candidates having the benefit of completed research on which to start their work. Weaknesses tended to occur within Investigations 2 and 3 where candidates had to base their work on their own research.

In order that the moderation team can give supportive feedback to Centres, it is important that those delivering and assessing the submitted work add their own comments to the front cover sheet (Unit Recording Sheet, URS913) for all candidates. In a minority of cases this was left blank.

### **Application of the Assessment Objectives (AOs)**

#### **AO1**

AO1 is concerned with the knowledge and understanding of relevant marketing and enterprise. As stated above, this was being rewarded for the first time in moderated work.

Candidates showed generally good knowledge and understanding of the relevant areas of the specification which they included in their investigations. However, the width and depth of the knowledge and understanding shown did vary. For example, in Investigations 2 and 3 the knowledge shown on pricing strategies ranged from a most comprehensive review of potential strategies a business might use to a brief mention of one or two possibilities. The work on possible promotional strategies, market research techniques and distribution methods followed a similar pattern.

As candidates can plan the work they are to undertake, the use of headings should ensure that this particular section of the work is completed thoroughly.

AO1 in Investigation 1 was generally more successful for candidates who used the resource material as a framework for their assessment, adding their own knowledge where appropriate.

## **AO2**

AO2 deals with the *application* of the subject knowledge to the context of the investigation, and the planning of the investigation as a whole. This was at times marked rather generously by Centres.

The application of the knowledge should consider:

- the target market
- the products/services in question
- the circumstances of the business

Both Controlled Assessments contained new, small businesses. This would, therefore, need to be considered when looking at appropriate pricing and promotional strategies, etc.

Within Option A the target market was teenagers. Different distribution methods, therefore, need to be considered in that context. Would teenagers be more likely to use a shop than the Internet? How teenagers view different promotional strategies should also be covered. In Option B the target market was couples to be married, and families with young children. Once again the needs of these groups must be considered when looking at market research methods and pricing strategies.

The products and services contained within the two Controlled Assessments would also have a bearing on the responses required by the candidate. Different products may well require different pricing strategies, different promotional strategies and distribution, etc.

For the highest marks within this AO candidates should consider all of the above. In a number of cases, the target market was the focus of application, and in places this was done very well. Many candidates recognised that being new, small businesses there would be less money to spend on promotion, or it would require a different pricing strategy. There were a few cases where there was a full consideration of how the product/service on offer would impact on the particular aspect of marketing within the business under investigation.

A small number of Centres and individual candidates helped their investigation by using local businesses, either photographic or jewellery based, as a means of bringing clarity to their work. Isolated Centres invited representatives from a local photography business into school to be quizzed on their activities. This is to be encouraged, where possible, in order to add realism and greater understanding to candidates' work. Another approach would be using Internet/newspaper/magazine based research in order to find how particular businesses approach pricing, promotion, etc. This element draws out the need to plan the investigations carefully, considering what primary and secondary research is necessary to complete the Investigation.

In Investigation 1, candidates were generally able to apply their knowledge well to the prospective business people, using the ideas given within the case study as a basis for their work. Whilst the marking for AO2 was at times generous, the marking of AO2 for Investigation 1 was rather more accurate.

## **AO3**

AO3 deals with the analysis and interpretation of data, together with an evaluation of data collected. This enables candidates to make fully justified recommendations which are based on data and business judgement. As with AO2, this part of the work was, at times, marked rather generously by Centres.

The collection of sufficient data is the basis for this section. In a number of cases, candidates ignored the possibility of collecting relevant primary data on aspects such as the attitude of teenagers to promotional strategies, or young families to different pricing strategies. Those

## *Report on the Units taken in January 2010*

candidates who did collect such data could show the skills of analysis and interpretation to greater effect and had the basis on which to justify the recommendations being made. In other instances, secondary research was ignored. There was little evidence seen, possibly as appendices, on jewellery and photographic businesses websites or other marketing material to illustrate particular features of their pricing/promotional strategies, etc.

When data is collected in the form of a questionnaire, it is important that the analysis and interpretation is thorough. Repeating in words what a graph has already shown should be discouraged. Candidates should use figures or percentages to add precision to their work and avoid statements such as 'not many people thought...'. The interpretation of data is also an important element here. Candidates should look to explain the significance of particular results or findings and how these might impact on the investigation they are following. This will then feed into the final recommendations, enabling candidates to make fully justified recommendations. Candidates should be encouraged to use figures from their earlier analysis within their recommendations, in order that precision and further weight can be added to their arguments.

A number of candidates analysed and interpreted their data well, following the approach outlined above. In other cases, the analysis was weak, with only generalised statements being made on secondary research. Whilst not directly rewarded within this AO, planning is again vital within this section of any Investigation, with candidates being clear on what recommendations they are going to make, and how those recommendations are to be justified.

Many candidates ignored the instruction in Investigation 3 to either explain how the promotional or pricing strategies might change over time. This clearly had an impact on the marks available to them.

Within Investigation 1, AO3 carries only two marks. Clearly, this should affect the length of work produced by candidates. In a small number of cases, candidates wrote at great length on where a business should target its products, or which person would make the better entrepreneur. Guidance should be given on the need to bear in mind the mark allocation for a particular part of the work.

## A292 – Business and People

### General comments

It is important to remember that the scripts were a reflection of Year 10 candidates who have studied Business Studies for only three months. As a consequence, the standard of the scripts seen was markedly different in comparison to the previous 1951/1952 examinations.

Overall, there was a general understanding of the various principles and business terminology. Some candidates displayed an excellent knowledge of the specification content, albeit these tended to be in a minority. It seemed apparent that some Centres were very well prepared whilst others were not. Some centres seemed to have not covered certain topics, whilst candidates from some other centres displayed vague understanding thus implying some Centres 'rushed' through the unit specification.

Question 1 appeared to be more accessible than Question 2. As expected, only the more able candidates could fully evaluate and provide good responses to questions 1(e)(ii) and 2(c). These questions were targeted at the higher end and differentiated as such.

### Comments on individual questions

#### Question 1

- (a) (i) This part of the question was well answered. Most candidates were able to obtain one of the three marks on offer and a high percentage obtained all three marks. This suggests knowledge of private limited companies was fair.
- (ii) This part of the question was satisfactorily answered. The majority of candidates were able to obtain at least one of the two marks available, albeit the question did cause confusion. A correct response included 'CFL exists as it provides goods for which it makes money'.
- (b) (i) This part of the question was generally well answered. Many candidates could 'select' the correct answer, namely horizontal integration is 'where a firm takes over or merges with another firm at the same stage of production'. However, some candidates incorrectly selected the definition of a 'vertical integration'.
- (ii) This part of the question was generally well answered with the majority of candidates obtaining two or three of the marks on offer. Correct responses included 'By joining together CFLtd has removed a competitor which means it has more power over setting prices as it does not have to watch what competitors are doing as there is one less competitor'. Additional correct reasons included reference to 'economies of scale' and 'expansion into new markets'. The quality of explanation and expression resulted in few candidates obtaining full marks.

- (c) This part of the question was satisfactorily answered. Most candidates obtained at least two of the six marks on offer by correctly interpreting the trends in employment. However, achieving the additional four marks proved very challenging. Some candidates were able to explain the secondary trend in employment, but few were able to fully explain the trend in tertiary sector employment. Rare full mark answers included 'Secondary sector employment is declining as more manufacturing companies use machines, therefore, less employees are required. Tertiary sector employment is increasing due to people having more leisure time; therefore, they demand services such as entertainment to occupy themselves'.
- (d) This part of the question was satisfactorily answered. Whilst many candidates could obtain both of the two marks on offer, many obtained no marks as they did not provide a reason why the stated business may be dependent on other local businesses. Correct answers included 'CFLtd require supplies in order to make its ready meals' and 'one of the businesses maybe a supermarket hence it creates demand for CFLtd hence profits'.
- (e) (i) Most candidates could obtain one of the two marks on offer in this part of the question by correctly stating Daniel or James although the difficulty centred on candidates using the data to support their selection. Correct responses included 'Daniel as his increase goes up the most by £68.10, as opposed to James £6.90 and Natasha £2.10 when noting the 30 hours they work'; and 'James, because by 2011 his wage per hour will increase by £3.23 as opposed to Daniel's £2.27 because James will move to the higher wage band'.
- (ii) As expected, candidates found this part of the question difficult and few achieved Level 2. Level 2 was given for comments such as 'higher National Minimum Wage means higher costs and lower profits but may mean workers work harder'. However, some candidates simply linked higher costs to lower profits without developing their answer, whilst others did not understand the question. It was clear that some Centres had not covered this topic as many 'good' candidates did not attempt the question.
- A fully developed Level 2 response included 'CFLtd has one third of workers who are covered by the National Minimum Wage, therefore, total costs may significantly rise, thus lower profits unless it increases prices. However, if the business is very profitable, giving pay rises to the lowest groups of workers will be of small significance'.
- (f) (i) This part of the question was generally well answered. Many of the candidates could identify the Managing Director's span of control to be five. Some correctly stated 'all the managers' and this obtained the mark on offer.
- (ii) This part of the question was satisfactorily answered. Many candidates could obtain one of the two marks on offer but fully correct answers were not common as they did not refer to Fig. 3. Correct responses included 'where authority is passed down the hierarchy, e.g., Finance Director asks one of the financial assistants to do a specific task which he may have been asked to do by the Managing Director'.
- (iii) This part of the question was satisfactorily answered. Many candidates could obtain one or two of the three marks on offer by referencing the 'tracking of money'. However, few candidates obtained three marks as again they failed to fully explain their answer. The more able did provide good responses, an example of which included 'This allows specialisation as the finance department only has to monitor the money coming into and out of CFLtd, therefore, it is able to tell the Board of Directors how much the company has to invest/arrange a loan'.

## Question 2

- (a) (i) This part of the question was satisfactorily answered. This was a 'standard' business organisation question and most candidates were able to obtain at least one or two of the four marks on offer by stating a correct advantage and/or correct disadvantage of being a plc. A common incorrect response included 'plc is government run'.

Correct responses obtaining four marks included an advantage for Britair plc is that it can sell shares on the stock market, thus it will be able to raise large funds for investment; hence, it may become more competitive'; 'a disadvantage is that because shares can be bought by anyone on the stock market it may be a target for a takeover'.

- (ii) This part of the question was well answered. Most candidates obtained either one or two of the marks on offer. Common responses included 'they are worried about their job/wage' for the employee; and 'creation of jobs/provide flights for them' for the public.

- (b) This part of the question was generally well answered with a variety of good responses provided. Most candidates obtained two of the four marks on offer. These included 'e-mail is quick and easy to send which saves time and money' for the advantage of using e-mail; and for the disadvantage 'You need e-mail addresses and not everyone has an e-mail address, therefore, breaking communication to its customers'.

- (c) This part of the question was poorly answered. This part of the question was targeted at the top end, but it was surprising that a high percentage of candidates did not obtain any marks as they simply did not attempt a response. Those who did respond tended to only give the negatives of trade unions, namely 'strike action'. In addition, many candidates answered from the employees' point of view and not Britair plc.

A good Level 2 response was rare but included 'a trade union may help improve communications between management and the employees as there will be constant meetings between the two. This could mean that they understand each other better which makes for a better working environment. However, some union's strike which means that Britair plc would not be able to have flights, which means it makes no money, therefore, decreasing profits. Overall, it is difficult to say whether unions will benefit Britair plc as we do not know whether the union it deals with is a strong union'.

- (d) (i) This part of the question was satisfactorily answered. Whilst the majority of candidates could obtain two of the four marks on offer by stating the meaning of a 'job description' and a 'job specification', few candidates could explain why Britair plc should produce both.

Full mark answers were rare but did include 'Britair plc should use a 'job description' as it shows what the worker will be doing, therefore, it should save time as only candidates truly interested will apply'. Regarding the 'person specification', 'Britair plc should use this as it outlines the qualifications and experience that the worker needs to be able to do the job, therefore, it should save time as only candidates who have the qualifications, etc., should apply'.

- (ii) This part of the question was satisfactorily answered. Candidates struggled to see whether each point in the 'recruitment process' was 'good' or 'bad' for the stated business. Most candidates were able to obtain marks within Level 1, namely one to three marks, by accurately noting whether some of the 'points' were either a positive or negative for the business involved. Few correctly identified two good and two bad points from the data provided. Candidates also found difficulty in explaining their selections, and it was surprising that so many thought it was 'good' to ask women about their future child care plans.

A rare but good Level 2 response included 'I think the recruitment process is silly. Whilst some parts are good such as asking the 'same questions' and 'short-listing five applicants' you can easily compare and remember the candidates, sending acceptance letters out two weeks later is far too long. The successful candidate may have found another job and then you may have to re-go through the whole process again which costs money/time. Also, having so many members of the finance department on the interview panel may cause differing opinions and some arguments especially if 'your' chosen person is not selected. Also, who would be doing any work when the interviews are taking place'.

A typical Level 1 answer was 'asking females about whether they are going to have a child, is clearly wrong as it is sex discrimination'.

- (iii) This part of the question was satisfactorily answered. Many candidates either obtained no marks or all four marks which suggests either specification coverage or time problem, or both. Many candidates did not offer a response.

Confusion between monetary and non-monetary methods of motivation was apparent; although those candidates who did get their examples correct often went on to achieve full marks. Good responses included for the 'money related' method of motivation 'give the employee a bonus as this will give the employees an incentive to work harder as they will receive not just their wage but also a bonus'. A good candidate response for the non-money related method of motivation included 'give the employees lots of praise as they will feel more valued and, thus, they are likely to work harder to please you'.

# Grade Thresholds

General Certificate of Secondary Education  
Business Studies (Specification Code J253)  
January 2010 Examination Series

## Unit Threshold Marks

Unit		Maximum Mark	A*	A	B	C	D	E	F	G	U
A291	Raw	60	51	46	41	36	30	24	18	12	0
	UMS	60	54	48	42	36	30	24	18	12	0
A292	Raw	60	54	48	42	36	30	24	18	12	0
	UMS	60	54	48	42	36	30	24	18	12	0

The total entry for the examination was:

A291 = 1002 candidates

A292 = 1570 candidates

For a description of how UMS marks are calculated see:

<http://www.ocr.org.uk/learners/ums/index.html>

Statistics are correct at the time of publication.

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