

OCR LEVELS 1 AND 2 CERTIFICATE FOR YOUNG ENTERPRISE

May 2012

General Comments

This was the second series of examinations for the new Qualification Credit Framework Young Enterprise qualifications at Levels 1, 2 and 3. The redeveloped Level 1 and Level 2 qualifications are now single unit qualifications which assess all the content that was previously assessed in two units. The newly developed Level 3 qualification follows the same format. The increased content of the examinations meant that they, again, had to be scheduled later in the year than used to be the case in order to allow time for full delivery prior to the assessment.

Level 1

General Comments

There was quite a variety in the quality of the answers provided. Many candidates coped reasonably well with the demands of the examination and some of them should really have been entered for the Level 2 examination. There was evidence, however, that some of the candidates lacked understanding of the technical language associated with operating a business. Some struggled in particular in Section 5 where the questions are based on Learning Outcome 5.

Comments on Individual Questions

Question 1

- (a)** Most candidates were able to give two reasons why it was a good idea for each applicant (for a director position) to say why they should be seriously considered for the position, such as, making the best use of appropriate skills, personal interests and experience.

- (b)** Many of the candidates were able to identify the methods used by their Young Enterprise company, but there were limited attempts to link this to the idea of matching people to specific job roles.

Question 2

A number of the candidates struggled with this question. They did not seem to appreciate the role of a managing director in using a casting vote when there was a tie and two candidates for the same position had received the same number of votes.

Question 3

The only possible answer to this question on mission statements was that companies had them 'to summarise the company's aims and values'. It was pleasing to see the majority of candidates got this correct.

Question 4

The majority of candidates were able to provide a reasonable description of how a business adviser could help a Young Enterprise company draw up a business plan, using their knowledge and experience to guide the company members in terms of what ought to be included in a business plan, such as the aims and objectives of the company.

Question 5

Most candidates were able to provide good answers on why market research can be important for a Young Enterprise company when deciding on a product, although a number of the responses failed to focus on **how important** this was likely to be.

Question 6

- (a) There were many very good answers to this part of the question. Candidates generally had a good idea why it would be beneficial for a company to have a bank account, for example, enabling company members to deposit money where it could be safely kept and to make it easier for company members to make payments.
- (b) The majority of candidates correctly identified that an overdraft was a form of credit.

Question 7

- (a) Most candidates were able to correctly identify two responsibilities of the Operations Department in a Young Enterprise company, although some candidates wrote generic answers about the work of a Young Enterprise company without focusing specifically on the work of the Operations Department.
- (b) Many candidates were able to produce good answers to this part of the question, focusing on the link between the work of an Operations Department and the achievement of specific objectives. Some candidates, however, failed to focus specifically on the work of an Operations Department, writing instead about the work of the company generally in meeting its objectives. This was a good example (as in part (a)) of the need for candidates to read the examination questions very carefully.

Question 8

This question required the candidates to explain one way that the Sales Department of Conti Entertainments could have been more successful than it was and most candidates were able to offer an explanation, such as, monitoring the rota system more effectively in order to ensure that all members turned up at the appropriate times. Some candidates, however, failed to appreciate that the question only required an explanation of **one** way, writing about a number of different ways in which the Sales Department could have been more successful.

Question 9

There were a number of good answers to this question, although some candidates failed to focus their explanation on **how well** their Young Enterprise company was promoted by its members.

Question 10

There were some good general responses about the winding up of a company, but not all candidates took sufficient account of the need to focus on the requirement to **plan** the winding up of the company **effectively**.

Question 11

- (a) The majority of the candidates were able to correctly calculate the value of YE Taxes that had to be paid by Conti Entertainments. The correct answer was £117.00 (£332.00 - £215.00).
- (b) This proved to be quite a difficult question for many candidates. The two taxes which a Young Enterprise company must pay are Corporation Tax and Value Added Tax.

Question 12

The majority of candidates were able to complete the sentence by the inclusion of legal (first space) and discuss (second space).

Question 13

Many of the answers to this question concentrated on the achievement of the aims and objectives of a Young Enterprise company, but relatively few developed this to focus on **why** it is important that a Young Enterprise company is successful in achieving these aims and objectives.

Question 14

- (a) Most candidates were able to describe one task which they had to perform in their Young Enterprise company, but many of the descriptions were rather limited and really needed to be developed more fully.
- (b) Again, most candidates were able to describe one skill which was involved in carrying out this task, but the descriptions were not always as detailed as they could have been. Unfortunately, some candidates offered a description of an innate quality or personal attribute, rather than an actual skill.
- (c) Most candidates made an attempt to offer an explanation of what they could have done differently in order to improve the outcome of the task, but many of these explanations were rather superficial and needed to be developed more fully.

Question 15

The majority of candidates were able to describe one contribution which Leroy made to Conti Entertainments, such as producing the posters accurately, but some did not realise that the question only asked for one contribution to be described and wrote instead about a number of contributions which Leroy had made to the Case Study company.

Question 16

The majority of candidates were able to write about teamwork in Conti Entertainments, but not all of them managed to focus sufficiently on the **effectiveness** of this teamwork.

Question 17

This question proved to be a difficult one for many candidates who were not always able to identify the differences between a private limited company and a public limited company. For example, the fact that a private limited company can only sell shares to friends and family, whereas a public limited company can sell them to a wider range of people through a stock exchange.

Question 18

A number of the responses to this question were rather descriptive, describing a variety of health and safety or other legislative concerns rather than really focusing on discussing the impact of such legislation on the activities of Young Enterprise companies.

Level 2

General Comments

The Level 2 specification has a greater focus on the application of knowledge to the Case Study company and on the demonstration of an understanding of the issues involved in running a Young Enterprise company than was previously the case. Candidates are expected to demonstrate an ability to reflect on their own performance, and that of others, as well as looking at the wider aspects of running a Young enterprise company. Candidates at this level are expected to be able to make qualitative judgements in order to access the higher marks and so it is important that they understand the type of response required to support comments on **how effective** and **how successful** an enterprise was.

The pre-release of the Case Study offers an opportunity for candidates to become familiar with the themes and issues raised. The responses from some candidates, however, suggested that they would have benefited from greater preparation in this respect.

Overall performance in the examination continued to be variable. There were a number of candidates who would have been more appropriately entered for the Level 1 qualification. There were, however, some very good answers and many candidates demonstrated a sound knowledge and understanding of what was required of them in the five sections of the examination paper. Some candidates, however, clearly struggled to answer some of the questions, particularly in Sections 4 and 5.

Comments on Individual Questions

Question 1

- (a) The majority of candidates were able to describe what is meant by a democratic election process, demonstrating a sound understanding of the term 'democratic'.
- (b) Many of the candidates were able to describe the democratic election process used in their Young Enterprise company to choose its directors, but this part of the question required candidates to go further by providing an explanation of **how well** the company used the process.

Question 2

Many of the candidates, unfortunately, were unable to describe the purpose of a Memorandum of Association, although some of them were able to point out that a Memorandum of Association, which related to the external relationship between a company and third parties, was a legal document which was required before a company could be legally established.

Question 3

Many of the candidates wrote essentially descriptive answers in relation to a variety of environmental issues, rather than offering an explanation of **how aware** their Young Enterprise company had been of such issues.

Question 4

There were a number of good answers to this question, with many candidates demonstrating a sound knowledge and understanding of the possible advantages and disadvantages to an enterprise of having a business plan. The better answers were well balanced in terms of both advantages and disadvantages, but some responses just dealt with one or the other.

Question 5

There were a number of rather descriptive answers to this question, with candidates simply offering a description of how their company had managed its finances, rather than focusing on **why** a company needed to manage its finances **effectively**. Relatively few candidates addressed the issue of **effectiveness** in a convincing manner.

Question 6

This question was answered very well by the majority of candidates. There was a relatively good attempt to offer a genuine evaluation of the success of Leroy, the IT Director of Conti Entertainments, and most candidates then provided a balanced consideration of his various successes and failures.

Question 7

Many of the candidates provided a description of teamwork in their Young Enterprise company, without always focusing on the issue of **how effective** it was. Some candidates, unfortunately, failed to focus on teamwork and offered a response which was more relevant to communication than to teamwork.

Question 8

There were a number of very good answers to this question. Candidates were able to recognise that a situation whereby a company replaced a director during the course of its operations offered both potential advantages and potential disadvantages. Many of the answers provided a genuine assessment of these, offering a balanced consideration of both perspectives.

Question 9

This proved to be quite a difficult question for some candidates who were unsure about the difference between gross profit and net profit. Many candidates, however, had a basic understanding of the difference and were able to explain why net profit, rather than gross profit, was a **more appropriate** measure of the success of a company.

Question 10

Many of the answers to this question were, unfortunately, rather limited. A number of candidates failed to pay sufficient attention to the reference to the Annual General Meeting and explained the role of shareholders in a company in only a very general way. In fact, some answers failed to make any reference to the Annual General Meeting at all.

Question 11

There were a number of very descriptive answers to this question, where candidates simply described a number of internal events rather than actually offering an **evaluation** of **how** these internal factors affected the **performance** of their Young Enterprise company. There was some confusion between internal and external factors; it is important that candidates recognise that Link Teachers and Business Advisors are examples of **external**, not internal, factors.

Question 12

There were some very good answers to this question. Many of the candidates made a genuine attempt to discuss the actions which Philip could have taken in order to make his contribution to the company more effective, although some of the answers were rather descriptive and did not really focus on the issue of **effectiveness**.

Question 13

Answers to this question varied a great deal. Many of the candidates simply offered a description of what they had accomplished in their Young Enterprise company, but some went further and did attempt to provide a worthwhile **evaluation** of how they had contributed to the **overall performance** of the company.

Question 14

A number of candidates simply offered a description of communication within their own Young Enterprise company and then another description of communication in Conti Entertainments, without really making the effort to link these together. Some candidates, however, did go much further and provided a coherent and explicit **comparison** of communication in the two companies.

Question 15

There were a number of very descriptive answers to this question, although, in some cases, the distinction between a private limited company and a partnership was somewhat confused. Some candidates, however, did make a genuine attempt to offer an assessment of the impact of such a change on Conti Entertainments, providing a balanced consideration of the likely effects.

Question 16

Many candidates demonstrated a basic knowledge and understanding of a number of health and safety issues, but relatively few candidates went further to provide a genuine evaluation of the possible impact of such legislation on a business venture. Those who did develop their answers in this way, however, were able to give a balanced consideration of the potential advantages and disadvantages of such legislation to a business venture.