

Applied Business

Advanced GCE A2 H426/H626

Advanced Subsidiary GCE AS H026/H226

Report on the Units

January 2010

H026/H226/MS/R/10J

OCR (Oxford Cambridge and RSA) is a leading UK awarding body, providing a wide range of qualifications to meet the needs of pupils of all ages and abilities. OCR qualifications include AS/A Levels, Diplomas, GCSEs, OCR Nationals, Functional Skills, Key Skills, Entry Level qualifications, NVQs and vocational qualifications in areas such as IT, business, languages, teaching/training, administration and secretarial skills.

It is also responsible for developing new specifications to meet national requirements and the needs of students and teachers. OCR is a not-for-profit organisation; any surplus made is invested back into the establishment to help towards the development of qualifications and support which keep pace with the changing needs of today's society.

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.

OCR will not enter into any discussion or correspondence in connection with this report.

© OCR 2010

Any enquiries about publications should be addressed to:

OCR Publications
PO Box 5050
Annesley
NOTTINGHAM
NG15 0DL

Telephone: 0870 770 6622
Facsimile: 01223 552610
E-mail: publications@ocr.org.uk

CONTENTS

Advanced GCE Applied Business (Double Award) (H626)

Advanced GCE Applied Business (H426)

Advanced Subsidiary GCE Applied Business (Double Award) (H226)

Advanced Subsidiary GCE Applied Business (H026)

REPORTS ON THE UNITS

Unit/Content	Page
Chief Examiner's Report	1
F242 Understanding the Business Environment	3
F243 The Impact of Customer	6
A/S Principal Moderator's Report	8
F248 Strategic decision-making	22
F256 Business Law	25
F257 Managing Risk in the Workplace	27
A2 Principal Moderator's Report	29
Grade Thresholds	43

Chief Examiner's Report

Reports by the Principal Moderator and Principal Examiners for the January 2010 series follow this report. It is important that these detailed reports are studied carefully by centres as they contain specific advice on how to prepare candidates for assessment in each and every unit of the qualification.

This session work seen, both portfolio and examination scripts, varied from having very limited relevance to the Specification to outstanding and exceptional work. The very best submissions showed an immense amount of effort on behalf of the candidate and centre alike. Sadly, sometimes such examples of good practice seemed to be restricted to one particular unit or assessor at a centre. Where this is the case a greater use of staff development within centre, to disseminate good practice on this qualification may be beneficial to staff and candidates alike.

Coursework issues:

It was pleasing to see that centres appear to have taken onboard the need to submit well structured pieces of coursework with many candidates using the sub-headings given in the specification to achieve this. This organised approach, coupled with the use of a contents page and page numbers facilitated the tracking of evidence that the unit demands.

Whilst the majority of centres continued to submit their portfolio via traditional postal channels, it was pleasing to see some centres use the OCR repository to upload portfolios electronically, minimising the time delays and the risk of loss. Whichever method is chosen it is important that where a centre has ten or fewer candidates entered for a particular unit the candidates' work, (and not just the corresponding MS1) is submitted to the moderating team by the MS1 deadline. In such circumstances centres should not wait for a request for the work to be sent to the Moderator as the entry is too small for sampling to be used and all portfolios need to be submitted.

Where a centre-issued assignment brief has been used by candidates it would be helpful if a copy could be submitted to the Moderator. Also, in units which require a presentation, witness statements should be provided to assist Moderators in agreeing centre-awarded marks. Detailed completion of the teacher comments section on the Unit Recording Sheet, justifying the marks awarded, and accurate annotation of the assessment criteria on candidate work, is time well spent. Such practice makes it more likely that the Moderator can agree the centre-awarded marks.

Once again centres are reminded that it is the responsibility of assessors to ensure the authenticity of the evidence submitted by candidates, this is especially important when work has been undertaken in groups. Work produced by a different group member cannot be submitted as the candidate's own work and does not constitute evidence of meeting the assessment criteria. Likewise pages downloaded from the internet do not constitute evidence in and of themselves because the candidate is unlikely to be the author of these pages. Internet printouts need to be referred to or used in some way in order to be acceptable as evidence.

Externally assessed units:

The nature of the Applied Business course requires that candidates apply their knowledge and understanding to the business context given to them on the examination paper. On both compulsory units (AS F242 and A2 F248) this business context is pre-issued to candidates in the form of a case-study. It is essential on these two papers that candidates are familiar with the scenario before they enter the examination hall. Candidates without this knowledge are at a significant disadvantage and it is important that re-sit candidates are not overlooked. On the

Report on the Units taken in January 2010

optional papers it is recommended that candidates have trialled past papers to acquire the skills of writing answers in scenario context in timed conditions.

Candidates continued to show a marked improvement in their handling of higher tariff, level of response assessed questions, on all papers. The vast majority of candidates now realise that a list of advantages and disadvantages (strengths or weaknesses) need to be developed and expanded upon and the implications or relevance to the business explained. This approach gave many candidates access to Level 3. It was also pleasing to see many candidates attempt an overall judgment or conclusion, seeking Level 4 marks. It should be noted however that for the award of Level 4 marks the comments made must be evaluative, not just a summary of the previous Level 3 analysis. A simple repetition of previous points made will not suffice as an evaluative response. Whilst candidates should always be encouraged to look back at the wording of the question set when composing their response to ensure that they are not moving off track, it is essential that they do so when writing their conclusion. The evaluative response should be a judgement (with fully justified reasoning) which directly links to the working of the question set.

Specific information for each unit is given in the following reports from the Principal Moderator and the Principal Examiners. Careful reading, taking action where appropriate, should lead to candidates being well prepared for assessment in future sessions of this Applied Business qualification.

Centres may also find the following sources of use to them in helping to build upon good practice:

- Principal Moderator's reports on previous series
- Individual Centre reports on moderation
- Past examination papers
- Principal Examiner reports on previous series
- Request for report on examination performance by Centre
- INSET offered by OCR
- Coursework consultancy service (OCR)
- E-Community – OCR website
- Exemplar assignments – OCR website
- Sample Schemes of work and lesson plans – OCR website
- AS exemplar CD – available from OCR publications
- Teacher Assignments for each unit – OCR website.

F242 Understanding the Business Environment

General comments

The case study was well-understood by most candidates who appeared well-prepared for the exam. Generally, candidates performed relatively well on the numerical and short answer questions. However, candidates are advised to make sure that their answers are accurate, reflecting the requirement of the question; and also care should be taken when inserting their answers, preferably on the line or space provided.

Levels 3 and 4 in the levels of response questions proved to be more inaccessible, resulting in candidates losing a significant number of marks. As in the previous session, few candidates attempted to evaluate in these questions so Level 4 was rarely awarded. Conclusions given were often repetition of previous Level 3 analyses and sometimes candidates failed to examine an issue from different points of view. There was also a tendency for many candidates to answer the levels of response questions theoretically, rather than applying their answers to HHO Ltd. Considering this examination was based on a pre-released case study, this was somewhat disappointing. On the whole, there is a need for candidates at this level to develop their answer technique in order to access the higher marks.

There were a few questions on which some candidates appeared to have misunderstood the rubric, thus losing marks which they might have scored if they had spent the time reading the question properly. Candidates are advised to make sure that they have fully understood a question before answering it. For longer, levels of response questions, it is good practice to keep referring to the questions to avoid losing focus.

Comments on individual questions

Most candidates attempted all of the questions, indicating that the time allocation was appropriate.

1(a) A straight forward question to start with and most candidates scored full marks. However, there was still a minority who linked cash-flow with profit and loss.

1(b) Most candidates were able to offer two valid ways for improving cash-flow. Specific methods were needed for marks to be awarded, so vague answers such as HHO should increase its inflow or decrease its outflow were not acceptable.

1(c)(i) This part of the question was well answered by most candidates who scored full marks. The majority showed good understanding of how a cash-flow forecast is completed. The most common error made was the working out of the sales revenue for June.

1(c)(ii) A good differentiation question on which about 50% of the candidates scored full marks. There was evidence of misinterpretation of the rubric as some candidates calculated the gross profit per hydrocycle instead of sales revenue. On the whole there was a general improvement in candidates' ability to calculate percentages.

1(d) Even though this question only required a Level 1 response, most candidates' answers were disappointing; only the more able candidates managed to identify two different reasons for why Gillian should be cautious with the figures on a cash-flow forecast. The most common reason identified was 'the figures are only predictions'. Some weaker candidates appeared to have misinterpreted the rubric and identified reasons for creating a cash-flow forecast instead.

Report on the Units taken in January 2010

1(e)(i) This part of the question tested candidates' ability to use data provided in a cash-flow forecast. It differentiated the more able candidates from the weaker ones who failed to understand what was required of them. The lack of basic numeracy skills was evident; a good proportion of candidates were unable to accurately round up their answers to two decimal places, thus losing one mark.

1(e)(ii) Another difficult question which differentiated well. A large number of candidates failed to recognise 'wages' as a fixed cost as shown on the cash-flow forecast and thus gave the wrong answer.

2(a) This was a straight forward question for most candidates, even though more should have scored full marks. Candidates should be discouraged from giving formulas or examples to answer a 'definition' question.

2(b) This was perhaps the most straight forward question on the paper and most candidates were awarded full marks. Fixed costs were evidently well understood by the majority of candidates at this level.

2(c) A good differentiation question which required candidates to extract and use the correct information in a cash-flow forecast in order to calculate the break-even point accurately. Only the more able candidates could work out the fixed cost accurately and scored full marks. The majority of candidates scored two marks for giving the formula and working out the unit contribution correctly. It was pleasing to see that most candidates showed their workings in the box provided.

2(d) While most candidates demonstrated a good understanding of break-even analysis, the weaker ones failed to analyse the usefulness of the tool in the context of HHO Ltd. In order to achieve Level 2, candidates were required to discuss how HHO Ltd could use break-even analysis in the production of the hydrocycles. Name-dropping HHO Ltd or Steve and Gillian was not sufficient for level two marks to be awarded. It was noted that very few candidates attempted to evaluate, even fewer managed to achieve Level 4. There were, however, some very good considerations of how break-even analysis could be used as a motivational tool. Few candidates considered the limitations of break even analysis.

3(a)(i) (ii) A very disappointing performance mainly due to poor numeracy skills. There was generally a lack of understanding amongst candidates at this level of how exchange rates are used. There were a large number of candidates who failed to accurately calculate their answers to two decimal places, as required by the question. Common mistakes such as 283.01 and 405.40 were not awarded marks, as it was felt that candidates at this level should be able to complete this process accurately.

3(b) This part of the question was even more poorly answered than question 3(a). There were a large number of no responses. Only the most able candidates scored full marks, and a small number of candidates managed to score one mark for calculating the difference. This part of the question, once again, indicated a low level of numeracy skills.

3(c) Despite the poor performance on question 3(a) and 3(b), a good proportion of candidates were able to analyse the effects of the fluctuation of exchange rates on HHO Ltd. Although there were quite a few candidates who evidently found the effects of the changing exchange rates on a business such as HHO Ltd difficult to comprehend, there were some excellent analyses from the more able candidates. This showed that most candidates were well-prepared for this topic. Level 4 proved to be inaccessible for the majority as candidates were required to analyse the effects of the fluctuating exchange rates on HHO Ltd as an exporter of goods, as well as an importer of materials from abroad. Some candidates offered solutions as to how HHO Ltd could reduce the impact of a weaker sterling on its business which was irrelevant and did not carry any marks.

4(a) While most candidates' responses indicated that they were well-prepared for this question, most failed to understand the question fully and suggested the ownership which HHO Ltd should set up in order to expand. There were still a good number of candidates who failed to distinguish the difference between private limited companies and public limited companies. Most candidates managed to analyse the impact of having limited liability on the shareholders, thus gaining seven marks. Most answers did not go further than that, thus Level 4 was again inaccessible. Candidates are advised to read level of response questions carefully before attempting them in order to ensure that their answers are relevant to the actual question asked.

4(b) The most common response was 'plcs can sell shares on the Stock Exchange'. Most candidates were unable to state any other differences between the two types of ownership. There were a lot of vague answers, ie 'easier to expand'. Candidates are advised to develop their answers to make sure that they can put their points across clearly, leaving no room for ambiguity; especially when they are required to compare and contrast. A common misconception was that the shareholders in a plc are able to share their ideas in the running of the business.

5(a) A straight forward question for most candidates who managed to score at least two marks. The most common answer was that 'the government offers HHO Ltd a grant'. This answer tended to be repeated as 'the government giving HHO Ltd a loan,' for which no further mark was awarded. A common misconception amongst candidates was that the government was able to raise prices on petrol, as opposed to raising taxes on petrol.

5(b) There was a misconception amongst some candidates that HHO Ltd's proposed expansion involved opening a new shop. This led some candidates to analyse issues which did not apply such as heavier traffic due to more customers. Some candidates also failed to recognise that it was a small scale expansion so HHO Ltd would not be able to improve local employment level significantly. Also, the provision of job opportunities was not a conflict, so it should not be discussed. On the whole, most candidates were able to explain the potential conflicts well, thus achieving Level 2. Level 3 proved to be inaccessible to most candidates.

6(a) A relatively straight forward question for accessing the higher marks provided the responses were in sufficient depth. The quality of response has improved from last series. There were fewer vague, one-word answers this time; eg. responses such as 'to expand', 'exchanges rates'.

6(b) This part of the question was well answered on the whole, indicating that most candidates understood that child labour could be acceptable and lawful in another country and it was not illegal for HHO Ltd to import goods involving child labour. Most candidates could distinguish between the law and ethics.

7(a) Apart from some inappropriate sources of finance being suggested by weaker candidates for stationery, most candidates were able to recommend different sources of finance appropriate for different purposes according to the amount of money needed. Most responses were relatively well-written and developed sufficiently for the expansion marks to be awarded.

7(b)(i) Most candidates were able to suggest at least one internal source of finance. This was a good differentiation question on which only the more able candidates could suggest two sources.

7(b)(ii) This part of the question appeared to have been more straight forward than part (i) with more candidates being awarded full marks. There were, however, still some vague answers, ie 'quick and easy' offered by weaker candidates, but on the whole it was well answered.

F243 The Impact of Customer

General comments

The responses from this low entry cohort were broadly similar to previous series.

The standard was reasonable for this level of paper having a spread of marks between 30s and 70s with the majority in the slightly narrower range of 40s to 60s.

Whilst A grade candidates were clearly able to maintain their focus on the questions presented to them, there remains the issue of the candidate either not reading, or not understanding the question that has been set. This observation continues from previous sessions and is exemplified in the comments for question 3b(i) below.

Candidates continue to offer the response 'keep customers happy' to many questions. This type of response does not show sufficient understanding and application of knowledge and centres should discourage the use of this response in future series.

With the exception of question 3b(i) most candidates were able to apply their knowledge and understanding of the syllabus to the case study, with the majority of candidates succeeding in answering AO1 and AO2 questions. The progression from AO2 to AO4 was as anticipated.

Centres are encouraged to support candidates in their ability to correctly identify and understand the requirements of the question components thereby enabling them to progress logically from comprehension through analysis to evaluation (where appropriate). When this logical progression is applied, with a focus on the question requirements, an improvement in overall grades should occur.

Comments on individual questions

1(a) Candidates generally answered this part of the question well, although there are still a few using the word 'happy' and some repetition of responses with weaker candidates.

1(b) Most candidates were able to identify issues from the case study; again weaker candidates duplicated their responses.

1(c) This question related to Gary's Party Box (GPB) becoming **more** focused and whilst many candidates reached Level 3 easily, weaker candidates did not answer the question using the comparative 'more focused' given in the question. There was some tendency to discuss **how** GPB could become customer focused, not **why** it should become more customer focused. Where analysis was present the trend was to consider either the positives or the negatives, not both.

2(a) Identification was generally very good but explanations tended to be weaker with a focus on the Act itself rather than how it applied to the case study. A common fault was the shortening of the act descriptor (Disability Act instead of Disability Discrimination Act).

2(b) Similar comment about terminology as above. Most notable was a common submission of Health and Safety Act and Data Act. This meant that candidates could not be awarded marks for a correct description.

2(c) The majority of candidates achieved good to very good marks. However the weaker candidates repeated the law which had been broken, rather than the implications whilst some, even stronger candidates, explained what would happen and not what the implications were. A good example of candidates not understanding the question.

Report on the Units taken in January 2010

2(d) Another example of a question where weaker candidates did not read the question correctly and answered in terms of business benefits, rather than explaining the effect on customer service. Analysis and evaluation was focused on **how to improve revenue/profits** and **not customer service**.

2(e) This was one of the better answered questions. Stronger candidates considered both positive **and** negatives in context.

3(a) This part of the question was generally well answered. Weaker candidates did not focus on a suggestion box as a research tool; they provided a response which could be applied to any research tool.

3(b)(i) This part of the question was not answered well and many candidates scored zero marks. Candidates did not relate their answers specifically to the method of a suggestion box but instead gave explanations which could relate to any method. A very good example of candidates not reading and understanding the question.

3(b)(ii) In comparison with 3(b)(i) this part of the question was answered well. Most candidates found at least one disadvantage.

3(c) A straightforward question which was generally well answered and allowed weaker candidates to gain marks.

3(d) Similar to above. Candidates should be realistic in their suggestions for a small business, as many suggested TV and magazine advertising which clearly would be unaffordable.

3(e) Many candidates achieved level 3 but weaker candidates seemed to lose the context of the case study (ie GPB had already moved and the advertisement was about its new location rather than just any general advertisement) and so only achieved low marks within the level. Those candidates who maintained the focus of their evaluation continued with an analytical development of their explanation resulting in a reasoned judgment.

A/S Principal Moderator's Report

The majority of centres which submitted work for this moderation session followed OCR procedures, adhered to set deadlines and accurately completed documentation which enabled the moderation process to progress smoothly. However, some Centres did not adhere to the 10 January deadline for the receipt of the completed MS1 by the allocated Moderator and failed to inform OCR or the Moderator of the delay. This did cause difficulty for Moderators in the scheduling of their work. Centres should also note that for entries of 10 candidates or less the portfolios should be sent straight to the Moderator with the MS1 forms. Centres should also note that it is their responsibility to forward MS1 forms and candidate work to the allocated Moderator by the set deadlines and, if a sample is required, it must be returned within **three** days of receiving the sample request. Centres should note that failure to meet such deadlines could delay the receipt of results for their candidates.

Centres must ensure that all sections of the Unit Recording Sheet have been completed accurately, including correct total marks for the unit, candidate number and Centre number, teacher comments and the location of evidence, in order to facilitate the moderation process. Centres must also ensure the marks on the MS1 form match the marks on the Unit Recording Sheet for each candidate and each unit. It is surprising how many don't!

Assessment

Many Assessors demonstrated good practice by annotating candidate work with assessment criteria references and by giving clear and constructive written feedback. The teacher comments section of the Unit Recording Sheet enabled Assessors to justify the marks awarded for each assessment objective. It was helpful when page numbers were included within the location section of the Unit Recording Sheet. Some Assessors failed to provide written comments or annotate candidate work. In these circumstances it was not clear to the Moderator how assessment decisions had been made. Without this information it becomes more difficult for the Moderator to confirm the marks awarded to the candidate.

Where assignments had been used, it was most helpful for copies to be submitted with the actual work. This gave a clear indication of the tasks which were given to candidates.

It is the responsibility of Assessors to ensure that each candidate has produced authentic/original evidence. A Centre Authentication Form for Coursework (CCS160) must be signed by the Assessor(s) and must accompany each unit submitted.

Candidates must ensure that any material used from the Internet is correctly attributed. Where material is taken directly from the source, candidates must supplement it with their own explanation, demonstrating their understanding. Where candidate work contains inaccuracies, Assessors should annotate the work to this effect, thus enhancing the candidate's own learning. This also indicates to the Moderator that the work has actually been assessed accurately.

Assessors are reminded that they should make direct reference to the unit specifications when writing assignments and seeking clarification of the type of evidence candidates' are required to include within their portfolios. When assessing candidate's work assessors should make reference to two documents. The performance descriptors which are found on pages 109-110 of the specification, and the assessment objective amplification grids which are located on pages 112-122 of the specification.

It was also noted that those Centres which had followed the assignments written by OCR had, on the whole, been able to better structure their candidates work enabling them to access the higher grades. The teaching and learning support materials can be downloaded from the website.

Unit 1: Creating a Marketing Proposal

The banner of the assessment evidence grid requires candidates to produce a marketing proposal to launch a new product or service. Some candidates are still failing to choose suitable products and are often merely trying to re-launch an established product. This ultimately results in candidates only changing, at best, two parts of an already established marketing mix. In some cases the product was actually currently available and the only modifications being specified were a new colour. Centres should check the suitability of candidates' proposed new products/services prior to them completing their initial research. This should help prevent candidates selecting products which are (a) unsuitable or (b) already available on the market.

Assessors are also required to use the witness statement supplied within the OCR specifications to justify the marks awarded for AO2. This is now located on pages 140-141 of the specification.

The banner states that candidates are required to investigate a medium to large sized business. However, it was noted that the majority of candidates who achieved the highest marks for this unit in previous moderation sessions had focused on small/medium sized businesses which were locally based. This enabled them to conduct relevant research which was used to good advantage throughout their delivery of AO2. These candidates also found it easier to develop their judgements as to the likely success of their marketing proposal.

On reflection, it is now felt that candidates could extend their investigations into smaller local businesses, as long as they are able to gain sufficient information in order to meet all the assessment objectives.

Assessment Objective One

This section, on the whole, was covered well by the majority of candidates sampled. Assessors must remember that this section does not need to be directly related to the selected business and mark band 3 marks can be achieved by the candidate who produces purely theoretical coverage which is considered to be clear and comprehensive. Candidates should be encouraged to use generic examples to help demonstrate breadth and depth of coverage of each section.

It was evident through this series that candidates had a much better understanding of the role functional areas play in supporting marketing activity. There was less evidence of candidates simply explaining the role of each department with no or little linkage to marketing.

Candidates often found the use of a made up scenario, for example the selected business is just about to launch a new product, helped them demonstrate a clear and comprehensive understanding of this section.

Candidates do appear to struggle with the concept of marketing objectives. Coverage of this section was often muddled with the general aims and objectives of a business. Candidates often explain the aims and objectives of their selected businesses under the heading of marketing objectives – which frequently they are not.

Candidates need to demonstrate that they understand marketing objectives are one of the techniques a business will use to achieve its overall aims. For example, the overall aim of a business might be to increase profit by 6% over the next six months. The marketing department would then be set the objective of running an advertising campaign during, say, July and August

in order to increase repeat custom of product X by 5%. Alongside this the production department would be set the objective of reducing wastage by 3% throughout the next six months. Both of these objectives would ultimately help the business achieve its initial aim of increasing profit by 6%.

The marketing mix was often covered in detail and fully explained with candidates demonstrating a clear and comprehensive understanding of this section of the assessment objective.

Candidates should be encouraged to use generic examples to demonstrate a clear and comprehensive understanding, enabling them easier access to mark band 3.

Assessment Objective Two

Candidates must include their presentation slides, prompt cards and, where appropriate, the notes used to accompany the presentation. As mentioned above, Assessors are required to complete the witness statement supplied by OCR. The more detailed this evidence is, the easier it is for the Moderator to agree the Centres' marks. It was a surprise to find that some candidates' portfolios still did not contain a witness statement or any other evidence to indicate that the presentation had actually taken place. It then becomes impossible for Moderators to agree the marks awarded for this assessment objective.

In order to achieve mark band 3, candidates' evidence must be clearly targeted to their selected customer and every section of their marketing proposal must be fully substantiated from both primary and secondary research.

Within their presentations, candidates must clearly state what their selected product is, how they will promote it, where they will sell it, and what price they will charge for it. These decisions must be supported by primary and secondary research. A lot of candidates lost marks because they merely stated what they 'might' do with no reference back to the research undertaken. An example would be –'I will charge 30-50p for my product '. The candidate makes no clear indication of how or why they have come to such a decision. Candidates are also required to change at least three parts of the marketing mix if they decide to develop a product which already has an established marketing mix. Often candidates who had decided to use Cadburys as their selected business just stated they would sponsor Coronation Street. This was often not even backed up with the current audience figures for this programme and, therefore, at best this can only achieve marks within mark band 1. It should also be noted that Cadburys no longer sponsor Coronation Street. Centres must remind candidates to fully research their proposed methods of promotion. For example if the candidate wishes to promote their new product in a magazine the candidate must state which one. Their decision should relate to who the target audience is for the magazine and also the readership numbers and where possible a link between potential costs and budget available.

A surprising number of candidates failed to investigate the competition as a method of justifying their marketing proposal.

A problem that occurred this series was centres had awarded candidates mark band 3 marks with the decision being supported by an extremely detailed witness statement. The witness statement implied each part of the marketing mix had been supported by primary and secondary research. Upon further investigation into the candidates work there was no evidence of this research and the candidate's evidence to support the presentation also lacked this information. It then becomes very difficult for the moderator to agree the marks awarded by the centre.

Assessment Objective Three

This assessment objective had a number of inherent problems. Candidates often failed to collect their primary research from the correct target audience. If the new product is aimed at people over the age of 19, the majority of the candidate's primary research should **not** be conducted within the 16-19 age range. Another problem was candidates who had collected vast amounts of secondary research which they then failed to analyse or use.

When analysing their data candidates must make reference to section 'Research in a market' on pages 15-16 of the specification. This clearly sets out the techniques candidates are expected to use in order to complete their statistical analysis. Particular attention is drawn to the fact that candidates are required to use the marketing tools SWOT and PEST. These should be used to draw together the candidate's research. Centres should also note that the Boston Matrix, Ansoff's Matrix and the product life cycle are **not** requirements of this unit.

Too often candidates' analysis simply involved the production of pie charts and graphs through the use of computer software and then a simple explanation which consisted of the terms 'the majority', 'most people', etc. This type of evidence can, at best, achieve the lower end of mark band 2. Candidates must be encouraged to analyse their research clearly, stating how it will inform the development of their marketing proposal.

Candidates must be aware that in order to achieve mark band 3 their suggested product, price, place and promotion must be supported through primary **and** secondary research.

Assessment Objective Four

Judgements on the potential success of the marketing proposal were often weak. They lacked the depth required to achieve mark band 3. In order to achieve the higher marks, candidates must consider their proposal making two sided judgements, considering both the possibility of success and failure. This was often lacking within the work of candidates seen at this stage. Candidates should be encouraged to consider the disadvantages and advantages, short term versus long term and the internal and external impact of their proposal on their selected business.

Within this section, candidates need to focus on all elements of their marketing proposal. For example, will the price set for the new product meet the needs of their potential consumers; will the suggested promotional campaign reach these people? Too often candidates just focus on the potential success of their product and forget the other three elements of the marketing mix. Candidates should make reference to the section 'How to judge potential success' found on page 17 of the specification.

Unit 2: Recruitment in the Workplace

This unit remains quite a logistical challenge for some Centres. There was evidence of very good practice, but at the other end of the scale very little evidence of candidates' own work. The best portfolios were based on jobs which were realistic for the candidate to apply for. For example, receptionists, clerical positions or part time jobs based in shops. Where inappropriate jobs had been chosen, potential applicants found it very difficult to complete application forms as they did not have the necessary qualifications for the position being interviewed. It was also rather disappointing to witness some candidates failing to take the role play situation seriously and completing application forms with inappropriate information. Centres attention is also drawn to the final paragraph under section headed 'The recruitment process', on page 19 of the specification. It states 'Please note: candidates will be assessed both on their ability to produce relevant and appropriate recruitment documentation specific to their chosen job role and recruitment documentation relevant to the post(s) advertised by their group peers'.

This unit, at times, remained a logistical challenge for the Moderators – often being unable to distinguish between original recruitment documents, candidates' own documents or those of the group. Centres must ensure that candidates clearly label each of their documents. They need to provide a road map for the Moderator – is this document one the candidate produced or the final one which was used by the group for the interviews? It is also recommended that candidates include copies of the original documentation of the selected business so that the Moderator can assess the degree of original and individual work.

Whilst candidates can work in groups to actually perform the interview, they are required to produce individual evidence that they have met the requirements of the assessment grid. This was not the case in some of the candidates' work sampled. There was still evidence of Candidate B designing the job advertisement, and Candidate C designing the person specification, etc. This is not acceptable. Under the sub-heading AO2 there is a flow diagram which illustrates the process candidates should follow if they are (a) working individually or (b) working in a group.

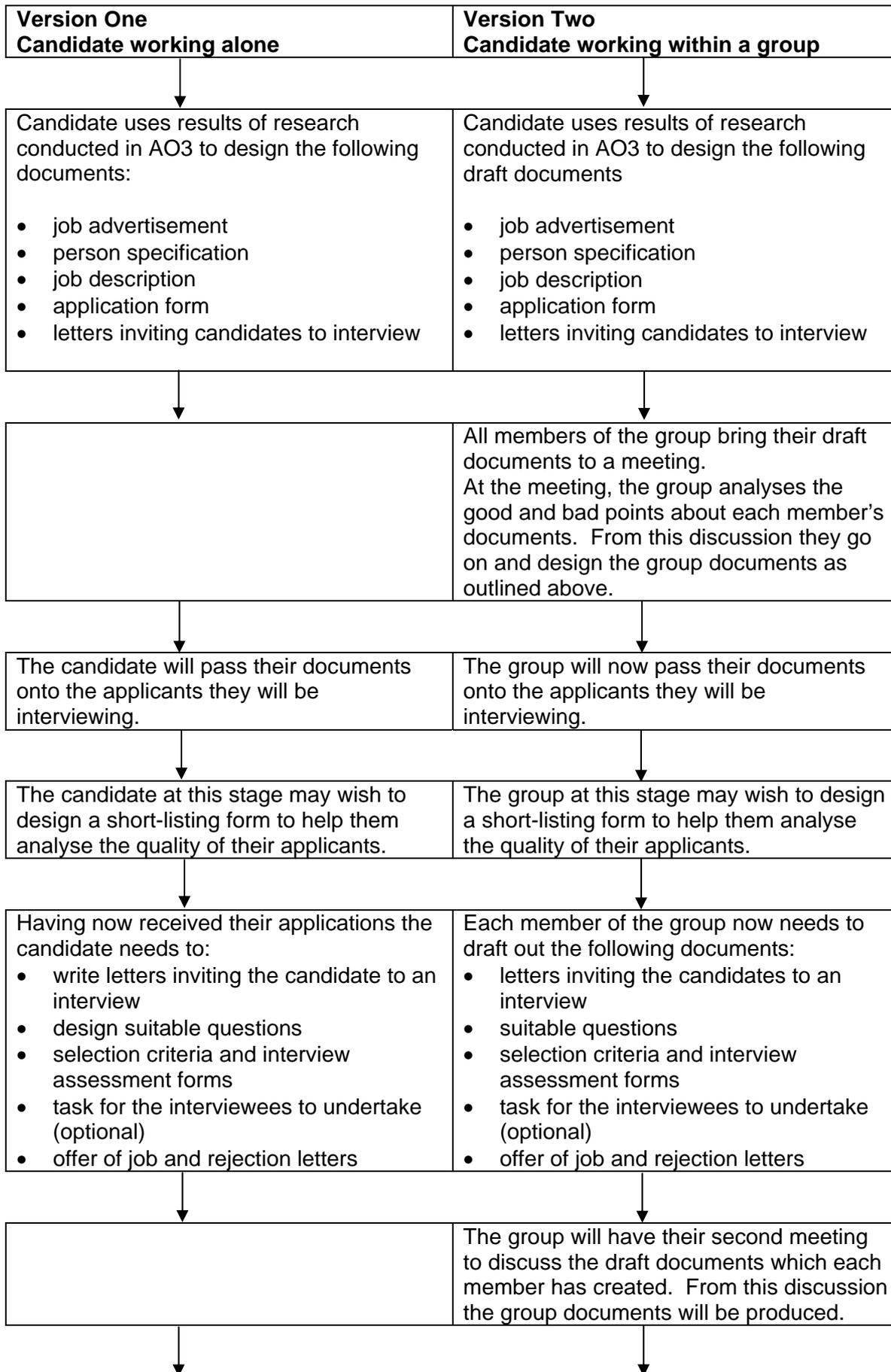
Assessment Objective One

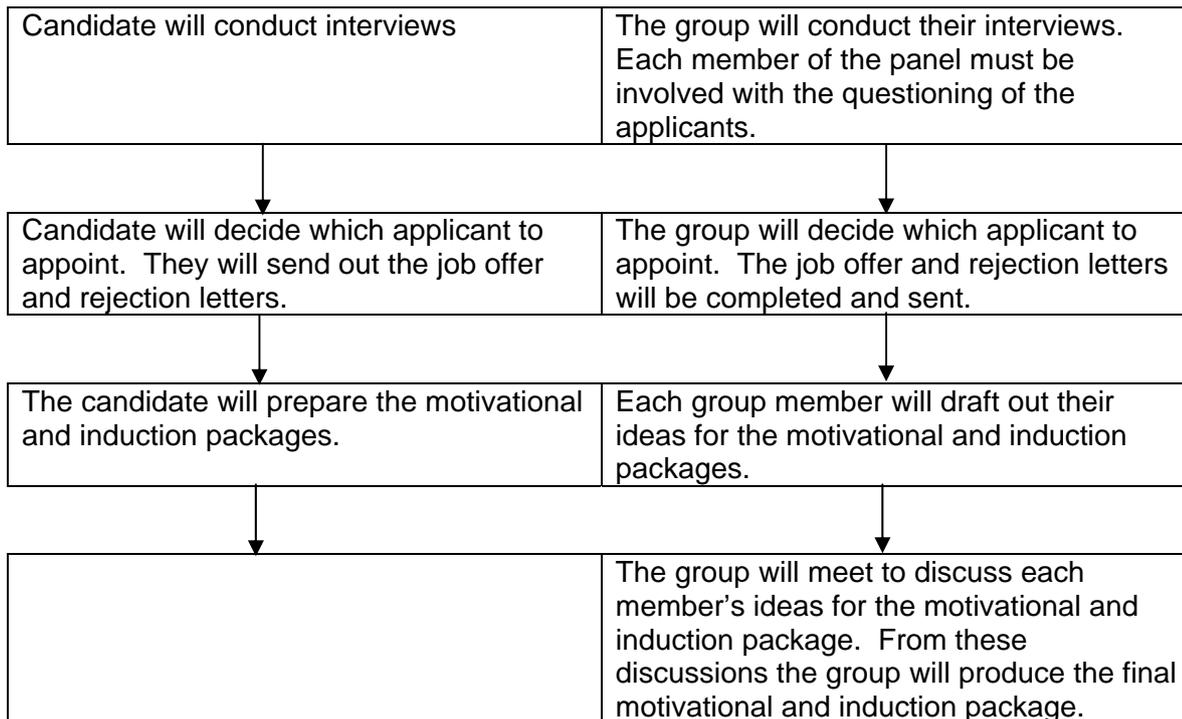
The majority of candidates sampled were able to produce a detailed description of the of 'The recruitment process' but coverage of 'The selection process' can often be patchy. Candidates do need to ensure they cover all of the required bullet points found within this section. Candidates' coverage of induction was patchy ranging from extremely detailed to pure identification of the topics which would be covered in an induction programme. Candidates' coverage of motivation should focus on section 'Employee motivation' found on page 20 of the specification. Candidates are only required to cover financial and non-financial motivators. Candidates do not need to cover motivational theorists. Coverage of the legal framework is still the section that gives centres the most problems. Centres should also note that in the new specification candidates are now required to cover The Employment Equality (Age) Regulations 2006. Candidates do not need to describe the acts. They are required to consider how each act would impact on their recruitment and selection process. For example when designing the job advertisement what factors would they have to consider – could they state Young Energetic Male required? If not why not – which acts would this statement breach? How will each act affect the way they run their interview – what do they have to consider when designing their questions? This area needs to be developed if candidates are to be awarded marks in the mark band 3 range. Centres should also note that theoretical coverage of the section 'Job roles', is not required.

Assessment Objective Two

This assessment objective assesses:

- the candidates' materials produced to recruit and select an individual – including job advertisement, person specification, job description, application form, letters inviting candidates to interview, interview selection documentation;
- the actual interview;
- the motivational package;
- the induction package;
- letters informing successful and non-successful candidates.





In order to aid the moderation process, each of the documents produced throughout the different stages must be clearly labelled within the candidate's assignment.

It is good practice to include a witness statement which identifies how the candidate conducted the interviews. This could be completed by peer observers. This evidence would also enable candidates to develop their AO4 evidence.

As stated above, candidates need to include copies of the recruitment documents they completed as part of their role as an interviewee.

Assessment Objective Three

A number of Centres still submit work where there is no evidence of research having taken place. Placing copies of other businesses' recruitment and selection documents in an appendix does not count as analysis.

In order to achieve this assessment objective, candidates need to collect at least two of the following documentation:

- job advertisements;
- person specifications;
- job descriptions;
- application forms;
- different types of letters – illustrating correct business layout and terminology;
- motivational packages (if possible);
- induction packages (if possible).

Having collected this evidence, candidates are then required to analyse each document identifying what they feel are its good and bad points and whether they conform to equal opportunity legislation. Candidates are then required to explain how this analysis has helped to inform the design of their own documents. This last stage is vital if candidates are to achieve

mark band 3. Sadly, it was often lacking in some of the assignments sampled throughout this moderation session.

Assessment Objective Four

The weaker candidates sampled often only made judgements about their own performance during the interview process and weak judgements concerning the documentation produced and its fitness for purpose. A new trend has seen candidates evaluating every document they produced considering its fitness for purpose. They then omit to cover the other bullet points found under section 'How to judge effectiveness' on page 21 of the specification. Very few candidates were able to consider the impact weaknesses within their recruitment and selection documentation would have on how the candidate performed at the interview. They made simple statements such as 'in our application form we did not leave enough room for the candidates to write their qualifications in'. They then failed to make a judgement about the possible impact this could have had on the interview process. Candidates must be reminded they need to consider how each of the bullet points would impact on the effectiveness of their recruitment and selection process.

Candidates are also encouraged to make reference to the section 'How to judge effectiveness' on page 21 of the specification which develops the areas candidates could consider when making judgements concerning effectiveness.

Unit 5: ICT Provision in a Business

In order for candidates to successfully complete this unit it is paramount that the correct business is selected. Where case studies had been selected they often lacked the detail necessary to allow candidates to achieve much more than mark band 1. Candidates were still selecting businesses which currently **use a substantial amount of ICT**. This meant that all candidates could recommend was upgrading or an additional piece of ICT software or hardware. This does not constitute an ICT proposal.

Whichever route is selected for this unit, a real business, or a case study, candidates need to be able to find out the information outlined below in order to compile a detailed assignment that could achieve top mark band 3 grades.

- What ICT provision does the business currently have?
- How is ICT currently used in the business? For example, if the business has a word processing package, which uses it and for what reason is it used. This information should also link into the different departments within the business and how they are currently making use of ICT.
- What does the business want to achieve by installing ICT? What different functions is the new package supposed to be able to perform? How does the business envisage it improving efficiency?
- An estimated budget and timescale for the project.

Candidates also need to introduce the business – what it does, how big it is, etc. This is vital scene setting not just for the candidate to consolidate ideas but for the Moderator who finally looks at the assignment.

Assessment Objective One

This was most successfully achieved when it was tackled as a theory only section. Candidates are required to demonstrate their theoretical understanding of sections 'How ICT is used by businesses', 'The forms ICT can take', 'Benefits/drawbacks of introducing ICT provision, and 'Contingency planning. These can be found on pages 30-31 of the specification. This will provide candidates with sufficient knowledge and understanding to develop their own ICT

package. Candidates should be encouraged to develop the section on how the different functional areas could use ICT. This would aid candidates when recommending software for their own ICT proposal. Generally, the coverage of software was weak in that it did not state how businesses might employ the various forms and what ultimate benefits it would/could bring to the businesses.

Assessment Objective Two

This assessment objective is achieved through a presentation. Candidates must include their presentation slides, prompt cards, and where appropriate, the notes used to accompany the presentation. Assessors must complete the witness statement supplied by OCR. This is found on page 142-143 of the specification. The more detailed the evidence produced by the candidates and assessor, the easier it is for the Moderator to agree the Centres' marks.

In order to achieve mark band 3, candidates' evidence must be clearly targeted to their selected business. The proposal must be fully substantiated from both their primary and secondary research. Candidates should have been able to clearly identify what their selected business hopes to achieve through the development of its ICT provision. This will then directly link to the hardware and software the candidate goes on to recommend during the presentation.

The ICT proposal must clearly outline both the hardware and software which is recommended, the reasons why the equipment and software have been recommended and the ultimate benefits and drawbacks the proposal will bring to the business. A lot of candidates sampled merely stated that they would recommend various different computers, printers and servers with no explanation of why. Candidates also recommended different software packages, again without any explanation of how and why they would/could be used by the business.

Assessment Objective Three

In order to achieve this assessment objective candidates are required to conduct a variety of primary research and secondary research. The first should focus on the business being investigated reflecting the points raised above. The second, where possible, should involve investigating a similar business to find out how it currently uses ICT and the benefits and drawbacks it brings to the business. Candidates may also find it useful to interview someone who has ICT expertise who could offer suggestions concerning suitable packages. Secondary research should focus on the different types of hardware and software which the candidate could recommend when they finally present their ICT proposal. This should include potential suppliers and the possible cost of the hardware and software being recommended.

Assessment Objective Four

Candidates should make reference to the section 'How to judge viability' on page 32 of the specification which provides a framework on which to develop the evaluation. In order to develop an evaluation beyond mark band 1, candidates must back up their statements making reference to their research conducted for AO3. This will only be possible if candidates have been able to conduct detailed primary research into the workings of the selected business. The last bullet point cannot be evidenced if the candidate fails to calculate the cost of their ICT proposal.

Unit 6: Running an Enterprise Activity

Generally candidates appeared to have chosen suitable enterprise activities in order to complete the unit, with quite a few Centres amalgamating the unit successfully with Young Enterprise.

A considerable number of assignments moderated had combined the coverage of AO1 and AO2. However, Centres are encouraged to ensure that candidates do demonstrate a clear and

comprehensive theoretical understanding of the concepts being assessed within this section before awarding mark band 3 for assessment objective one. One example of good practice seen was where a written explanation of each bullet point section had been supplied and then the candidate had gone on to explain how their group had dealt with each individual aspect. For example, candidates had explained why it was important to have meetings and keep records of agendas and minutes and then showed evidence of their own agendas and minutes.

Assessment Objective One

As already stated the highest marks were gained by those candidates who had covered sections 'Setting aims and objectives', Building and developing an effective team', 'Time management', Required resources', 'The need for regular meetings', and 'Possible constraints' in theory prior to applying the concepts to their own enterprise activity.

Assessment Objective Two

Candidates need to show clear evidence of how they have dealt with each of the sections listed in AO1. Candidates lost marks as they often failed to give sufficient detail of how they had dealt with these considerations when planning and running the profit-making enterprise activity. It was often obvious that the group had run a successful event, but the write up usually lacked sufficient detail to inform the Moderator of what had been happening. A particular weakness was the section 'Developing an effective team'. Many candidates had applied Belbin but failed to back up their statements. For example, they simply stated 'Jane is well organised.....'. This statement needs to be backed up with examples which clearly illustrate that Jane is a well organised person. Another weak area concerned required resources. Candidates failed to clearly identify and describe the exact resources which they would require to run their event.

Assessment Objective Three

Within the AS specification this is the only time that AO3 is completed after AO2. Whilst candidates may need to undertake some research and subsequent analysis in order to find out what would be the most suitable enterprise to run, this does not count towards their AO3 evidence.

In order to achieve AO3 candidates must follow the guidelines as specified in the section 'Research and analysis' on page 36 of the specification. Candidates are required to research and analyse different stakeholders' opinions of their enterprise. This should include:

- surveys with the participants who took part in the enterprise activity;
- questionnaires to other group members on how they felt the group interacted throughout the activity;
- analysis of their own strengths and weaknesses of their own contribution to the group activity;
- face to face discussion with a group member, getting them to analyse the strengths and weaknesses of the candidate's contribution to the group activity;
- discussions with other stakeholders, eg suppliers.

The majority of Centres had carried out the correct research as outlined above. However, having conducted the required research the written work was often descriptive rather than an analysis of the information. Candidates need to begin considering the impact of the results from their primary research on the future running of a similar event. This should help candidates develop their evidence for AO4.

Assessment Objective Four

It was all too common to see candidates having undertaken detailed research into different stakeholders' opinions to then fail to use any of this evidence when considering potential future changes to the enterprise activity.

Candidates are strongly recommended to make reference to the section 'Potential effects of future changes to the enterprise activity' on page 36 of the specification. Using the bullet points within this section, they then must make judgements backing up their suggestions using their analysis conducted in AO3.

Unit 7: Financial Providers and Products

Centres are now able to choose between a number of different case studies in order to complete this unit. Using the information contained within any of the case studies, candidates are required to produce two financial packages. Centres must be aware that if a loan is required for the selected business, candidates must at least try and research the cost of a business loan rather than a personal loan. If the information for a business loan is not accessible, candidates must explain why they have had to use figures quoted for personal loans. Due to the very fast pace of change in the current financial markets centres are advised to date candidates work so that the moderator is aware when the research was conducted.

AO4 is still proving problematic for Centres. It is the responsibility of the Centre to supply candidates with a suitable and realistic change of circumstance for the business and the individuals involved within the case study being used.

Assessment Objective One

The candidates who achieved mark band 3 for this assessment objective usually covered this as a purely theoretical exercise. Tackling the assignment in this fashion allows candidates to demonstrate their understanding of the financial services market and all the products and providers which are currently available in the market. Candidates are required to demonstrate an understanding of all the bullet points outlined in sections 'Customers of financial services', 'Financial service providers and products and 'Constraints affecting the provision of financial services' found on pages 37-40 of the specification.

Assessment Objective Two

In order to achieve this assessment objective, candidates must produce two separate financial packages – one which meets the personal financial needs as outlined in the case study and one that meets the needs of the business. Within each financial package, candidates must recommend one product and provider rather than making general statements. For example, 'Lilly could get her mortgage from the Halifax or HSBC'. Candidate must clearly state which financial provider they recommend and why.

In order to access the higher mark band 3 marks, candidates should be quoting figures for the financial products being recommend. This should then lead into a costing statement which illustrates if the recommended packages are actually affordable.

Assessment Objective Three

This assessment objective is the research the candidate needs to undertake in order to recommend suitable financial packages. Candidates are required to research a number of different financial providers and packages and analyse their findings. Candidates should consider affordability and also constraints as outlined in the section headed 'Constraints affecting the provision of financial services on page 39 of the specification. Candidate's

recommendations in AO2 should be clearly linked to their analysis conducted within AO3. Most candidates only base their analysis of the different products on the potential cost of each product. They appear to spend very little time reading the 'small print' and making informed decisions which product would actually best suit the needs of their client. Cost is often not the only criteria that is or should be used when making financial decisions.

Assessment Objective Four

In order to achieve this assessment objective, Centres need to supply the candidates with a future change in circumstance(s) for both the individual and business described within the case study. The recommended change should reflect what could possibly happen within a five to ten year period. Candidates are then required to consider if the financial package they have recommended in AO2 will be able to meet these new financial needs. Candidates are not required to undertake any further research or come up with alternative financial packages.

General Points on McCoy's Precision Engineering Ltd

Business – the case study clearly identifies that MPEL is suffering from serious cash-flow problems. The business is obviously profitable but without liquid funds it will soon become insolvent. Candidate's main investigations should focus on the possibility of debt factoring. Candidates should be able to explain how debt factoring would work and the advantages and disadvantages this would have on the business. A loan could be considered but generally this would just increase outgoings rather than address the immediate problems of MPEL. If a loan is recommended candidates must also consider how the business could improve its overall credit control in order to collect its outstanding debts.

Candidates wishing to achieve mark band 3 for AO2 and AO3 should be able to give detailed estimates of the actual cost of debt factoring.

Jim's Individual Needs – the case study clearly identifies the products that need investigating in order to help Jim resolve his own financial problems. Candidates should consider consolidating his credit card debts with a personal loan which should attract a lower rate of interest. The loan could also include the £3,000 needed to take his parents to Australia. Travel insurance is another product that will be required. This might be quite expensive given the age of his parents. Due to the recent economic down turn and decrease in mortgage rates it may be difficult for candidates to improve on his mortgage payments. However, candidates should be encouraged to investigate mortgage providers if only to prove that his current repayments cannot be beaten in today's economic climate.

General Points on 'Dustless'

Business – the case study clearly outlines that Colin will need to consider every aspect of starting up a new business venture independently. He might need to investigate a small bank loan in order to cover his start up costs. Candidates must investigate business loans and not personal loans. He will need to consider the best banking arrangements for the business. Colin will also need to investigate the type and cost of insurance he will need for the business.

Colin's individual needs – the first part of this is to consider how much money Colin would need to live and if the potential earnings from 'Dustless' will be sufficient. Colin will then have to investigate different banking opportunities. The first decision needs to be which financial institution would be the best one to invest his student loan in. He will also need to consider if he wants an overdraft, a credit card as well as a debit card. A further angle might be savings schemes and personal insurance.

There is no right solution to any of the stimulus material – rather one is interested in tracking the thought process of the candidate as they progress through the unit – looking into the needs of both business and individual, investigating the financial services market and suggesting a suitable outcome for each context. Candidates may, through their investigations, suggest that certain financial products are inappropriate, given the financial circumstances of the individual and the selected business. This approach is perfectly acceptable as long as the rationale is provided by the candidate as to why certain assumptions have been made in relation to the stimulus material.

Unit 8: Understanding Production in Business

In order to achieve this unit, candidates' need to produce a report which illustrates how a business produces a particular item. Candidates do need to have undertaken a visit to a production company in order to successfully complete this unit.

Generally, the candidates sampled had undertaken a wide range of research and visited a varied number of production businesses.

If the Centre is able to establish a good link with a production business, this unit is relatively easy to complete. However, Assessors must consider the demands of the specification prior to arranging a visit. If the potential company is unwilling to provide the information required candidates are 'set up' to fail from the beginning. OCR realises that it is difficult to obtain all of the figures in order to evidence the section 'Operational efficiency', and, therefore, some realistic 'made up' figures could be substituted. Candidates should be able to obtain the remainder of the information required to complete the unit. Special attention should be given to the information available on stock control, quality control and health and safety. Prior to the visit the Assessor must ask themselves are the candidates going to be able to collect sufficient information in order for them to complete the unit?

The majority of the candidates sampled tackled the unit in the same way combining AO1, AO2 and AO3.

Assessment Objective One

In order to achieve this assessment objective, candidates need to clearly explain their theoretical understanding of the role of the production functional area, its interaction with other departments and different aspects relating to production, including operational efficiency, organising production, ensuring quality, stock control and health and safety. The theory section was generally covered well and in detail by the majority of candidates.

Assessment Objective Two

The usual practice was for candidates to apply their understanding of each section directly below their theoretical coverage. On the whole the higher achieving candidates did this extremely well. The lower ability candidates' work tended to be more theoretical with a lack of application to the selected business. The major area of weakness was the section on operational efficiency. Candidates who had participated in an 'unsuccessful' visit were often unable to apply each section to their selected business due to the lack of information available. This had the effect of dramatically reducing their mark for this section of the unit. Candidates' coverage of stock control and health and safety is also often found to lack depth of application.

Assessment Objective Three

Candidates achieve this assessment objective through their development of AO2. Those candidates who took detailed notes throughout their visit/tour should be able to develop AO2 to mark band 3 and also score highly for this assessment objective. It is also useful if candidates

Report on the Units taken in January 2010

include their notes from the visit and records of questions asked in order to support the mark awarded for this section.

Assessment Objective Four

This assessment objective pulls the whole unit together by assessing the candidate's ideas on how the different sections investigated could be improved. It is once again recommended that candidates should be guided by the bullet points as outlined in the section 'Potential production improvements' found on pages 43-44 of the specification. The higher scoring candidates do need to make clear reference to their initial research into the production process when making judgements.

F248 Strategic decision-making

General Comments

It has been pleasing to see a considerable improvement in candidate responses to the numerical questions in this Unit this session. Centres appear to have heeded previous advice and concentrated on these areas of the Specification to good effect. Unlike previous sessions, almost all candidates attempted all numerical questions - the decision tree, NPV and performance indicator calculations - and most achieved at least half marks.

Despite this much improved performance with the accuracy of calculations there appears to be little, if any, improvement in the understanding of the concepts behind the calculations. Furthermore, responses to questions relating to the appraisal of the numerical tools were in many cases alarmingly weak. It is essential that having taught candidates to perform the necessary quantitative calculations that candidates are given the skills required to understand the results and understand the strengths and weaknesses of the specific tool being used.

On the high tariff questions most candidates showed at least some analytical/evaluative skill, indicating that good examination technique is now being delivered in the majority of Centres. Sadly these were not always rewardable because the arguments were either incorrect or did not answer the question set. It was, however, pleasing to see very few Level 1 responses to these questions this session, with candidates appearing to have a good grasp of both the case study, and the need to use it in their answers.

Comments on Individual Questions

1(a) This part of the question was generally well answered by candidates. Those candidates who did not achieve marks on this question tended to confuse 'business aim' with 'business objective'.

1(b) The majority of candidates scored full marks on this part of the question. The most common answers were employees, suppliers and the local community. Those who did not achieve full marks tended to give a repetitive answer eg two different types of customer.

1(c) Despite being clearly indicated in the case study that Stewart and Mary had strong environmental and ethical beliefs very few candidates were able to explain why this might be a benefit to stakeholders. Examiners were looking for any one specific benefit (eg better working conditions for employees or less pollution in the local community) but very few such answers were seen.

2(a) Candidates appeared to understand that absenteeism related to time off work, but most referred to the 'level of absenteeism' rather than 'rate of absenteeism' and therefore scored only one of the available two marks. Whereas the level of absenteeism would refer to the number of days taken off by staff, the rate refers to a comparison with the total available work days, usually calculated as a percentage.

2(b)(i) and (ii) The formulae were given to candidates and the calculation was performed correctly by most. Some indicated that the answer related to 'days' rather than being a percentage.

Report on the Units taken in January 2010

2(c) The best answers here indicated an aspect of Natracleanse (eg flexible work patterns), the corresponding response from employees (eg happier employees), and then linked the answer back to the performance indicator (eg more likely to come into work).

3(a) Candidates appeared to have a good grasp of the purpose of contingency planning and were able to articulate this well. Planning for the unexpected in order to deal with situations as quickly and efficiently as possible was the most common argument seen and scored full marks.

3(b) Disappointingly many candidates who scored full marks in question 3(a) could not give actual two steps in creating a comprehensive contingency plan. Answers were either not steps or related to specific contingency plans rather than a comprehensive plan. The best answers surrounded the identification of risks, the establishing of solutions and staff training in case such eventualities ever arose.

4(a) Much improved from previous sessions. Candidates appeared clear where to insert their answers and many achieved full marks. The vast majority of candidates accurately completed the first stage (scoring a minimum of six out of 10 marks). The most common error was to deal incorrectly with the positive and negative signs at the second stage. Candidates need to be advised that the expected outcomes of an option for success/failure may be positive or negative. Those who spotted that Option 2 had a positive expected outcome be it a success or failure used this knowledge to good effect in their answer to question 7(d).

4(b) Despite much better responses to question 3(c) this part of the question was very poorly answered. Candidate responses must relate specifically to the weaknesses of decision trees as a strategic decision-making tool rather than the weaknesses of all strategic decision-making. Therefore, answers such as 'the figures are only estimates' are too vague. Candidates need to be specific, eg. 'probabilities of success/failure are difficult to judge accurately'.

5(a) and (b) Again, pleasing answers to part (a) showing the ability to calculate NPV but part (b) revealed a wealth of misunderstanding of the concept itself. Candidates referred to price discounts and new year sales, Zeeta being able to choose whether to take the 5% or 10% option, and telling Zeeta when her investment will be paid back. All of these answers showed a fundamental misunderstanding of NPV. The best responses began by indicating that it was an investment appraisal method that adjusted for the passage of time and the consequent changes in the value of money.

6(a) Candidates wrote at length and appeared to find this part of the question very accessible. The most common answer was advertising and, unless TV advertising was chosen, was invariably developed to six marks. Sadly, however, many limited themselves to three marks by explaining two different types of advertising whereas the question asked for two promotional methods ie two from advertising, sales promotion, sponsorship and public relations.

6(b) This part of the question was generally well answered. Those candidates who failed to score gave a general impact to Natracleanse (eg increased profit) rather than an impact on Natracleanse's public image (eg they would look more environmentally friendly).

6(c) Candidates were able to identify several staffing issues, most commonly redundancy, training, and motivation. Many analysed these successfully, particularly in terms of financial cost, time implications and affects on absenteeism, labour turnover and productivity. Few attempted any form of evaluation, and of those that did most produced an argument that did not answer the question set. Evaluations relating to should Stewart and Mary take Option 3 did not answer the question. On the other hand, evaluations which judged which staffing issue would be the most problematic or used short term pain for long run gain arguments scored highly.

7(a) and (b) Candidates seemed comfortable with Ansoff's Matrix and answered well.

Report on the Units taken in January 2010

7(c) Candidates appeared unclear as to the nature of qualitative information, often referring to it as 'information in writing'. Given this misunderstanding it was difficult for them to accurately distinguish between qualitative and quantitative information. Many achieved one mark for stating that qualitative information concerned numbers.

7(d) Notwithstanding candidate's lack of clarity in question 7(c) they performed reasonably well on this part of the question. Most analysed the advantages and disadvantages of each option and reached an evaluative conclusion. Qualitative data was frequently quoted and analysed whereas quantitative data was frequently quoted but seldom analysed. Top marks on this question required analysis of both qualitative and quantitative information to reach a decision and, therefore, the top marks eluded many a candidate.

F256 Business Law

General Comments

Candidates appeared to find the context of the mining museum very accessible and higher tariff (level of response marked) questions posed little problem to candidates this session. Candidates almost invariably framed their responses in the specific context of the mining museum and at least attempted some degree of analysis/evaluation. It was pleasing that Centres have emphasised the need for good examination technique, especially the production of two-sided arguments and consequent weighing up.

On the other hand, many of the shorter questions covering specific areas of law showed major gaps in candidates' knowledge and understanding. Areas such as company documentation (the content of the Memorandum and Articles of Association), common law duties (of employers and employees), the Insolvency Act (main provisions) and the putting of a company into administration (the process and purpose) proved weak in many candidates.

To achieve a top grade in this Unit, candidates must not only be able to analyse and evaluate a business' legal position from given information but also show an accurate understanding of the wide range of legal concepts covered by this Unit. Centres need to ensure that all areas covered by the specification are included in their schemes of work and that candidates have the opportunity to revisit each legal concept several times whilst studying for this Unit.

Comments on Individual Questions

1(a) (i) and (ii) Despite questions being frequently set on the content of the Memorandum and Articles of Association these two part questions were still poorly answered. The most common misunderstandings were confusing the two documents, ie. writing about the contents of the Articles in (i) and the Memorandum in (ii) or confusing this company start up documentation with that frequently used by partnerships ie Deed of Partnership.

1(b) This part of the question was generally well answered. The most common answers being tax benefits and the ability to raise additional funding via government grants or public donations.

1c (i) and (ii) Most candidates were able to explain the meaning of limited liability; few, however, grasped that expansion increases the risks of business failure making the protection of limited liability more important to the shareholders of the museum.

1(d) The best answers to this part of the question stated the benefits and drawbacks of both ltds and plcs, analysed these benefits/drawbacks as applicable to MH Ltd and made an overall decision based on the specific benefits to MH Ltd, eg. the shareholders are passionate about mining and would not want to lose control to shareholders of a plc with may not care about preserving the national heritage but instead drive the business forward based on the desire for high profits and return on investment.

2(a) There were many pleasing answers to this part of the question, Candidates appeared to have a good grasp of the Minimum Wage Act and its implications for employers. Those who scored poorly on this question answered from Zara's, rather than MH Ltd's, perspective.

Report on the Units taken in January 2010

2(b) The responses to this part of the question were much improved from previous sessions. Most candidates could give three elements and accurately explain them. The understanding of the element of consideration caused the most confusion with an alarming number of candidates still believing that consideration (in the context of contract law) relates to thinking carefully before entering a contract.

2(c) (i) The majority of candidates were able to give an appropriate express term, the most common being the delivery date or cost of the sweets.

2(c)(ii) There were some pleasing responses to this part of the question. Most candidates were able to give one of the three basic provisions of the Sale and Supply of Goods Act - fit for purpose, satisfactory quality, as described. The most common error amongst candidates who failed to score was to confuse this Act with the Consumer Protection Act and write about matters of safety.

2(d) The answers to this part of the question much improved from previous sessions. Most candidates were able to give three stages in the creation of an Act of Parliament (scoring three of the available six marks). Those who were able to go on and explain each stage were rewarded with full marks.

2(e) Candidates found much to write about and tended to score highly on this part of the question. Weaker responses tended to be one-sided, emphasising the shortcomings of MH Ltd without considering the liability of the manufacturer or the mother. Good answers pointed out that this appeared to be a one-off complaint, that there was no proof of the existence of glass and that Zara could not break the seal on a food product to check the contents and did act promptly by taking the sweets off sale as soon as she was alerted to a potential problem.

3(a) (i) and (ii) Responses to this part of the question were disappointing. Many candidates stated duties, but ones given by statute rather than common law. Frequent answers were giving employees the minimum wage (this is covered by The Minimum Wage Act and as such is statute law) and employees taking adequate breaks (this is covered in the Working Time Directive and as such is not common law legislation). Answers must be duties given by common law, eg. employers must pay employees and employees must work with reasonable skill and reasonable care. Of those candidates who did identify duties under common law, few actually explained these duties, scoring just half marks.

3(b) This part of the question was well answered by the majority of candidates. Where full marks were not scored, answers tended to be of a repetitive nature.

3(c) A pleasing degree of analysis shown by a wide range of candidates on this part of the question. Disappointingly, few attempted an evaluative conclusion limiting their marks.

4(a) Very few candidates appeared to understand the difference between a company going into administration and voluntary liquidation, making it very difficult for them to answer this question correctly. The best answers were centred round the fact that in administration the mine would be able to continue trading and thereby preserve its heritage for future generations.

4(b) Whilst some candidates showed knowledge of the Insolvency Act, few were able to apply it to the benefit to creditors when a company is in administration. Many candidates incorrectly wrote about the benefit to the miners (the shareholders) instead of the creditors.

4(c) Almost half of the candidates wrote about the steps involved in winding up a company through voluntary/compulsory liquidation rather than the steps involved in putting a company into administration to save the firm. Consequently many wrote at length but scored few marks.

F257 Managing Risk in the Workplace

General Comments

The entry number of candidates was significantly lower than in previous sessions (70% less). As such, the spread of marks is narrower. It was pleasing to see that, yet again, Centres are teaching candidates to analyse longer questions effectively.

Comments on Individual Questions

1(a) Most candidates scored full mark on this part of the question.

1(b) This part of the question was answered well by most candidates. Identification of hazards which could exist in PSA was easily achieved and most candidates understood that in order to achieve development marks, they had to explain how these hazards could affect various stakeholders in the business.

1(c) Most candidates identified the main features of the HASAW.

1(d) This was a question which differentiated A and B grade candidates from others. Such candidates clearly understood that the nature of the question required them to discuss how PSA could use on-the-job training in the workplace. Common mistakes were to discuss the advantages of on-the-job training in the context of PSA, not how it could be integrated.

1(e) This part of the question was poorly answered by most candidates. It was common to misinterpret the nature of the question in terms of the fact that it required candidates to explain problems of and not of minimising risk. The key was to expand on problems, rather than consequences.

2(a) This part of the question was clearly differentiated A and B candidates from others. They were able to identify (and develop in context) the different duties of care each stakeholder had, without repetition.

2(b)(i) The majority of candidates were able to answer this part of the question, gaining the full two marks. The question only asked what was meant by a 'risk assessment', rather than a definition.

2(b)(ii) The majority of candidates answered this part of the question, gaining the full three marks.

2(b)(iii) A good question to differentiate the A and B candidates from others. Common mistakes included stating that a risk assessment would have "identified a spillage on the floor" and "recognised that David needed to be supervised more closely". Successful answers recognised issues such as the car jack being old and that the weight of the car was inappropriate.

2(c) Of the level of response questions, this question was possibly the most difficult. Sadly it appears that candidates still do not fully understand the nature and purpose of a contingency plan. Too few candidates reached higher Level 3 or 4, with many attaining Level 2.

3(a) It is pleasing to see that Centres are preparing candidates well in terms of their understanding of strategic risk. Most candidates achieved full marks.

Report on the Units taken in January 2010

3(b) Of all the levels questions, this was answered the best. Most candidates understood that there are advantages and disadvantages to be had by diversifying into a new market. As a result, those A and B candidates could easily achieve top Level 3 marks. Unfortunately, Level 4 still eludes many candidates in terms of evaluating the degree of strategic risk which a diversification presents. Too many candidates just stated it was “risky” and hence did not get awarded Level 4.

4(a) A definitions question, which again, if revised was answered accurately.

4(b) A good question for differentiating A and B candidates. The question asked candidates to consider the “running of the business” which effectively meant the daily activities of PSA (ie a slowdown in production, orders not being processed, disgruntled customers, stressful environment).

4(c) Clearly if they had revised, candidates had little trouble identifying the alternative forms of industrial action available to workers. The full three marks were often awarded.

4(d) Unlike question 1(e), this part of the question was, on-the-whole, well answered by the majority of candidates. Consequences of not managing risk appear to be easier to identify and develop as they encompass most negative scenarios (both short and longer term). Many candidates achieved the full six marks.

4(e) This part of the question clearly differentiated between candidates. Those who understood the implications (both positive and negative) associated with better organisation of the staff at PSA, easily gained higher Level 3. Sadly, many candidates still appear ill-prepared for the implications for the business and what it means if you have a better organised workforce over a period of time. Many answers merely listed the benefits of better organisation in brief and focused on what the business must do to have better organisation. In addition, many candidates still do not appear to be able to look at the two-sided argument and evaluate whether a better organised workforce does actually benefit a business such as PSA. Level 4 was rarely achieved.

A2 Principal Moderator's Report

The majority of the Centres which submitted work for this moderation session followed OCR procedures, adhered to set deadlines and accurately completed documentation which enabled the moderation process to progress smoothly. However, some Centres did not adhere to the 10 January deadline for the receipt of the completed MS1 by the allocated Moderator and failed to inform OCR or the Moderator of the delay. This did cause difficulty for Moderators in the scheduling of their work. Centres should note that it is their responsibility to forward MS1 forms and candidate work to the allocated Moderator by the set deadlines, eg the sample must be returned within **three** days of receiving the sample request. It was noted that some Centres were taking up to a further 10 days to send the requested assignments to their Moderator. Centres should note that any failure to meet such deadlines could delay the receipt of results for their candidates.

Where there are 10 or fewer candidates for any unit, Centres are required to send the candidate portfolios with the MS1 forms to the Moderator by 10 January.

Centres must ensure that all sections of the Unit Recording Sheet have been completed accurately, including correct total marks for the unit, candidate number and Centre number, teacher comments and location of evidence, in order to facilitate the moderation process. This information helps moderators understand the rationale behind the marks awarded for each assessment objective. Centres must also ensure the marks on the MS1 form match the marks on the Unit Recording Sheet for each candidate and each unit it is surprising how often they don't!

Assessment

Many Assessors demonstrated good practice by annotating candidate work with assessment criteria references and by giving clear and constructive written feedback. The teacher comments section of the Unit Recording Sheet enabled Assessors to justify the marks awarded for each assessment objective. It was helpful when page numbers were included within the location section of the Unit Recording Sheet. Some Assessors failed to provide written comments or annotate candidate work. In these circumstances, it was not clear to the Moderator how assessment decisions had been made.

Where assignments had been used, it was most helpful for copies to be submitted with the actual work. This gave a clear indication of the tasks which were given to candidates. It was generally noted that where Centres had followed the assignments produced by OCR, candidates' work was generally more structured enabling them to provide the correct evidence for each assessment objective.

It is the responsibility of Assessors to ensure that each candidate has produced authentic/original evidence. A Centre Authentication Form for Coursework (CCS160) must be signed by the Assessor(s) and must accompany each unit submitted.

Candidates must ensure that any material used from the Internet is correctly attributed. Where material is taken directly from the source, candidates must supplement it with their own explanation, demonstrating their understanding. Where candidate work contains inaccuracies, Assessors should annotate the work to this effect, thus enhancing the candidate's own learning.

When assessing candidate's work assessors should make reference to two documents. The performance descriptors which are found on pages 109-110 of the specification, and the assessment objective amplification grids which are located on pages 122-135 of the specification.

OCR has released a detailed assignment for each of the portfolio units found within the A2 specification. Centres may find it useful to make reference to these in order to help structure their own assignments. These can be downloaded from OCR's website.

Unit 10: A Business Plan for the Entrepreneur

The banner of the assessment evidence grid requires candidates to produce a business plan for a new business enterprise of their choice. Candidates are still selecting business ideas which are way above their capabilities for example a golf driving range, care home and paint balling centre. This greatly limited their ability to create a **realistic** plan in order to achieve AO2. The best plans were created by candidates who had selected small enterprises based on their own knowledge, interests and experience. This point is further clarified within the Teachers Handbook on page 38 – third paragraph.

Assessment Objective One

In order to achieve this assessment objective candidates are required to provide theoretical coverage of sections 'Reasons for construction of a business plan; 'Information within a business plan (all sections) : and, finally, 'Constraints which impact on implementation'.

To help candidates achieve mark band 3 this is best tackled as an independent section with candidates using generic examples to help them demonstrate their knowledge and understanding of each of the sections. In order to complete the section 'Constraints which impact on implementation' candidates should be encouraged to relate this section to their own business idea. Clearly identifying the constraints relevant to their own business plan at this early stage will help them evaluate their impact in AO4.

Assessment Objective Two

This section is the actual business plan and, as such, should be presented as a 'stand alone' document which could be shown to a potential stakeholder. If candidates have decided to use a business plan format provided by a third party they must ensure that it allows them to fully meet the requirements of the section 'Information within a business plan'. This could involve adapting the layout or adding extra information. The information used within the business plan must be fully supported/justified through the primary and secondary research and subsequent analysis carried out in AO3.

There were a significant number of business plans which were based on unsubstantiated ideas and comments. Some of the common problems are outlined below.

- Failure to fully research media selected for advertising – for example, if a newspaper had been selected what is its target market, what are its readership figures?
- Lack of justification for price to be charged – what are competitors charging? Decisions should not just have been based on what 10 people stated in the candidate's primary research.
- Lack of research into the machinery and equipment required. Only one set of prices researched. What would be the best buy? Why select that particular product?
- Lack of justification and often unrealistic figures used for the number of the products the business would sell/number of people who would use the service. No reference to competitor numbers. Usually just based on the primary research or candidates own assumptions and gestations.
- No research into suppliers – what is the cost to buy in products? What quantities will be required?
- No correlation between purchases and sales especially when candidates are running sandwich and juice bars.
- Very few candidates considered the different stages of production in sufficient detail.

Report on the Units taken in January 2010

- Little consideration of timing of production to meet customer needs.
- Break even forecasts were often difficult to understand as there was no explanation of where the figures had come from. Figures were often 'plucked out of thin air' and not based on analysis of research.
- Cash-flow forecasts, although completed correctly, were often based on figures which appeared to be the candidates own assumptions and 'gestations.' Candidates must fully justify their sales and expenses.

These points are further clarified within the Teachers Handbook on pages 38-39.

Assessment Objective Three

Centres should pay attention to the section 'Appropriate research for a business plan' on page 50 of the specification. This clearly states that candidates 'need to ensure that research is wide-ranging'. This must include both primary and secondary research as laid out within this section.

Candidates are then required to analyse the information, drawing out key information which should be included in their own business plan. Candidates should be advised that in order to access the higher marks, each of their decisions should be supported by at least two different types of research. Candidates too often relied solely on their limited primary research to inform decisions within their business plan. Some business plans were based on extremely limited research and lacked any sense of viability or realism. Clarification of the depth of analysis required is further explained within the Teachers Handbook pages 38-39.

Candidates are required to use a variety of statistical techniques when analysing their data. The frequent use of '10 out of 20 stated', and 'the majority of respondents said' will only achieve mark band 1 for analysis. Frequently, candidates produced pages of computer generated graphs and charts which lacked analysis and gained no marks. Candidates should be drawing conclusions throughout their analysis of the primary and secondary data which will then be used within their own business plans.

Assessment Objective Four

In order to achieve this assessment objective, candidates are required to prioritise the constraint they feel will have the greatest impact on their business plan. This was lacking in the work of the weaker candidates. If there is no evidence of prioritisation candidates cannot achieve mark band 3.

Having prioritised the constraints, candidates must then consider the impact each one would have on the implementation of their plan. Reference to initial research must be made. Candidates were unable to access the higher grades as they often failed to consider the 'knock on' effect which a constraint might have on other aspects of their business plan. For example, if we consider finance as the main constraint - without adequate funds the business may not be able to undertake the marketing it initially identified. This might then limit the number of customers who would become aware of the business and, hence, decrease the number of sales. Candidates often only considered 'short term' impacts failing to consider the 'long term' implications of some constraints. For example, economic and environmental concerns are currently headline news and possible legislation could have an impact on the business in the long term. Under the heading social some candidates were considering social responsibility rather than social trends.

Unit 11: Managerial and Supervisory Roles

This unit is a complex unit to complete and candidates need clear guidance as to how to differentiate their evidence for AO3 and AO2. Candidates need to be very clear about the information they are trying to obtain from their selected manager/supervisor.

The unit has the same behaviour patterns as unit 8, Understanding Production in Business, in the AS specification. Candidates need to undertake their research following the section 'Researching the business context and analysing the information that is collected' on page 53 of the specification. They should then produce a basic analysis of their questionnaire – pulling out examples which will support their report. Having completed their research, candidates should then complete their report which forms AO2. Some of their analysis will be evident within this report and, therefore, credit for AO3 can be awarded here as well.

The main problem with the unit, at this stage, is candidates muddling their AO2 and AO3 evidence. There is often no stand alone report produced. Some candidates only focused their analysis and subsequent conclusions on management styles and motivational theorists. They omitted to describe how their manager performs their role (section 'The business context within which the report will take shape) – planning, organising, etc.

The higher scoring candidates were those who had been able to gain good access to their selected manager/supervisor through work experience or work shadowing. Candidates who had only interviewed a manager/supervisor were less able to gain sufficient information to fully cover the section 'The business context within which the report will take shape' due to a lack of an observation of their selected manager/supervisor 'in action'. The knock on effect of this was that candidates were often unable to substantiate the statements they were making through the use of examples.

Assessment Objective One

In order to achieve this assessment objective, candidates need to produce theoretical coverage of sections 'The business context within which the report will take shape' (both sets of bullet points) , 'Researching the business context and analysing the information that is collected', the section under secondary research titled; different types of managerial/supervisory styles, motivational theorists; and, finally, the section headed 'Evaluation of the factors which can influence the environment in which a manager/supervisor performs her/his role'.

The theoretical section under 'Researching the business context and analysing the information that is collected' also forms part of the candidates' AO3 evidence. It was often apparent that candidates had only used one source when researching different manager/supervisor styles and motivational theorists. This had the impact of potentially lowering their AO3 mark.

Generally candidates completed this section successfully. The higher performing candidates used examples to illustrate the section 'Evaluation of the factors which can influence the environment in which a manager/supervisor performs her/his role' which worked particularly well and demonstrated their depth and breadth of understanding.

Assessment Objective Two

Candidates should produce a stand alone report which clearly outlines how their selected manager/supervisor approaches his/her current managerial/supervisory role within the selected business. This report should be fully supported through the analysis undertaken by the candidate in AO3.

In order to gain the higher marks, candidates need to ensure that their report includes the following points.

Report on the Units taken in January 2010

How their selected manager/supervisor:

- plans
- organises
- motivates
- monitors and directs
- problem solves
- trains and mentors
- appraises.

All of these bullet points need to be supported with examples. For example, the candidates should use a scenario which clearly outlines how the manager/supervisor plans their day, week, month, etc.

The next stage is for the candidate to consider how each of the following affects the managerial/supervisory set-up within the selected business:

- culture of the organisation
- objectives of the organisation
- structure of the organisation
- availability of resources within the organisation.

This section could form part of the candidate's introduction to their report.

The final stage involves the candidate describing which type of management style(s) their manager/supervisor uses and how this links to motivational theorists.

The candidates sampled during this session generally had made good links with businesses and arranged interviews with relevant managers/supervisors. Their questionnaires were often correctly targeted but failed to provide sufficient information for the candidate to cover the first set of bullet points in sufficient depth. The higher scoring candidates were those who either worked with the selected manager/supervisor or who were able to work shadow their selected manager/supervisor. In order to achieve mark band 3, candidates will be required to provide examples of how their manager/supervisor deals with each of the sections outlined above.

Assessment Objective Three

In order to achieve this assessment objective, candidates need to focus on the sections 'Planning how to gather information for the report and 'Researching the business context and analysing the information that is collected' found on page 53 of the specification. Primary research focuses on interviews with the selected manager/supervisor and fellow workers. Part of AO3 is written up within AO1 when the candidate is looking at the different types of managerial/supervisory styles and motivational theorists.

Candidates sampled this session had obtained a face to face discussion with their selected manager/supervisor and often also fellow workers. There was also evidence of candidates following the guidelines on the type of questions which should be asked during the interviews. However, candidates were not always able to analyse this information in order to compile their report. Their analysis should enable them to cover the section 'The business context within which the report will take shape'.

Assessment Objective Four

Candidates must make reference to the section 'Evaluating the factors which can influence the environment in which a manager/supervisor performs her/his role (page 54) of the specification before tackling this assessment objective.

This section does not lend itself particularly well to prioritisation. Candidates often have to use possible scenarios in order to evaluate the factors which they think would have the greatest influence on the environment in which the manager/supervisor performs his/her role. It was, therefore, considered that mark band 3 could be awarded for this unit without the clear demonstration of prioritisation. However, candidates will still need to consider the short term and long term impacts of their statements in order to achieve mark band 3.

The key word in this section is 'influence the environment'. Therefore candidates need to link the analysis of their research into the current culture, objective, structure and availability of resources (section – The business context within which the report will take shape) when undertaking this section.

Unit 12: Launching a Business On-line

The interpretation of the evidence candidates need to produce has caused a number of Centres a few problems. The banner clearly states that – 'You will produce an e-commerce strategy for a business which has yet to develop e-commerce provision'. Some Centres had selected businesses which already have a website and provide the facilities for customers to purchase their products on line. The subsequent consequence of this was that candidates were merely reiterating what the business was already doing.

Candidate's success in this unit is going to be linked to the selection of the correct business. It is a unit which could lend itself to a case study as long as it is sufficiently detailed to enable candidates to access the higher marks available.

Assessment Objective One

This assessment objective states – 'Your understanding of how e-commerce would be used by your chosen business, the benefits and drawbacks of e-commerce provision to your business and the issues in setting up and running a website.' Ultimately, OCR will be accepting evidence which is either linked to the selected business or presented in purely theoretical terms. Candidates need to ensure they cover the three distinct sections 'The environment within which the strategy will take shape', 'Production of the front-end of the website', and 'Evaluation of the manageability of the back-end of the website'.

In order to help candidates achieve the higher marks, OCR would suggest that this section is tackled from a theoretical viewpoint, with candidates using a variety of examples taken from a range of different businesses to demonstrate clear and comprehensive coverage.

Assessment Objective Two

Candidates are required to produce the front end of the website, which is directly applied to the requirements of the selected business. The front end of the e-commerce strategy can be presented in one of three ways:

- PowerPoint slides
- Internet itself
- concept board with accompanying text.

It was good to see some excellent practice with candidates clearly illustrating how their website would work – this included the front page right through to the point of sale. Some candidates had only produced the home page of their website giving limited explanations of the recommended hyperlinks. As stated above, candidates need to produce a variety of slides, concepts or web pages which clearly show how at least one hyperlink would work right through to the final purchase of the product/service.

There should be clear evidence that the proposal is based on the analysis of their research undertaken in AO3.

In order to secure top marks for this assessment objective, candidates should consider explaining how their website would meet all the bullet points listed under the section 'Production of the front-end of the website'. This will also enable the candidates to clearly link their research to their final product.

Assessment Objective Three

Candidates must show evidence of planning their research in order to fulfil the demands of the section 'Research of the strategy and analysis of the information that is collected'. A well laid out plan should enable candidates to correctly target their research.

Candidates' primary research should focus on questionnaires and surveys with potential customers, discussions with website designers and, finally, a discussion with the selected business concerning what it hopes to achieve through the development of an e-commerce provision.

Candidates' secondary research should analyse similar websites which are marketing a similar portfolio of products to the selected business. Candidates are required to use the following headings when analysing competitor's websites:

- availability
- image
- product information
- accessibility
- security
- user-friendliness
- aesthetics
- ease of payment.

In order to achieve the higher marks, candidates should then draw a conclusion from their analysis clearly stating how this research will influence the development of their own website.

Top scoring candidates had used the above bullet points to structure their analysis, clearly stating how their findings would influence the development of their website. Unfortunately, a lot of candidates had completed a simplistic analysis of competitor websites, often failing to follow the bullet points above. Having completed their analysis, candidates then often failed to draw conclusions concerning how this would influence the development of their own website.

Assessment Objective Four

Candidate's evaluations should focus on what measures they would take to deal with the manageability of the back end of the website. Candidates should be guided by the bullet points under the section 'Evaluation of the manageability of the back-end of the website found on page 58 of the specification. Candidates need to prioritise the issue they feel would have the greatest influence on the manageability of the website for their selected business.

Candidates can only achieve mark band 3 if their statements, conclusions and evaluations make direct linkage to the research undertaken in AO3. They also need to consider short term, long term, success and potential failure whilst drawing their conclusions.

Unit 13: Promotion in Action

This is a particularly popular unit. However, there does appear to be some misunderstanding about the evidence candidates are expected to produce. Candidates are required to produce a promotional strategy (at least two promotional media) to promote a new product or service of their choice. On page 50 of the Teachers' Handbook it clearly states that candidates should 'choose a business with an already varied product portfolio, allowing them to suggest a new product to add'. It also states 'it would also help if the product chosen allowed candidates to demonstrate creative skills by coming up with an original idea, as otherwise candidates will be tempted to stick too closely to current promotional activity used by their chosen business.'

Candidates must remember that this is a unit based on promotion and not just **another re-run of their original marketing assignment**. There was a lot of evidence of candidates appearing to be confused about what they were actually trying to achieve whilst conducting their research. There was also evidence of candidates trying to 're-vamp' their marketing assignments in order to achieve this unit. Unfortunately, this does not work as the research will have the wrong emphasis with candidates merely demonstrating a need for the new product or service, rather than ideas concerning how it could be effectively promoted.

Assessment Objective One

Candidates are required to provide theoretical coverage of the section 'Producing a plan of action' – the various forms promotional activity can take and how and when each form of promotional activity is used. From the final section (p-age 62) candidates need to cover internal and external factors which can influence promotional activity. OCR would encourage all candidates to use a wide range of examples throughout this section in order to demonstrate their breadth and depth of understanding.

On the whole this section was completed well by the majority of candidates. Some had chosen to link this section to their selected business which is quite acceptable, as long as each aspect is covered in sufficient depth.

Assessment Objective Two

Candidates are required to produce a promotional strategy which includes two final concepts of their promotional material and the rationale behind their development. Unfortunately candidates often only produce the two final concepts with no explanation or reason behind their development. The promotional strategy must clearly explain when and where their promotional material would appear, for how long and what the potential cost of the campaign would be. These decisions need to be fully justified by the primary and secondary research undertaken in AO3. Without this information candidates can not achieve the marks available within mark band 3.

During moderation it was often extremely difficult for moderators to see the links between the candidate's research and their final products. All too often candidates failed to produce any form of rationale for their choice of media. The main reason for this was their lack of targeted and accurate research carried out in AO3. There was often no strategy to support the material produced. Candidates failed to state timescales, costs and reasons behind choices of selected media.

Assessment Objective Three

The starting point for this assessment objective is the section 'Planning of the strategy'. The second set of bullet points should help the candidates focus on the type of questions they should be asking within their questionnaires.

Report on the Units taken in January 2010

If the candidates have not described how promotional activity takes place within their chosen business for its current range of products/services in AO1 they need to do so as an introduction to this section. This evidence could support their AO1 mark.

Candidates need to make reference to the section 'Research of the strategy and analysis of the information that is collected' to establish the kind of research they should be conducting.

Candidates need to ensure that they focus on the types of promotional features which attract customers to purchase products or services. They should also try and establish what types of promotional campaign will meet the second set of bullet points in the section 'Planning the strategy'. Too often candidates slanted their questionnaires too heavily to finding out what type of product/service customers wanted. To some extent candidates need to assume that there is already a demand for their selected new product or service and concentrate on how they are going to encourage people to 'buy in' through the use of promotional media.

Candidates' secondary research should focus on how other businesses, especially competitors, promote a similar range of products or services. When analysing this data candidates should use the following headings:

- aesthetics
- message
- fitness of purpose
- originality
- communication.

Evidence of the use of these headings was often lacking in the work of the lower scoring candidates.

Candidates' final analysis was often sadly lacking. A wide range of candidates who had used Cadburys only wanted to advertise through the continued sponsorship of Coronation Street. It should be noted that Cadburys no longer sponsor Coronation Street. They failed to state what the viewing figures were, what age ranges watched this programme – did this actually match their target audience? In order to achieve mark band 3, candidate's recommendations must be supported by the analysis of their wide ranging and focused research. This should include readership numbers, age profiles, cost, etc. Some candidates designed leaflets, but failed to consider the cost of distribution or even how and to whom they were going to be distributed.

Often this section of candidates' work lacked detailed analysis and was, therefore, unable to access the higher marks.

Assessment Objective Four

Candidates need to prioritise the internal and external influences which they feel would have the greatest impact on their promotional activity. Their evaluations must clearly link back to their initial research. Often candidates were unable to fully evidence the internal constraints as they had not clearly stated what these were at the beginning of the assignment. Few candidates were able to show any understanding of costing, due to weak research.

Candidates' coverage of external influences was generally better as they could relate these areas to their own strategies.

Once again very few candidates considered possible failure and often did not consider a chain of events, short and long term implications.

Unit 14: Creating a Financial Strategy

Candidates had all correctly used the new stimulus material supplied by OCR.

Generally Centres were better prepared to cope with this unit. The work submitted by Centres demonstrated a wide range of marks which represented candidates' ability to grasp the concepts being assessed. However, it was still worrying to see that in some Centres all the candidates' work contained the same errors. This is an area which needs addressing before further submissions. If work is found to be identical in future submissions, the Centre may be reported for malpractice. There was, however, still evidence of good practice where Centres had made candidates work under test conditions and their work achieved the full range of marks.

Although OCR does not specify how the unit should be tackled identical work for AO2 would not be anticipated – except where it is 100% correct.

As the unit currently stands, it does require a specialist accounts teacher to teach the unit or at least be available for help and guidance. Some of the tasks within the case study do require a sound understanding of double entry book-keeping and this lack of specialist knowledge by teachers led to the downfall of some candidates.

There have also been a lot of comments that qualified accountants have also found the case study challenging, which of course they would as they are sufficiently qualified to only interpret accounts and pay other people to prepare them. This is the angle from which this case study has been written.

Assessment Objective One

Candidates achieve this objective through the coverage of Task A. Candidates are required to provide detailed coverage of each of the sub-sections (i)–(iv). Whilst candidates often provided detailed theoretical coverage of sections (i) and (ii), the depth of the work often tailed off from this point. Candidates often completely missed out the second section of (iii) – 'you need to demonstrate your understanding that this information can be found from various source documents, including invoices, credit notes, bank records, eg direct debits and till receipts'. The evidence produced for (iv) had been completed with various degrees of success. Those candidates who had produced the book-keeping guide for 'dummies' often did this section particularly well. Others merely copied examples out of the textbook. Section (v) was often missed by Centres or coverage was weak. This was supported by candidates' inability to correct errors through the use of the journal and suspense account. More in depth teaching of this section would give candidates greater skills when completing the activities set in AO2.

Assessment Objective Two

Candidates achieve this assessment objective through the completion of Tasks B, C and D.

Task B – There was a mixed response to this task. There were obvious cases where Centres had delivered this section as a class exercise with candidates all having identical accounts and errors. Other Centres had undertaken the section under examination conditions with candidates producing very individual work. It was surprising to see that few Centres made use of the three column cash book, preferring to use separate bank, cash, discount received and discount allowed accounts – which is acceptable.

Assessment Objective Three

This assessment objective was based on responses to Tasks E and F.

There was a wide variety of evidence produced for Task E all of which was acceptable to meet the requirements. Where candidates had collected a variety of different final account templates, it would have been nice to see some form of analysis. Some Centres must place more emphasis on this task as it does count towards the grade which can be awarded for this assessment objective.

Report on the Units taken in January 2010

Within Task F, as stated above, the 'own figure rule' was applied. Generally, candidates were able to correctly calculate the relevant ratios. Their interpretation of these ratios was, however, rather mixed.

Some candidates simply stated the theory behind the ratio and then failed to make any linkage to the case study. The higher scoring candidates did try and relate their evidence back to the case study. It was surprising how many candidates did not understand that an increase in sales on its own will not increase profit margin. Very few candidates were able to link the ratios together – for example – gross profit margin will have an impact on net profit margin. They were, therefore, unable to access mark band 3 because of a failure to demonstrate integrated and strategic thinking.

Assessment Objective Four

Task G had to be completed in order to achieve this assessment objective. Although the case study did not indicate that candidates should prioritise their ideas, this is part of all AO4 criteria. Candidates were not penalised for omitting to do so during this moderation session. It is, however, a point which Centres should consider for future submissions.

A lot of candidates improved their initial AO3 mark here as they began to fully develop the analysis and the impact of the ratios calculated in AO3.

A lot of candidates lost marks here as they failed to produce a financial strategy. If they were able to ascertain the problems which the business was experiencing, they then failed to explain what the business should do to resolve the problems. For example – growth in debtor days – instigate a system of credit control. The second stage required the candidates to consider the different ways in which the business could be expanded and then recommend what they thought the business should do in the future. Candidates must be reminded to use the information contained within the case study, profit and loss calculations and ratio analysis when recommending their financial strategy. The key to this section is to identify the financial problems the business is facing, how these should be dealt with. The final stage is to consider how these would impact on the businesses idea of expansion.

Candidates should remember that this task does direct them to write a report. Often their evidence was not presented in this format.

Unit 15: Launching a New Product or Service in Europe

This is a very difficult unit for candidates to access if they do not have an excellent link with their selected business. One of the main problems is if candidates try to tackle the unit without an established link with a business. Research from the Internet will not provide candidates with sufficient detail to meet the demands of this unit.

OCR would recommend that Centres get candidates to start off their assignment by giving a brief overview of their selected business, product and to where they intend to export their product or service. This will enable teachers to ascertain if the candidate is able to gain sufficient information to meet the rigors of the unit.

Assessment Objective One

This section is based on the theoretical coverage of 'The business context within the strategy will take place' and should focus on general trends within the European Union as a whole. Some candidates only focused in detail on the selected country to which they intended to export their product or service.

Assessment Objective Two

This is the candidates' written summary which will show how their selected business will deal with the many issues it needs to consider when launching a product or service in European markets. Candidates should follow the bullet points outlined in the section 'Researching the strategy and analysing the information that is collected' – second set of bullet points (page 69). The candidates' written summary must be based on the analysis of their research carried out in AO3.

Unfortunately, a lot of candidates simply state that their selected business would have to deal with each of these points, but fail to provide their own strategy as to how this might happen. Candidates really struggled to cope with this section due to their lack of research or the inaccessibility to the information which is required to meet the rigors of this section.

Assessment Objective Three

Candidates must start off this section by showing evidence of planning their research – section 'planning the strategy'. Within their plan, candidates then consider their objective(s), the types of research, and the sources of information they will use. Candidates should then be guided by the section 'Researching the strategy and analysing the information that is collected' when selecting the type of research methods they will use. Special attention should be given to the bullet points found on page 69 of the specification. These are the main aspects which candidates need to research in order to be able to compile their written summary for AO2.

The main failing within this section has been the fact that all too often candidates were trying to gain this information from a business' website. They had no inside contact and, therefore, the quality and depth of their information was insufficient for them to be able to complete a detailed analysis which would feed into their AO2.

Assessment Objective Four

Candidates are required to prioritise the bullet points found under the section 'Evaluating the strategy' clearly stating which one they feel would have the most influence on the effectiveness of their strategy. As always, evaluations should be fully supported through the research conducted in AO3.

Unfortunately, the quality of the research undertaken for this unit has often been weak and, therefore, the ability to develop a detailed evaluation has been almost impossible.

Unit 16: Training and Development

The key to this unit is the link which candidates are able to build within their selected business. In order to complete the unit successfully, candidates need to be able to gain the following information:

- what competencies does the job the person they are going to interview require? – this is usually taken from job descriptions, person specifications
- what skills does the selected member of staff feel they have in relation to those stated on their job description/person specification?
- what skills does the selected member of staff feel they are lacking?
- what type of training would the potential employee feel would be beneficial to them?
- why does the selected business wish to upgrade the skills base of its staff? – what will be the ultimate benefits to the business?

Unfortunately, this information was not available to a wide variety of candidates who attempted the unit.

Assessment Objective One

Candidates should provide theoretical coverage of the sections 'The business context within which the strategy will take shape'; 'Production of an action plan – candidates need to focus on the different training methods and initiatives that businesses could use; and, finally, 'Evaluating effectiveness. In order to help demonstrate depth and breadth, candidates could include generic examples to develop the overall content of their theory.

The majority of candidates sampled completed this section satisfactorily.

Assessment Objective Two

Candidates are required to produce training and development programmes for their two chosen functional areas. These must be directly related to their skills gap analysis conducted in AO3.

Candidates need to provide a detailed outline of exactly what their training programmes will entail. If they are intending to run 'internal courses' this should include information on the length of the course, aims and objectives, what workshops will take place, what these will entail and the learning outcomes for each. This is outlined in the section 'Production of an action plan' bottom set of bullet points. If candidates are recommending external training courses these should also be fully explained.

The internal training programmes put forward for this series often lacked detail and did not directly link back to the research undertaken. Training programmes were often too general with very little description of what the training was hoping to achieve for the individuals or the business. Other candidates simply stated they would be sending employees on external courses. They failed to provide detailed descriptions of the aims and objectives of these courses, costs or the impact on the business.

Assessment Objective Three

Whilst planning their research, candidates must be aware of the different types of training programmes which are available. They should consider that different employees will have preferred styles of learning and, in order for training to be successful; an attempt must be made to meet these individual needs.

Candidates' primary research should focus on their skills gap analysis, analysing the short, medium and long term business objectives and management views on possible training.

Candidates' secondary research should focus on the different types of training which are available. They should analyse a variety of courses in order to either select a suitable external course or to help them create in-house courses of their own.

Unfortunately, the majority of candidates sampled had been unable to obtain sufficient information in order to produce a detailed and useful skills gap analysis. Often the information gained from their questionnaires was vague and did little to inform their final training and development programmes. Candidates were also unable to link their analysis of how meeting employees training needs would ultimately benefit the business.

Assessment Objective Four

This section evaluates how the effectiveness of the candidate's training and development strategy could be affected by internal and external constraints. Candidates should be encouraged to use the bullet points in the section 'Evaluating effectiveness'. In order to gain mark band 3, there must be evidence of prioritisation – which of the constraints does the candidate feel would have the greatest impact on the effectiveness of their training and development programme? Candidates often considered how the internal influences would affect overall training within the selected business, rather than their own training strategy.

Within the portfolios sampled there was often very little linkage here back to research undertaken in AO3. Candidates were also unable to consider a possible chain of events, short and long term impacts of their proposed training and development programme.

Recommendations to Centres

- Please adhere to deadlines for submitting MS1 forms and candidate work to the appointed Moderator
- Please ensure that marks entered on MS1 forms match the marks awarded on the Unit Recording Sheet
- Please ensure that the total marks for all strands of a unit are correctly totalled on the Unit Recording Sheet
- Please ensure that all sections of the Unit Recording Sheet have been completed accurately including candidate number, Centre number, teacher comments and location of evidence
- Where there are 10 or fewer candidates for any unit, send **all** the candidate portfolios with the MS1 forms to the Moderator
- If assignments are used, please include copies of assignment briefs with the work of the candidates
- Assessors should provide clear written feedback to candidates, including what has and what has not been achieved
- Candidates should be encouraged to adapt a structured approach to their work and present evidence clearly, eg use of headings, page numbers and a contents sheet
- Please include page numbers within the location section of the Unit Recording Sheet
- Please encourage the use of Assessor annotation of candidate work
- Please ensure that Assessors check the authenticity of evidence. Pages downloaded from the Internet do not constitute evidence
- Ensure that internal moderation is carried out prior to external moderation.

Grade Thresholds

Applied GCE Applied Business H026/H226/H426/H626
January 2010 Examination Series

Coursework Unit Threshold Marks

Unit (AS)		Maximum Mark	A	B	C	D	E	U
F240	Raw	50	43	38	33	28	23	0
	UMS	100	80	70	60	50	40	0
F241	Raw	50	43	38	33	28	23	0
	UMS	100	80	70	60	50	40	0
F244	Raw	50	43	38	33	28	23	0
	UMS	100	80	70	60	50	40	0
F245	Raw	50	43	38	33	28	23	0
	UMS	100	80	70	60	50	40	0
F246	Raw	50	43	38	33	28	23	0
	UMS	100	80	70	60	50	40	0
F247	Raw	50	43	38	33	28	23	0
	UMS	100	80	70	60	50	40	0
F249	Raw	50	43	38	33	28	24	0
	UMS	100	80	70	60	50	40	0
F250	Raw	50	43	38	33	28	24	0
	UMS	100	80	70	60	50	40	0
F251	Raw	50	43	38	33	28	24	0
	UMS	100	80	70	60	50	40	0
F252	Raw	50	43	38	33	28	24	0
	UMS	100	80	70	60	50	40	0
F253	Raw	50	43	38	33	28	24	0
	UMS	100	80	70	60	50	40	0
F254	Raw	50	43	38	33	28	24	0
	UMS	100	80	70	60	50	40	0
F255	Raw	50	43	38	33	28	24	0
	UMS	100	80	70	60	50	40	0

Examined Unit Threshold Marks

Unit		Maximum Mark	A	B	C	D	E	U
F242 (AS)	Raw	100	75	67	59	51	43	0
	UMS	100	80	70	60	50	40	0
F243 (AS)	Raw	100	83	75	67	59	52	0
	UMS	100	80	70	60	50	40	0
F248 (A2)	Raw	100	83	75	68	61	54	0
	UMS	100	80	70	60	50	40	0
F256 (A2)	Raw	100	76	68	60	53	46	0
	UMS	100	80	70	60	50	40	0
F257 (A2)	Raw	100	72	67	63	59	55	0
	UMS	100	80	70	60	50	40	0

Specification Aggregation Results

Uniform marks correspond to overall grades as follows.

Advanced Subsidiary GCE (H026):

Overall Grade	A	B	C	D	E
UMS (max 300)	240	210	180	150	120

Advanced Subsidiary GCE (Double Award) (H226):

Overall Grade	AA	AB	BB	BC	CC	CD	DD	DE	EE
UMS (max 600)	480	450	420	390	360	330	300	270	240

Advanced GCE (H426):

Overall Grade	A	B	C	D	E
UMS (max 600)	480	420	360	300	240

Advanced GCE (Double Award) (H626):

Overall Grade	AA	AB	BB	BC	CC	CD	DD	DE	EE
UMS (max 1200)	960	900	840	780	720	660	600	540	480

Cumulative Percentage in Grade

Advanced Subsidiary GCE (H026):

229 candidates were entered for aggregation this series

A	B	C	D	E
4.37	26.70	50.97	78.64	99.03

Advanced Subsidiary GCE (Double Award) (H226):

28 candidates were entered for aggregation this series

AA	AB	BB	BC	CC	CD	DD	DE	EE
4.00	16.00	28.00	44.00	56.00	80.00	88.00	100.00	100.00

Advanced GCE (H426):

20 candidates were entered for aggregation this series

A	B	C	D	E
11.77	23.53	52.94	82.35	94.12

Advanced GCE (Double Award) (H626):

11 candidates were entered for aggregation this series

AA	AB	BB	BC	CC	CD	DD	DE	EE
0	12.50	12.50	12.50	12.50	37.50	62.50	62.50	75.00

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.

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

OCR Customer Contact Centre

14 – 19 Qualifications (General)

Telephone: 01223 553998

Facsimile: 01223 552627

Email: general.qualifications@ocr.org.uk

www.ocr.org.uk

For staff training purposes and as part of our quality assurance programme your call may be recorded or monitored

Oxford Cambridge and RSA Examinations
is a Company Limited by Guarantee
Registered in England
Registered Office; 1 Hills Road, Cambridge, CB1 2EU
Registered Company Number: 3484466
OCR is an exempt Charity

OCR (Oxford Cambridge and RSA Examinations)
Head office
Telephone: 01223 552552
Facsimile: 01223 552553

© OCR 2010

