

Applied Business

Advanced Subsidiary GCE **A2 H426/H626**

Advanced Subsidiary GCE **AS H026/H226**

Report on the Units

January 2007

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Chief Examiner's Report

Reports by Principal Examiners for the January 2007 series of the GCE Applied Business external assessments follow. It is important that these reports are considered carefully by Centres as candidates are prepared for future examination series.

As ever, there were plenty of examples of excellent conceptual understanding, examination technique for which preparation in general and Centres are to be congratulated. This good practice is not universal, however, and certain issues need to be addressed with some urgency.

- 1 The specification – it has changed from VCE! Most Centres have clearly taught according to the specification and the teachers' guidance, but there are clearly some who have taught according to what they generally think should be in the specification or from VCE. One such instance is the F256 Law unit. There is new material, for example intellectual property rights, that some Centres appear to have totally missed. Do read the specification.
- 2 The context – in both examined and portfolio units this was an issue. Access to anything above Level 1 in the examinations is only achievable through the use of context. Three of the five papers involve pre-issued case studies and candidates (and teachers) should be totally familiar with the background, decisions and contexts in which the firms operate. In the F256/7 examinations, which are not pre-issued, it is still the case that candidates must be clearly writing about **this** firm and **this** product, not just **any** organisation. The portfolios present their own contextual issues. Centres/teachers should give very careful consideration to what businesses they choose or advise their candidates to investigate. These must be 'accessible' in the sense that the candidate can actually do what the specification requires of them. An example of this is choosing, for example, in unit F254, a business which does not export or have any contact with the EU, yet attempting to do a unit which has as a prerequisite an investigation into a firm trading in the EU. Another was in relation to unit F250 where candidates could not spend sufficient time with managers/supervisors, thus they were unable to fulfil the basic requirements of the unit. Centres must consider very carefully the firms, or indeed the units, that they decide to use. All of this meant that there were significant adjustments made to marks in the moderation process.
- 3 Levels of response – Many candidates/Centres have really tackled the issue of levels of response and are demonstrating the skills of analysis and evaluation (in context). Sadly, this is still not the case in other Centres. If candidates are not equipped with these skills, then they are massively disadvantaged, particularly in the examined units where they are working under timed pressure.
- 4 Answering the question set - Across all five question papers there was evidence of candidates misinterpreting the question (possibly because of the time pressure) and often scoring zero marks on a question which, had it been read more closely, would not really have presented a problem to the candidate. An example of this is on F248 when candidates were asked to evaluate the **use of** decision making tools (such as Ansoff's Matrix) – not to actually **use** them.

With a careful reading of the following reports from Principal Examiners and from the Principal Moderator and, accordingly, any necessary action taken, candidates should be at least as well prepared as they are at the moment, but probably better.

Report on the Units taken in January 2007

To improve on the above issues it is vital that Centres use the following sources of help:

- Principal Moderator's report
- Individual Centre reports on moderation
- INSET offered by OCR
- Coursework consultancy service (OCR)
- eCommunity – OCR website
- AS exemplar CD – available from OCR publications
- Teacher Assignments for each unit – OCR website
- Past examination papers, mark scheme and individual Principal Examiner reports.

F242 Understanding Business Environment

Question

- 1 This question concerned 'Dan Cartwright' as a relatively new start up business. Although most candidates produced satisfactory answers to both parts of the question, the quality of answers would have been improved if there was greater reference to the size, history and nature of the business.
 - (a) Most candidates suggested profits and expansion as appropriate objectives and for this they were credited with marks. However, they often ignored what are the key objectives of a new, small business - namely, build a customer base, break even and survival. Survival should always be seen as a business objective, especially for a new and small business. Unless the organisation survives it will not be able to expand and enjoy high profits in the future.
 - (b) Most candidates gained at least a Level 2 mark on this question and many achieved Level 3. Candidates focussed on the issue of limited liability and/or control of the firm. Many made reference to the fact that Dan Cartwright's business was small. Only a minority made reference to the nature of the business as that of a jobbing electrician. As such Dan would not need to invest heavily in either fixed assets or in stock. The financial requirements of the firm would be low and, therefore, the question of raising finance through selling an equity stake does arise at present. At the same time, as Dan had not borrowed heavily or bought on credit, the issue of limited and unlimited liability is less relevant for Dan than for other firms. It is also worth noting that the value of limited liability is questionable for many small firms. Banks often insist that the directors of small private companies are personally responsible for repayment of loans to a company. Few candidates achieved Level 4 (evaluation). For a Level 4 mark, candidates were required to conclude (with reasons) that a sole proprietorship was appropriate for Dan in the early stages of his business. It could also be mentioned that although it was appropriate at this stage it might not be appropriate as Dan's business expands in the future.
- 2 This question related to stakeholders, ethical issues and the impact of Dan's business on others. Most candidates achieved a satisfactory mark on this question.
 - (a) Definitions were rarely sufficiently precise enough to award full marks. Many candidates limited their answer to 'stakeholders have an interest in a business'. For full marks it was necessary to mention that stakeholders are influenced by the activities of a business and in turn they have some influence on the business.
 - (b) Most candidates scored well on this part of the question. In some cases they identified stakeholders in general, whilst others referred to named individuals. Both approaches received marks. Where candidates lost marks was in terms of confusing internal and external stakeholders or merely stating a name (Arthur, Dan, Michelle, Manoj) without identifying the nature of the relationship to the business.
 - (c) Most candidates gained a reasonable mark on this part of the question which concerned how various stakeholders would view Dan's proposed expansion. However, the mark of some candidates was capped at three because they wrote about two internal or two external stakeholders. As with a similar question in the June 2006 examination, the quality of answers was affected by the choice of stakeholder. For instance, those who wrote about Michelle often saw her as an employee rather than the wife of the owner.

Candidates who chose Dan himself seemed to ignore the obvious point that if the expansion was not beneficial to him then it would not occur. Candidates who chose the community either took the line that it would welcome greater access to electricians or expansion might make it more difficult to get hold of Dan to undertake work. These candidates did not make use of case study material which focussed on the external costs of Dan's activities. Until now Dan's work has been tolerated by his neighbours. This might not be the case if Dan expanded his business.

The key message for candidates facing similar questions where they have to select a stakeholder is to start by carefully choosing the stakeholders to write about.

- (d) This was a question on legal and ethical issues. What was especially pleasing is that the vast majority of candidates believed that Dan should choose the course of action which was correct in terms of the law and in terms of ethical behaviour. The strongest answers started by saying that the £100 cash in hand was very tempting but for a variety of legal reasons it was wrong. In addition it was clearly unethical and could have long term implications for Dan's business. Candidates reaching Level 4 gave a reasoned argument for not accepting the offer, including reference to the small sum of money in the light of the risks involved.

3 This question involved break even analysis and, although many candidates gained reasonable or even high marks, others performed badly indicating a lack of understanding of this topic.

- (a) A lack of precision in definitions resulted in candidates achieving at best only half marks for this question. Costs are fixed or variable in relation to output or sales or level of activity. Reference to any of these would have secured full marks but absence of reference to them cost many candidates vital marks.
- (b) This part of the question referred to the wages paid to Manoj. Normally wages are treated as a variable cost but this wage was a fixed cost in that it was a fixed sum paid monthly and was unrelated to output or Manoj's effort. The strongest of answers made the point that as Manoj did not go out to complete jobs by himself (he was merely an electrician's mate) there was no link to output.
- (c) This part of the question revolved around the graph. Some candidates gained full marks but others scored badly on this relatively straightforward question. Many seemed to have little idea about labelling the axes and the total cost curve was often erroneously named as the variable cost curve. Most candidates identified the break even quantity of hours but some gave an answer in terms of break even revenue despite the clear reference in the question to hours.
- (d) Many candidates gained full marks for the break even calculation but other lost marks mainly for incorrect calculation. The best advice for future candidates is:
- to bring a calculator to the examination to avoid losing marks with unnecessary errors of calculation;
 - show working since it is not possible to give compensatory marks for correct method (when the final answer is incorrect) when the working out is not shown;
 - for the break even level it is essential to round up irrespective of the decimal point.

Report on the Units taken in January 2007

4 This question focussed on budgets and variance. It was pleasing to see some candidates achieved a mark in excess of 20 on this question.

- (a) Some candidates saw this as a question about the value of a cash flow forecast (cash budgets). In fact, it was a question about the use of information technology. The benefits of ICT are stated in the unit specification and candidates are advised not to neglect this area of the unit.
- (b) This part of the question required candidates to identify and then explain a reason why accurate record keeping is important to a business. Many candidates failed to achieve high marks because they:
- merely repeated in the explanation what they stated in the first part;
 - offered a second reason which was merely a repetition of the first reason.

Once again the main points to make can be found in the unit specification which candidates are advised to study.

- (c) (i) As with all numerical questions many candidates scored full marks, although a sizeable number scored zero marks. Candidates scoring a mark between the extremes of six and zero did so because they made simple errors in terms of arithmetic or in terms of logic. Positive and negative are always less useful in understanding variance than favourable and adverse. Candidates who think logically in terms of better than expected or worse than expected would conclude that the sales figures should be higher than the budget figure because of a favourable variance. Equally the other two should be higher than the budget figure because of an adverse variance.
- (c) (ii) Large numbers of candidates scored full marks on this part of the question but equally others had little understanding of what was involved in answering this part of the question.
- (d) This part of the question successfully differentiated between candidates. In the weakest answers candidates merely interpreted the meaning of adverse and favourable variances. The middle range of answers offered one suggestion to explain one or more variance, eg Dan used more petrol because his work took him on longer than anticipated journeys. The best quality answers made reference to both price and volume variances (eg he drove more miles and there might have been a rise in the price of petrol). At the same time the strongest candidates realised that variances are inter-related. Dan's adverse variance on petrol and materials can be attributed in part to the increase in activity as reflected in the favourable sales variance.

5 This was the most disappointing question in terms of responses. This was especially true in relation to the first part of the question.

- (a) Many candidates showed a lack of understanding of SLEPT analysis. In some cases they had prepared a SWOT analysis and brought in many internal factors. SLEPT is a reformulation of PEST and focuses on factors in the external environment which impacts on the business. In some cases factors were incorrectly classified as, say, political when they were in factor economic. Examiners accept that there can be a grey area between some of the categories but, for instance, a rise in prices is a change in the economic environment and not in the political environment.

- (b) Although examiners detected some progress in candidate understanding of macro-economic variables compared with January 2006, it is still true to say that many candidates failed to fully develop points. For instance, a rise in interest rates was often seen purely in terms on the impact on Dan if he has a debt. Few candidates appreciated that a rise in interest rates will increase mortgage repayments, thus reducing the post-mortgage disposable income of householders. In other words, even if Dan did not take out a loan, a rise in interest rates could still impact upon his business. It was noticeable that when candidates analysed the impact of an increase in unemployment on Dan they focussed on the greater availability of labour, rather than a possible reduction in demand for Dan's services. Very few candidates made use of the reference to regional economic differences which was designed to prompt candidates to point out that what matters to Dan is the state of the local economy rather than the national economy. Finally, few candidates attempted to draw evidence together in order to make a judgement on whether or not it was the right economic climate in which to expand the business.

F243 The Impact of Customer Service

General Comments

As with the June 2006 examination session, this paper was set at the right level of difficulty and discriminated well between the weaker and stronger candidates. Although the majority of candidates coped with the basic level questions to an acceptable standard, some still tended to favour making generic statements about customer service without writing in context. The highest achieving candidates referred to the case study at every opportunity. Many candidates also lost valuable marks by not reading and/or understanding the whole question and, therefore, wrote irrelevant answers which could not be fully rewarded.

Comments on Individual Questions

- 1 (a) Overall, this question was done well, with the majority of candidates being able to describe reasons why effective customer service is important.
 - (b) Most candidates were able to identify four different customer groups of CCN.
 - (c) In this question candidates had to explain two ways in which the customer base of the Arts Centre differed from CCN. Many candidates misinterpreted the term 'customer base' and wrote about the different facilities and provision for customers on offer.
 - (d) (i) & (ii)
Most candidates were able to state how pricing strategies had been used, but were unable to analyse exactly how they could help CCN improve its customer service. Many candidates wrote about how discounts benefit customers but did not discuss how the strategies would then benefit CCN in terms of being able to enhance its customer provision.
- 2 (a) Lots of candidates were able to suggest two ways in which provision for the comedians could be improved, but did not back it up with reasons as to why such provision should be implemented.
 - (b) The answers to this question were generally disappointing; either the same consequence was repeated under three slightly different guises or the candidate stated the consequence for the comedian rather than CCN, which is what the question required.
 - (c) Many candidates wrote about how important customer service is (either in or out of context,) but only the stronger candidates discussed it in terms of whether or not it would help Fiona achieve her goal.
- 3 (a) Overall, this question was done well, with the majority of candidates being able to state four acts or regulations relevant to the operation of a business.
 - (b) Candidates tended to score either full marks or none for this question. A surprising number of candidates wrote that Fiona may have thought that disabled people would not go to a comedy club and, therefore, did not provide disabled facilities.
 - (c) For this question a large proportion of the candidates wrote a long list of implications for CCN without much analysis. The highest scoring candidates, however, discussed the legal, financial and long term implications to the business in depth in order to achieve the evaluation marks.

Report on the Units taken in January 2007

- 4 (a) This was a very straightforward question but many candidates failed to come up with four distinct ways in which Fiona could have found out how her customers felt about CCN.
- (b) On the whole this was done well, with the majority of candidates explaining why the small amount of feedback received would not be enough on which to base decisions.
- (c) There was a tendency to repeat the same benefit or drawback twice in slightly different terms, but overall this question was done well.
- 5 (a) The majority of candidates were able to achieve marks in the Level two band simply by explaining the importance of a security presence in context, but few achieved full marks by relating it back to effective customer service provision.
- (b) A large number of candidates wrote simple statements about how customers could use the website, but only the stronger candidates discussed the drawbacks as well as the benefits before evaluating the extent to which it would improve the service given to customers by CCN.

Principal Moderator's Report

Under half 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, many 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 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. 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.

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 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 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 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.

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. Assessors are also reminded that they should make reference to the assessment objective amplification grids when assessing candidates work. These can be found with the specifications on pages 49-52.

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 located on the CD produced by OCR or 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. Candidates did not always choose suitable products and were often merely trying to re-launch an established product. This means that candidates then only change, 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.

Assessors are also required to use the witness statement supplied within the OCR specifications to justify the marks awarded for AO2.

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 clear and comprehensive coverage of each section.

The main weakness in this section was the failure of candidates to explain the role functional areas play in supporting marketing activity. A lot of candidates had purely explained the role of each individual functional area. Candidates may find the use of a made up scenario, for example the selected business is just about to launch a new product, would help them demonstrate a clear and comprehensive understanding of this section.

Candidates' coverage of marketing objectives at times was muddled with the general aims and objectives of a business. 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, January and February 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.

Assessment Objective Two

Candidates must include their presentation slides, prompt cards and, where appropriate, notes used to accompany the presentation. As mentioned above, Assessors must complete the witness statement supplied by OCR. The more detailed this evidence, 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 customer and their marketing proposal must be fully substantiated from both their 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. 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 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.

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 1.2.3 Market Research] in the What You Need To Learn section 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, Ansoffs' 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.

Assessment Objective Four

Judgements on the potential success of the marketing proposal were often weak. They lacked the depth required in order 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 of the 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 [section 1.2.6, How to Judge Potential Success] in the WYNTL section of the specification for guidance.

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 that 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.

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 that 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.

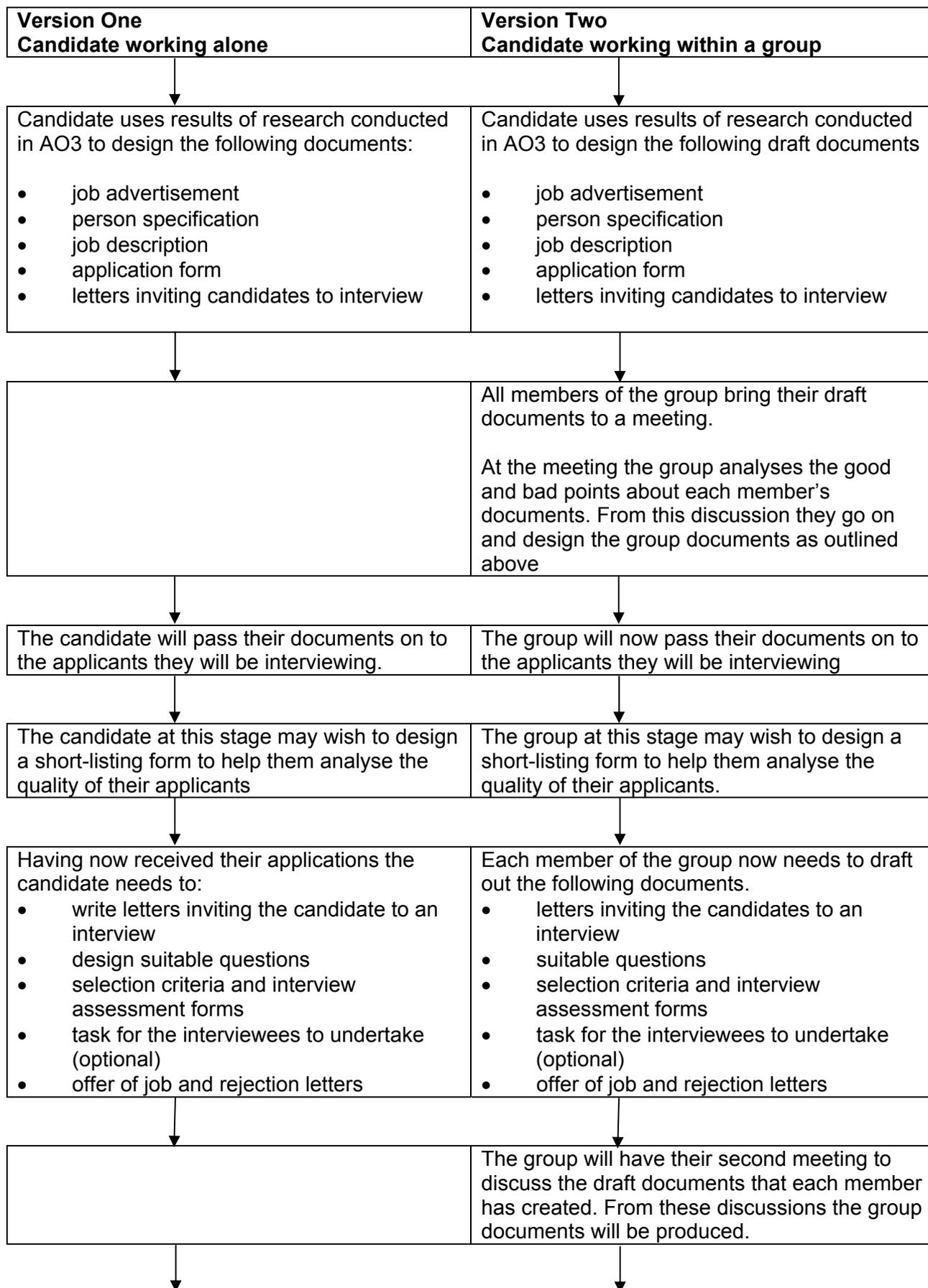
Assessment Objective One

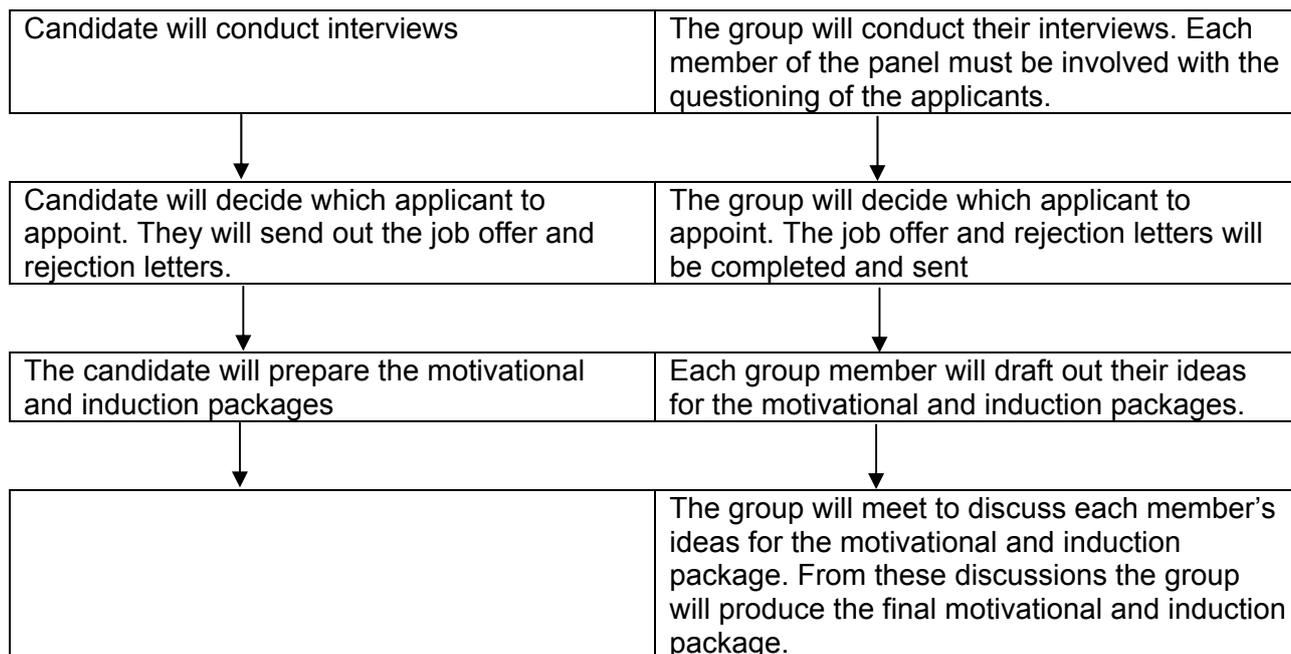
The majority of candidates sampled were able to produce a detailed description of the processes of recruitment and selection. Candidates' coverage of induction was patchy ranging from extremely detailed to pure identification of the topics which would be covered in an induction programme. When covering motivation candidates should be directed to [section 2.2.5] of the WYNTL for the specification. They are only required to cover financial and non-financial motivators. Candidates do not need to cover motivational theorists. Coverage of the legal framework tended to focus on the acts at a basic level with very little application as to how these would impact on the recruitment and selection process. This area needs to be developed if candidates are to be awarded marks in the mark band 3 range.

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.

Assessment Objective Three

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 as identified in [section 2.2.6] of the WYNTL. Candidates are then required to explain how this analysis has helped to inform the design of their own documents. This last stage was lacking in the majority of assignments sampled throughout this moderation session.

Assessment Objective Four

The majority of candidates sampled only made judgements about their own performance during the interview process and weak judgements concerning the documentation produced and its fitness for purpose. Candidates failed to link weaknesses within their recruitment and selection documentation to 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 are also encouraged to make reference to [section 2.2.8] of the WYNTL section 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 very often lacked the detail necessary to allow candidates to achieve much more than mark band 1.

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, who and for what reason is this 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?
- 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 5.2.1., 5.2.2, 5.2.3 and 5.2.4. 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 the business might employ the various forms and what ultimate benefits it would/could bring to the business.

Assessment Objective Two

This assessment objective is achieved through the delivery of a presentation. Candidates must include their presentation slides, prompt cards, and where appropriate, notes used to accompany the presentation. Assessors must complete the witness statement supplied by OCR. The more detailed the evidence, 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 their ICT provision. This will then directly link to the hardware and software the candidate goes on to recommend during their 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 the 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 interviewing 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.

Assessment Objective Four

Candidates would be well advised to make reference to section 5.2.7 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.

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 assessment objectives 1 and 2. However, Centres are encouraged to ensure that candidates do demonstrate 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 6.2.1, 6.2.2, 6.2.3, 6.2.4, 6.2.5 and 6.2.6 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 assessment objective one. 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 reader of what had been happening. A particular weakness was 6.2.2, 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

A smaller number of Centres than in June misinterpreted the focus of this assessment objective.

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 laid out in [section 6.2.7] of the WYNTL section of the specification. Candidates are required to research and analyse different stake holder's 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;
- face to face discussion with a group member, getting them to carry out a SWOT analysis on your contribution to the 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 a true 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 assessment objective four.

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 section 6.2.8 of the specification. Using the bullet points within this section they then must make judgements backing up their suggestions using their analysis conducted in assessment objective three.

Unit 7: Financial Providers and Products

In the January moderation session, all the portfolios submitted were still using the original stimulus material which focused on the business Z-A Trucks Ltd. Using the information contained within the case study, candidates are required to produce two financial packages. Due to the choice of stimulus material the candidates sampled were producing a personal financial package for Ryan and Sue and a financial package for Z-A Trucks Ltd.

Assessment objective four was still proving problematic for Centres. It is the responsibility of the Centre to give the candidates a suitable and realistic change of circumstance for both Ryan and Sue and Z-A Trucks Ltd. It was felt that some of the information given to candidates was inappropriate and often misled the candidates.

Assessment Objective One

The candidates who scored mark band 3 for this assessment objective usually covered this as a purely theoretical exercise. Tackling the assignment in this fashion allows the 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 7.2.1, 7.2.2 and 7.2.4 of the specification.

Assessment Objective Two

In order to achieve assessment objective two, candidates must produce two separate financial packages – one which meets the financial needs of Ryan and Sue and the second which meets the financial needs of Z-A Trucks Ltd. Within each financial package, candidates must recommend one product and provider rather than making general statements. For example, 'Ryan and Sue could get their 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 should research a number of different financial providers and packages and analyse their findings. Candidates should consider affordability and also constraints as outlined in 7.2.4 of the specification. Candidate's recommendations in assessment objective two should be clearly linked to their analysis conducted within assessment objective three.

Assessment Objective Four

In order to achieve assessment objective four, Centres need to supply the candidates with a future change in circumstance(s) for Ryan and Sue and the business. 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 assessment objective two 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.

Further guidance on this unit has been released by OCR and this can be found below.

This information has been provided to further update/clarify the OCR stimulus material which has been issued for this internally assessed unit.

General Points

Due to the complex nature of the case study it is wholly appropriate for teachers to give candidates structured guidance when discussing the financial position of Z-A Trucks Ltd and Ryan.

Whilst investigating the needs of the business, candidates are not expected to have any prior knowledge of accounts and, therefore, it is quite acceptable for teachers to explain to candidates how the business could raise the finance needed to undertake the expansion. The candidate's assessment evidence must then be focused on the financial package they have investigated to meet the needs of both the individual and business which are both clearly flagged up in the stimulus material. Due to the nature of the loan/mortgage required for Z-A Trucks Ltd it is quite acceptable for candidates to investigate and suggest one type of mortgage/loan.

When investigating Ryan's needs, again it is appropriate for teachers to guide candidates to investigate the types of products which would be suitable and meet the financial needs as laid out in the stimulus material.

The Business

When looking into the current operations of Z-A Trucks Ltd, one might want to consider the following themes:

- number of trucks and drivers;
- working hours of Ryan and Sue; **(should this be Sue or the partner?)**
- level of customer service;
- administration of the business;
- credit control;
- rent of premises;
- what can Howard offer Z-A Trucks Ltd?;
- possible expansion of Z-A Trucks Ltd with Howard's business – how could Z-A Trucks fund this expansion?;
- financial implications of expansion.

Financial Information

When considering the financial strength of Z-A Trucks Ltd one might wish to consider the following points;

- the combined profit of Howard's business and Z-A Trucks Ltd – consideration of the value of Howard's business [£250 000] plus net assets for Z-A Trucks Ltd [£336 142];
- calculation of a gearing ratio for the potential new venture;
- what kind of mortgage could Z-A Trucks Ltd invest in, taking into account the rent it is already paying of £15 000.

Considering some of the financial issues above will allow candidates to research and decide upon a suitable financial package for Z-A Trucks Ltd.

The Individual (Ryan)

When looking into Ryan's financial situation, one might want to consider the following points:

- his current financial needs as detailed in the stimulus material;
- his changing personal circumstances – twins on the way, meaning a possible need for a bigger house and new mortgage?;
- how would this bigger mortgage be financed – could savings be made on the domestic front which would generate the finance needed?;
- what about Ryan's dividends – what impact could these have on Ryan's future financial position?;
- if the expansion of Z-A Trucks Ltd takes place, what benefits could Ryan take from a much larger organisation achieving higher profits?;
- what about Ryan and Sue's savings – what contribution could these savings make to their financial future?

Financial Information

When considering the financial position of Ryan one might wish to consider the following points;

- Ryan's salary [£30 000] plus dividends [£3 000];
- twins on the way;
- value of house and any positive equity it could generate;
- mortgage requirements – borrow three to four times main salary;
- potential increase in salaries once the new business venture takes place;
- increase in mortgage monthly repayments could be offset by financial savings elsewhere – notably savings, 'additional', cable TV, etc.

Considering some of the financial issues above will allow candidates to research and decide upon a suitable financial package for Ryan.

The themes, as listed above, should provide candidates with enough contextual information to go on and meet the assessment evidence requirements for this unit. Ultimately, candidates need to research the financial services market and decide upon a suitable series of proposals which would be of use to both Z-A Trucks Ltd and Ryan. There is no right solution to 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 Ryan and his 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.

Please note an analysis of the second piece of stimulus material for this unit [Fido's Foods] will be made available in the next report following the summer 2007 examination session.

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 sampled had undertaken a wide range of research and visited a varied number of production businesses. One of the most successful was a visit to Pizza Express.

If the Centre is able to establish a good link with a production business, this unit is relatively easy to complete. However, Centres 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 8.2.2 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.

The majority of the Centres sampled tackled the unit in the same way combining assessment objectives one, two and three.

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 legal constraints. 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 more theoretical with a lack of application to the selected business. The major area of weakness was 8.2.2, 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.

Assessment Objective Three

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

Assessment Objective Four

Assessment objective four 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 [section 8.2.8] of the WYNTL for the specification. The higher scoring candidates do need to make clear reference to their initial research into the production process when making judgements.

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 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

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- 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.

F248 Strategic Decision Making

General Comments

It was clear that most candidates could, at the very least, attempt most of the paper. There were a considerable number who scored highly because they were good at the numerical side of the paper (PayBack, ARR, critical path) and competent at the rest. As ever, the highest marks went to those who could evaluate in the context of the question (as well as complete the numerical component). Candidates who performed less well did so because they either did not know the key theoretical tools (Ansoffs Matrix, critical path, etc.) or did not really use the context. Most candidates found the material accessible and many seemed well prepared. Knowledge of every aspect of the specification is essential, as is a decent examination technique.

- 1 (a) Most candidates found this question straightforward and scored maximum marks. Those who did not tended to repeat themselves and not score the second mark (awarded for 'quality'/extra detail).
 - (b) Again, few candidates had a problem identifying the benefits of a mission statement. Those who did usually gave general points were repetition from part a, rather than benefits.
 - (c) (i) This was generally well answered as most candidates had memorised the four quadrants of Ansoffs Matrix.
(ii) A number of candidates put option three in 'product development'. There is no indication in the case study that the product (beef) is developed in any way and this is mere speculation. Most candidates answered correctly.
 - (d) A very common error was to assume that Ansoffs Matrix is a tool which tells you what decision to make, rather than a guide as to riskiness, among other things, of the options facing a firm. Reading the question is essential and here many interpreted it as 'use Ansoffs Matrix', not evaluate the 'usefulness' of it. Some did exceptionally well, but Level 2 answers were very common when candidates did not use the context or discussed Ansoffs Matrix generally. One or two confused Ansoffs Matrix with the Boston Matrix.
- 2 (a) Very well answered.
 - (b) Nearly every candidate scored maximum marks.
 - (c) For what was generally perceived as a straight forward question, many candidates struggled to go beyond listing possible conflicts. Very few evaluated the reasons for the conflict. Given the potential there is within the case study for conflict, most candidates gave it a surprisingly light touch.
- 3 (a) Many candidates scored maximum marks and, presumably, found this network diagram very straight forward. Some could do the ESTs, but not the LFTs. Most candidates seemed well prepared for this type of question.
 - (b) Those candidates who did well on part a tended to get full marks here. Others had no real idea of what was the critical path.
 - (c) The same applied here – those candidates who had scored well so far picked up this relatively straightforward mark.

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- (d) Most candidates scored two or three marks here, but the usual mistake was to get sidetracked into different, unrelated points, rather than following one issue (the delay, float, etc.) through as a developed point.
 - (e) Those candidates who knew critical path tended to know its inherent advantages and disadvantages. This meant that analysis marks in Level 3 were relatively easy to access. Again, evaluation proved difficult for most candidates as they could not give an overview of whether, in this case, it was of any actual use or not. One or two candidates did this very well, however, and were clearly well prepared.
- 4
- (a) This was considered to be a very straight forward series of calculations, but it was surprising how many candidates got it wrong – a sizeable minority. Most, of course, got six marks with considerable ease.
 - (b) Generally well answered. Usually considered more challenging than the PayBack method, a number of candidates got ARR right and PBP wrong! Some calculated ARR using the method used in the OCR textbook and were rewarded with full marks, as were those who used the more ‘traditional’ method. Candidates must ensure that they give their answer to the number of decimal places required.
 - (c) This was, it seemed, every candidate’s favourite question. Most filled the space in the answer booklet and more with the ‘kitchen sink’ approach to this part of the question. Candidates generally went through the PayBack and ARR answers (the own figure rule applied here), then looked at other factors. It was very common to be somewhere in Level 3 as candidates clearly found all of the arguments very accessible. Alas, most did not evaluate – although it was pleasing to see that some Centres had clearly worked on this skill and a few candidates demonstrated it most comprehensively.
 - (d) Many candidates knew what a contingency plan was (in some cases whole Centres did not), although a number confused it with having two on-going plans. Very few candidates applied it to the context. The question asked for the need (or not) for a contingency plan in this particular case. Very few candidates got close to evaluating in context, let alone analysing. Again, this is a skill which needs more work by both Centres and candidates.

F256 Business Law

General Comments

Examiners were seeking to reward candidates who (a) knew the law, (b) could apply it to the scenario given on the examination paper, and (c) make fully supported judgements. In order to score highly on the longer, level of response marked, questions ALL of these skills needed to be shown in one answer. Centres may be able to better prepare candidates for these questions if they train them to firstly, state the law; secondly, explain how it relates to the case study; and then, finally, weigh up the evidence given on both sides to reach appropriate judgements.

Where it was evident that Centres had embraced the new specification, and ensured full coverage of all areas of the new specification, candidates performed well. Question 4, however, sadly indicated that many Centres had given little, if any, consideration to the issue of Intellectual Property Rights and candidate performance suffered accordingly. It is essential that Centres check their coverage of the Specification on a regular basis and update their teaching in the light of changes in legislation or emphasis, eg new minimum wage levels, EU age discrimination legislation.

Comments on Individual Questions

- 1 (a) Generally well answered. To achieve full marks candidates needed to **explain** two advantages (rather than just **state** two advantages). Weaker candidates gave vague answers, such as references to size which made it difficult to gain the explanation marks. Stronger candidates were more specific and good answers which could be well explained included limited liability, separate legal entity and a public share issue.
- (b) Examiners were looking for **any** three elements of a contract (offer, acceptance, consideration, intention, capacity or legality) and a **brief** explanation of the meaning of those chosen. Candidates who had a sound knowledge of these elements easily scored full marks here. Disappointingly there was still evidence that many candidates had no idea at all about what makes a contract legally enforceable. Several candidates insisted that contracts must be in writing and that solicitors must be present - such answers scored no marks.
- (c) This part of the question was marked by way of levels of response and the best answers showed a clear progression within candidate responses from identifying an issue, to explaining it, analysing it and finally reaching a judgement on the likelihood of the contract being a problem or benefit. Candidates generally found plenty to write about here. Where the marks awarded were low, this was frequently because candidates simply **described** an impact, eg the jam must be bought from the specified supplier which may be more expensive, rather than **analysing** and **evaluating** the impact in the context of the case study, eg given that Kirsty is running a new business with limited finance, and an overbearing contract which demands high royalty payments, the extra expense of using the specified supplier may turn out to cause a real cashflow problem. However, it may lead to legal safeguards as to the quality of the jam and, in the long run, avoid heavy legal costs and potential court action which would probably cause even greater damage to the cashflow.

- (d) Ideally candidates should use the legal terms *discharge by performance*, *frustration*, *breach* or mutual *agreement* in their answers. However, it was possible to gain the full marks without actually using these legal terms and many candidates did. This part of the question showed a pleasing depth of understanding by most candidates. Where the marks awarded were low, this was frequently due to repetition of the method. For the full nine marks candidates needed to explain three **different** ways and not repeat the same way using a different example, three different examples of breach of contract could only score a maximum of three of the nine marks.
- 2 (a) (i) Generally well answered. The best answers showed that candidates understood that judges had made the laws in the past and were bound by judicial precedent to stand by what had already been decided in current similar cases. A common misconception amongst weaker candidates was that case law simply meant taking a case to court - such answers scored no marks.
- (a) (ii) A pleasing level of understanding of vicarious liability was seen in an increasing number of candidate responses across all ability ranges. Those who scored well not only explained that under vicarious liability an employer is held responsible for the actions of an employee when acting in the course of his/her duties but also used an example to emphasise their understanding to the examiner. Answers with examples to aid explanation scored highly and candidates should be encouraged to use examples whenever possible.
- (b) The best answers to this part of the question were simply structured – a principle, followed by an example. “Goods must be as described, eg a long sleeved shirt should be a long sleeved shirt and not a short sleeved shirt” is a straightforward answer which would score full marks. The most commonly seen principles used by candidates were – as described, satisfactory quality and fit for the purpose - and these were well rewarded.
- (c) Again a level of response marked question which asked the candidates to **evaluate**. It was evident from this part of the question that many candidates did not have a secure understanding of the meaning of **evaluate** in this question. Such candidates would benefit from studying the difference in key question terms such as explain, describe, analyse, evaluate. Candidates were required to **judge** whether Kirsty was likely to be held liable for Mandy becoming ill, they needed to weigh up the evidence which went against Mandy, eg the doughnut did not contain the specified jam, versus the evidence in support of Kirsty, eg no one else was reported to have been ill. Full marks were awarded to candidates who weighed up both sides of the evidence and gave a supported judgement as to the likely outcome of the case, should it have gone to court.
- 3 (a) This part of the question highlighted a common misconception – an alarming number of candidates stated that a contract of employment is required to be issued by law on the first day of employment rather than within the two months allowed in accordance with the Employment Rights Act 1996.
- (b) It was pleasing to see that most candidates secured full marks here. Vague answers such as “terms” or “conditions” were not awarded marks.

(c) (i) and (ii)
Candidate knowledge of the common law duties of employers and employees appears to be very weak and this is an area of the specification causing problems to candidates. Candidates launched into contractual responsibilities or answers such as employees must not spill jam. The best answers, on part (i) explained that Kirsty must pay her staff for the work they have done, provide safe working conditions, arrange training where necessary and not undermine the trust and confidence of an employee. Likewise, on part (ii) the best answers explained that an employee should show reasonable skill and care, obey reasonable orders and act in good faith.

(d) Candidates wrote at length and made a good attempt at this level of response marked question. The best scripts took examiners through the legislation concerning unfair dismissal and then applied it to the case, weighing up the evidence and reaching a conclusion as to why the dismissal was fair/unfair. Most candidates argued that the dismissal was fair, but it was possible to gain maximum marks by either argument. Even where a candidate is convinced that the evidence is fairly one-sided, it is necessary, in order to secure full marks, that they consider the other side of the argument. No case is ever one-sided. It is the analysis of the issues from both sides – fair and unfair – which creates the opportunity for examiners to award the majority of the marks.

4 (a) (i) It was evident that some candidates were ill prepared to answer questions on The Trade Marks Act (1994) and indeed Intellectual Property Rights as a whole. Candidates scored marks for explaining that this law relates to a graphically represented sign which is capable of distinguishing goods/services, this sign can be protected from being copied under this Act. Those who did do well scored one mark simply for giving an example to aid their explanation, eg the Nike 'Swoosh' which is protected so no one other than Nike can use it. Many candidates left the answer totally blank.

(a) (ii) Again, it was evident that candidates lacked basic knowledge of the provisions of the Copyright, Designs and Patents Act (1988). It was sufficient for full marks to indicate that the Act covers tangible creations such as inventions, music, artistic works and that these are protected from being copied without the owners' consent. Again, many scripts were left totally blank.

(b) Surprisingly given the responses to parts (a) (i) and (ii), candidates wrote at length on this part of the question and most scored at least half marks. The two easiest routes to full marks for candidates appeared to be that Kirsty could register the MIU so that only she can use it and, thereby, gain some competitive advantage, and that Kirsty could register the MIU so that she has the exclusive rights to sell the design, thus raising additional finance for her business. Various other ways of using the Act to Kirsty's advantage were also rewarded. The question, however, did not demand that the advantage had to be in relation to the MIU.

F257 – Managing Risk in the Workplace

General Comments

Although this was the first sitting of this unit, Centres responded well to this A2 examination. The format of this paper is similar in terms of the number of questions and number of sections to those which will follow and it was pleasing to see that candidates managed their time well during the examination, with the majority attempting all questions.

Candidates coped well with both the health and safety aspect of risk and the strategic side of risk within the paper. Centres will benefit from spending some time discussing the legal implications of 'risk' with candidates, as although this aspect of the specification featured in many of the candidate's 15 mark answers in terms of a negative consequence, it was handled less well in question 1(d) where candidates were asked to clarify a legal position.

With regard to short answer questions, the candidates from each Centre produced broadly the same definition response. However, these were not all accurate and Centres should take care to ensure definitions of key topics are defined to candidates as they appear in the specification.

Evaluation marks were available in three 15 mark questions, with five marks for that skill in each question. It was disappointing to see that only a few candidates were successful in achieving evaluation. In some cases, this was due to a limiting of movement through the AO2 (application) criteria as no application to the case study was attempted, in an otherwise good response.

Overall, candidates seemed to have coped well with the mix of strategic and health and safety risk which make up the content of this paper.

- 1 (a) This question was answered reasonably well, although it was disappointing to see that few candidates gave 'reasonably practical', despite its presence in the specification.
 - (b) Several candidates examined the implications of not implementing health and safety laws and regulations such as fines, being sued, etc. Many candidates achieved one mark per suggestion, as explanations did not look beyond cost implications.
 - (c) This part of the question was generally well answered, although very few candidates obtained the third mark as developments from the original points were limited.
 - (d) (i) Many candidates misread this question as why was Alan not justified, so for many candidates a mark of zero was achieved. For those who correctly read the question, a score of one or two marks was common.
 - (d) (ii) A better response was gained than in the first part of 1(d) as more candidates could understand why the dismissal was not justified. However, the majority of candidates only achieved two marks by not developing their answer fully.
- 2 (a) A straight forward test of knowledge, with many candidates achieving full marks.
 - (b) This part of the question was targeted at health and safety risks encountered by Ron and Colin in the course of their landscape gardening work. However, many candidates chose to discuss strategic risk and, therefore, did not achieve marks. Those focusing on health and safety risks produced good quality answers given the ease of identifying risks in this occupation.

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- (c) During the course of the candidate's answers some moved from strategic risks to health and safety risks. However, there was a good quality of answer from candidates focusing on strategic implications. Some candidates discussed implications relating to the opening of a garden centre rather than a landscape gardening business. Few achieved evaluation, although many summarised their earlier points rather than judging their significance.
- 3
- (a) The vast majority of candidates achieved full marks although some gave characters from the text, ie Ron and Colin, rather than types of stakeholders.
 - (b) Better candidates were able to establish three practices, although weaker candidates were only able to achieve an identification of two marks without development. However, the majority of candidates managed to score some AO2 (application) marks.
 - (c) Again, some candidates confused health and safety practices at a garden centre with those relevant to a landscape gardening centre, eg 'improving health and safety will lead to more customers in the shop'. Candidates frequently described activities a health and safety consultant could carry out for the business, rather than analysing the level of advantage which could be gained for the business. A number of responses focused on the benefits of increasing reputation rather than avoiding negative publicity.
- 4
- (a) A large number of candidates were able to achieve full marks on this part of the question by outlining sections of the risk assessment process.
 - (b) Some candidates looked at the personal cost to Ron, eg loss of pay, rather than costs to the business. However, other candidates were able to move straight to Level 2 by identifying the risks of ineffective risk management, so candidates either achieved zero marks in excess of four marks.
- 5
- (a) This section was generally well received. All but a few candidates were able to name types of industrial action and develop their answer by commenting on a feature of their chosen type of industrial action. However, it was clear that trade unions had not been taught in a few Centres with candidates making general attempts at answers or leaving this section blank.
 - (b) Some candidates did not focus on factors affecting success, but instead looked at reasons why industrial action should be taken or the impact on the business of industrial action. However, better candidates were able to score well on this section being able to express how this type of seasonal, small business, serving the local community and with no union present, many be dependent on a range of circumstances in order to produce leverage in the managers or workers favour.

Principal Moderator's Report

Over half of the Centres which submitted work for this first moderation session followed OCR procedures, adhered to set deadlines and accurately completed documentation which enabled the moderation process to progress smoothly. However, many 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. Centres must also ensure the marks on the MS1 form match the marks on the Unit Recording Sheet for each candidate and each unit.

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 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.

Assessors are reminded that they should make reference to the assessment objective amplification grids when assessing candidates work.

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 often selected business ideas which were way above their capabilities. This greatly limited their ability to create a realistic plan in order to achieve assessment objective two. The best plans were created by candidates who had selected small enterprises based on their own knowledge, interests and experience.

Assessment Objective One

In order to achieve this assessment objective candidates are required to provide theoretical coverage of sections 10.2.1, reasons for construction of a business plan; 10.2.2, information within a business plan: and, finally, 10.2.5 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 10.2.1 and 10.2.2. In order to complete 10.2.5 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 assessment objective four.

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 10.2.2. This could involve adapting the layout or adding extra information. The information used within the business plan must be fully supported/justified through the research carried out in assessment objective three.

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 in to 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.
- Very few candidates considered the different stages of production.
- 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.
- Cash flow forecasts, although completed correctly, were often based on figures which appeared to be 'plucked out of thin air'. Candidates must fully justify their sales and expenses.

Assessment Objective Three

Centres should pay attention to section 10.2.3 of the specification which clearly states that candidates 'need to ensure the 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.

Candidates must also 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 one for analysis. Frequently, candidates produced pages of computer generated graphs and charts which lacked analysis and which gained no marks at all. 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 their initial research must be made. Candidates were unable to access the higher grades as they often failed to consider the 'knock on' effect that 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 and failed to consider the 'long term' implications of some constraints. For example, environmental concerns are currently headline news and possible legislation could have an impact on the business in the long term.

Unit 11: Managerial and supervisory roles

This unit is quite a complex unit to complete and candidates need clear guidance as to how to differentiate their evidence for assessment objectives three and two. 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 the AS specification. Candidates need to undertake their research following section 11.2.3 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 assessment objective two. Some of their analysis will be evident within this report and, therefore, credit for assessment objective three can be awarded here as well.

The main problem with the unit, at this stage, is candidates muddling their assessment objective two and three evidence. There is often no stand alone report produced. Candidates are also mainly only focusing their analysis and subsequent conclusions on management styles and motivational theorists. They omit to describe how their manager performs their role (11.2.1) – planning, organising, etc.

The vast majority of the candidates sampled this session had gained good access to their selected manager/supervisor through work experience. They had often fully participated in answering a questionnaire. However, what was missing was the candidate's observation of the manager 'in action'. This meant that candidates were often unable to substantiate the statements which 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 11.2.1 (both sets of bullet points) – the business context in which the report will take shape, 11.2.3, the last section under secondary research; different types of managerial/supervisory styles, motivational theorists; and, finally, 11.2.5. evaluation of the factors which can influence the environment in which a manager/supervisor performs her/his role.

The theoretical section under 11.2.3 (research) also forms part of the candidates' assessment three evidence.

Generally candidates completed this section successfully. The higher performing candidates used examples to illustrate section 11.2.5 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 assessment objective three.

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

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.

Report on the Units taken in January 2007

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

The candidates sampled during the session generally had made good links with businesses and arranged interviews with relevant managers. 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 deals with each of the sections outlined above.

Assessment Objective Three

In order to achieve this, assessment objective candidates need to focus on sections 11.2.2 and 11.2. 3 of the specification (page 117). Primary research focuses on interviews with the selected manager and fellow workers. Secondary research informs both AO3 and part of AO1 as these focus on different types of managerial/supervisory styles and motivational theorists.

Candidates sampled this session had achieved a face to face discussion with their selected manager 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, what was then lacking was the ability of the candidates to analyse this information in order to compile their report. Their analysis should enable them to cover section 11.2.1 of the specification.

Assessment Objective Four

Candidates must make reference to section 11.2.5 (page 118) of the specification before tackling this assessment objective.

Candidates are required to prioritise the factors which they think would have the greatest influence on the environment in which the manager/supervisor performs his/her role. The key here is the words 'influence the environment'. Candidates need to link the analysis of their research into the current culture, objective, structure and availability of resources (11.2.1) when undertaking this section.

Once again in order to achieve mark band 3, candidates must consider short term and long term impacts.

Unit 12: Launching a business on line

This unit proved to be fairly popular with Centres in the January session. However, the unit did appear to have 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 actually 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 of 12.2.2 – how e-commerce would be used by the business, benefits and drawbacks of such a policy and 12.2.5 the issues involved with setting up and running a website. Both sections must be covered here, front end and back end.

In order to help candidates achieve the higher marks OCR would suggest that this section is tackled from a theoretical view point, with candidates using a variety of examples taken from different businesses in order 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.

The vast majority of candidates sampled had only produced the home page of their website giving limited explanations of the recommended hyperlinks. 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 assessment objective three.

In order to secure top marks for this assessment objective, candidates should consider explaining how their website would meet all of the bullet points listed under 12.2.5 - Front End. 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 12.2.3 – planning the strategy. A well laid out plan should enable candidates to correctly target their research.

Candidates’ primary research should focus on the 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.

Report on the Units taken in January 2007

Candidates' secondary research should analyse similar websites which are marketing a similar portfolio of products to the selected business. Candidates should 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.

The vast majority of candidates who submitted work for the January series had completed a simplistic analysis of competitor websites but then often failed to follow the bullet points above. Having completed their analysis, they 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. They should be guided by the bullet points under 12.2.5 – Back end (page 129). 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 assessment objective three. They also need to consider short term, long term, success and potential failure whilst drawing their conclusions.

Unit 13: Promotion in Action

This was the most popular option unit in the January session. Candidates are required to produce a promotional strategy (at least two promotional media) for promoting a new product or service of their choice. Candidates could choose to develop the new product which they used in unit 1, Marketing. It would be helpful if the product or service 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 the 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.

Assessment Objective One

Candidates are required to provide theoretical coverage of 13.2.5 – the various forms promotional activity can take and how and when each form of promotional activity is used. From 13.2.6 they 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 two final concepts of their promotional material and the rationale behind their development.

When moderating the portfolios, it was often extremely difficult to see the links between the candidate's research and their final products. All too often candidates also 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 assessment objective three.

Assessment Objective Three

The starting point for this assessment objective is 13.2.3 the 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.

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

Candidates need to make reference to 13.2.4 to establish the kind of research they should be conducting. When conducting their primary research, their main focus should be on the second bullet point. 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 13.2.3. 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 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 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 some of the portfolios seen in January.

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. 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 analysis must be backed up through wide ranging research. This should include readership numbers, age profiles, cost, etc. A lot of candidates used leaflets but failed to consider the cost of distribution or even how and to whom they were going to be distributed.

Generally, 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 be clearly linked 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. Very 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 used the stimulus material supplied by OCR which focuses on Sally Small who runs a business selling school uniforms.

Please note a solution to the first set of stimulus material for this unit will be made available in the next report following the summer 2007 examination session.

There were a variety of different approaches to this unit. It was often worrying to see that in some Centres all the candidates' work contained the same errors and I feel that this is an area which needs addressing before further submissions. In other Centres, candidates had worked under test conditions and their work contained a wide variety of errors.

Although OCR does not specify how the unit should be tackled but identical work for assessment objective two 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 bookkeeping 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)–(v). 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) and (v) lacked often lacked depth and certainly did not demonstrate a clear and comprehensive understanding and, therefore, should not have been awarded mark band 3.

Assessment Objective Two

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

Task B - candidates generally completed this section well with few errors within their double entry. 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. The main error focused around the rent payable account with many Centres thinking that it balances on the credit side. This is an expense and the rule 'debit the receiver and credit the giver' still applies. Therefore, the bank has paid out the money – credit, the rent payable account has received the value as an expense of the business – debit.

Task C – Candidates were generally able to complete part (i) successfully identifying the trial balance contained an error and placed this in the suspense account. In order to complete (ii) candidates were required to resolve the errors through the use of a journal. Correct completion of the journal would have identified which errors affected the suspense account. Carrying these over to the suspense account opened in (i) would have cleared the balance. Candidates were able to complete (iii) successfully even if they had failed to use a journal and suspense account in (ii).

Task D – the extended trial balance was completed with a mixture of success. The final accounts of the business had usually been completed using an acceptable layout and arriving at the correct net profit figure.

The results from this task are used by the candidates as part of their assessment objective three evidence. If they had made errors within these accounts the 'own figure rule' applied to their analysis, and final evaluations. There were not penalised twice.

When assessing this section, teachers must refer back to the unit grading grid. In order to achieve mark band 3 there should be few, if any, errors or weaknesses present within them, and accounts must be presented in an appropriate professional format.

Quite a number of candidates submitted hand written accounts which were scruffy, difficult to read and, therefore, they could not achieve mark band 3 simply on their layout alone.

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 which was all 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.

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 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 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 assessment objective four 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 assessment objective three mark here as they began to fully develop the analysis and the impact of the ratios calculated in assessment objective three.

The highest scoring candidates remained focused on the idea that Sally wanted to improve profitability and clearly linked their responses to the issues raised within the case study.

There were some very good evaluations with candidates coming up with some good suggestions as to how to take the business forward in the future in order to achieve greater profitability.

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

Unit 15: Launching a New Product or Service in Europe

This unit only had a small number of entries in the January session and, therefore, any observations are based on a limited number of candidates' portfolios.

One of the main problems with the work seen was the fact that candidates were trying to do this unit without an established link with their 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 again based on theoretical coverage of 15.2.2 and should focus on general trends within the European Union. 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 15.2.4 – second set of bullet points (page 162). The candidates' written summary must be based on the analysis of their research carried out in assessment objective three.

Unfortunately, a lot of candidates simply stated that their selected business would have to deal with each of these points, but failed to provide their own strategy of how this might happen.

Assessment Objective Three

Candidates must start off this section by showing evidence of planning their research, 15.2.3. Within their plan, candidates must consider their objective(s), types of research, and the sources of information they will use. Candidates should then be guided by section 15.2.4 when selecting the type of research methods they will use. Special attention should be given to the bullet points found on page 162. These are the main aspects which candidates need to research in order to be able to compile their written summary for assessment objective two.

The main failing within this section was 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 assessment objective two evidence.

Assessment Objective Four

Candidates are required to prioritise the bullet points found under section 15.2.6 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 assessment objective three.

Unfortunately, the quality of the research undertaken for this unit was extremely weak and, therefore, the ability to develop a detailed evaluation was 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 this unit.

Assessment Objective One

Candidates should provide theoretical coverage of sections 16.2.2, the business context within which the strategy will take place; 16.2.5, production of an action plan – candidates need to focus on the different training methods and initiatives that businesses could use; and, finally, 16.2.6, evaluation of 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 assessment objective three.

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 section 16.2.5. If candidates are recommending external training courses these should be fully explained.

The training programmes put forward for the January series often lacked detail and did not directly link back to research undertaken. They were often too general with very little description of what the training was hoping to achieve for the individuals or the business.

Assessment Objective Three

Whilst planning their research, candidates must be aware of the different types of training programmes that 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 met to meet these individual needs.

Candidates' primary research will 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 is 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 this January 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 16.2.6. 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?

Within the portfolios there was often very little linkage here back to research undertaken in assessment objective three. 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 marks awarded on the Unit Recording Sheet

Report on the Units taken in January 2007

- 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.

**Applied GCE (Business) (H026-H626)
January 2007 Assessment Series**

Coursework Unit Threshold Marks

| Unit | | Maximum Mark | a | b | c | d | e | u |
|-------------|-----|--------------|----|----|----|----|----|---|
| F240 | Raw | 50 | 41 | 36 | 31 | 26 | 21 | 0 |
| | UMS | 100 | 80 | 70 | 60 | 50 | 40 | 0 |
| F241 | Raw | 50 | 41 | 36 | 31 | 26 | 21 | 0 |
| | UMS | 100 | 80 | 70 | 60 | 50 | 40 | 0 |
| F244 | Raw | 50 | 41 | 36 | 31 | 26 | 21 | 0 |
| | UMS | 100 | 80 | 70 | 60 | 50 | 40 | 0 |
| F245 | Raw | 50 | 41 | 36 | 31 | 26 | 21 | 0 |
| | UMS | 100 | 80 | 70 | 60 | 50 | 40 | 0 |
| F246 | Raw | 50 | 41 | 36 | 31 | 26 | 21 | 0 |
| | UMS | 100 | 80 | 70 | 60 | 50 | 40 | 0 |
| F247 | Raw | 50 | 41 | 36 | 31 | 26 | 21 | 0 |
| | UMS | 100 | 80 | 70 | 60 | 50 | 40 | 0 |
| F249 | Raw | 50 | 40 | 35 | 30 | 25 | 20 | 0 |
| | UMS | 100 | 80 | 70 | 60 | 50 | 40 | 0 |
| F250 | Raw | 50 | 40 | 35 | 30 | 25 | 20 | 0 |
| | UMS | 100 | 80 | 70 | 60 | 50 | 40 | 0 |
| F251 | Raw | 50 | 40 | 35 | 30 | 25 | 20 | 0 |
| | UMS | 100 | 80 | 70 | 60 | 50 | 40 | 0 |
| F252 | Raw | 50 | 40 | 35 | 30 | 25 | 20 | 0 |
| | UMS | 100 | 80 | 70 | 60 | 50 | 40 | 0 |
| F253 | Raw | 50 | 40 | 35 | 30 | 25 | 20 | 0 |
| | UMS | 100 | 80 | 70 | 60 | 50 | 40 | 0 |
| F254 | Raw | 50 | 40 | 35 | 30 | 25 | 20 | 0 |
| | UMS | 100 | 80 | 70 | 60 | 50 | 40 | 0 |
| F255 | Raw | 50 | 40 | 35 | 30 | 25 | 20 | 0 |
| | UMS | 100 | 80 | 70 | 60 | 50 | 40 | 0 |

Examined Unit Threshold Marks

| Unit | | Maximum Mark | a | b | c | d | e | u |
|------|-----|--------------|----|----|----|----|----|---|
| F242 | Raw | 100 | 79 | 70 | 61 | 52 | 43 | 0 |
| | UMS | 100 | 80 | 70 | 60 | 50 | 40 | 0 |
| F243 | Raw | 100 | 83 | 75 | 68 | 61 | 54 | 0 |
| | UMS | 100 | 80 | 70 | 60 | 50 | 40 | 0 |
| F248 | Raw | 100 | 80 | 72 | 64 | 56 | 48 | 0 |
| | UMS | 100 | 80 | 70 | 60 | 50 | 40 | 0 |
| F256 | Raw | 100 | 76 | 67 | 58 | 49 | 41 | 0 |
| | UMS | 100 | 80 | 70 | 60 | 50 | 40 | 0 |
| F257 | Raw | 100 | 73 | 65 | 58 | 51 | 44 | 0 |
| | UMS | 100 | 80 | 70 | 60 | 50 | 40 | 0 |

Specification Aggregation Results

A2 aggregations [H426/GH626] were not possible in January 2007.

AS aggregations [H026/H226]:

Uniform marks correspond to overall grades as follows.

Advanced Subsidiary GCE (H026):

| Overall Grade | A | B | C | D | E |
|---------------|---------|---------|---------|---------|---------|
| UMS (max 300) | 240-300 | 210-239 | 180-209 | 150-179 | 120-149 |

Advanced Subsidiary GCE (Double Award) (H226):

| Overall Grade | AA | AB | BB | BC | CC | CD | DD | DE | EE |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| UMS (max 600) | 480-600 | 450-479 | 420-449 | 390-419 | 360-389 | 330-359 | 300-329 | 270-299 | 240-269 |

Cumulative Percentage in Grade

Advanced Subsidiary GCE (H026):

| A | B | C | D | E | U |
|---|-------|-------|-------|-------|-----|
| 2.69 | 18.79 | 40.94 | 69.13 | 89.26 | 100 |
| There were 180 candidates aggregating in June 2006. | | | | | |

Advanced Subsidiary GCE (Double Award) (H226):

| AA | AB | BB | BC | CC | CD | DD | DE | EE | U |
|--|------|------|-------|-------|-------|-------|-------|-------|-----|
| 0.02 | 2.38 | 9.52 | 26.19 | 45.24 | 54.76 | 64.29 | 76.19 | 97.62 | 100 |
| There were 52 candidates aggregating in June 2006. | | | | | | | | | |

For a description of how UMS marks are calculated see;
www.ocr.org.uk/OCR/WebSite/docroot/understand/ums.jsp

Statistics are correct at the time of publication.

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