

Applied Business

General Certificate of Secondary Education **J213**

General Certificate of Secondary Education (Double Award) **J226**

Examiners' Reports

January 2011

J213/J226/R/11J

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This report on the Examination provides information on the performance of candidates which it is hoped will be useful to teachers in their preparation of candidates for future examinations. It is intended to be constructive and informative and to promote better understanding of the specification content, of the operation of the scheme of assessment and of the application of assessment criteria.

Reports should be read in conjunction with the published question papers and mark schemes for the Examination.

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Chief Examiner's Report

This was the third examination series for this qualification and candidate entries were relatively low for both units A242 and A243. The entries were very low for unit A244. This pattern of entries was to be expected, as this is only the second year of the qualification and units A243 and A244 are those undertaken for J226 the Double Award qualification in GCSE Applied Business. As a result of the terminal rule, many centres have deferred their entry for units A242 and A244 until June 2011.

INSET courses were available during the autumn term of 2010: 'Get Started – getting to grips with delivery and assessment' and 'Get Ahead – improving delivery and assessment'. They provided the opportunity to discuss the structure of the qualification, controlled assessment, planning, the delivery and assessment of all four units, together with the opportunity for networking and sharing ideas for best practice. In addition, in-house training events are available on request. Further INSET courses are being offered during autumn 2011.

Centres are reminded to take into consideration the terminal rule when planning delivery models and entering candidates for examinations and external moderation. Candidates must take at least 40% of the assessment in the same series in which they enter for either the single award or double award qualification certification, ie. one unit for the single award and two units for the double award. Units can be taken in any order as long as the terminal rule is satisfied. This terminal rule does have implications for delivery, particularly in the way in which the double award is delivered (see Specification page 48 and Teacher's Handbook page 4.)

Another area for consideration is the use of re-sits as an opportunity for the candidate to improve assessment outcomes. Whilst the candidate can re-sit each unit once before entering for certification, centres need to consider the logistical implications of re-sitting both internally and externally assessed units. If a re-sit is used to satisfy the terminal rule, then this re-sit result will count towards aggregation, even if it results in a lower mark than the original result (see Teacher's Handbook pages 4 and 7).

A241 and A243

The candidates had been well prepared with sound theoretical knowledge of the units. However, they need to develop their examination techniques and to apply their answers to the case study and also, in the case of unit A241, to a business which they have studied. On unit A241, when questions ask candidates to respond using a business which they have studied, they must apply their answers to that selected business. It is not sufficient merely to name the business and provide a theoretical response. Within the 10 mark questions, it was pleasing to see that more candidates than in previous series had applied their answers in order to, at least, access Level 2. Centres are reminded that calculators are allowed for both examinations. Candidates will be disadvantaged if they do not have access to a calculator, particularly when carrying out calculations within unit A243. When candidates cross out a response and insert a revised answer, it must be clear to the examiner which response should be marked.

A242 and A244

When using the OCR repository, it would be helpful to internal and external moderators if one file per candidate was produced (word document or pdf). There have been instances where a number of files per candidate have been submitted in a variety of formats. The opening of a range of files per candidate is a very time-consuming process for moderators.

For unit A242, Tasks 1, 3, 4 and 5 must be carried out under controlled conditions using the research findings from Task 2. If Task 2 is weak, it is difficult for candidates to score high marks

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for the tasks carried out under controlled conditions. There were some lenient assessment decisions, particularly at the higher levels. Some candidates who had been awarded Level 3 marks had not met the Level 3 requirements of the assessment objective; particularly in relation to AO3.

For unit A244, a range of scenarios had been used within each of the two centres which submitted material. It appeared that candidates had chosen their preferred job role. Tasks 2, 3, 4 and 5 must be carried out under controlled conditions using the research findings from Task 1. Work for this unit had been realistically assessed.

A241 Business in Action

General Comments

This was the third sitting of the unit A241 examination and an increasing number of candidates were entered for this session with a good range of marks being awarded. It was clear that centres had prepared candidates with the theoretical knowledge required to do well on this unit. Visits to businesses and the use of case study material were also evident. As always candidates who had been fully prepared for the examination generally performed well. Responses indicated a good level of understanding and demonstrated that candidates could apply the subject matter in context.

Questions on this unit will either be purely theoretical, applied to the business given in the texts within the question paper itself or, applied to a business such as, or applied to a business which the candidate has studied. The introductory texts need to be read very carefully by the candidates and used as appropriate when answering the questions. The texts put the business, in this case Springer Office Furniture (SOF), in context and gave the candidates invaluable information which allowed them to apply their answers.

When a question asks the candidate about a business which they have studied their answer must clearly relate to that particular business. It is not sufficient to simply write the name of the business and then write a general, possibly theoretical answer. In future examinations, candidates will be asked to state the activity of the business in addition to its name. This is to help them to focus on what their business actually does and to then apply their answer.

Some candidates, when identifying a business which they had studied, had obviously learned a lot about their chosen business, and were able to relate their findings to the questions on the paper, but quite a few seemed to have limited understanding of how their chosen business actually operated.

In this examination, the 10 mark questions were all linked to Leo and SOF. In future series there may be a mix of questions relating to the case study business and a business which the candidates have studied. On the 10 mark questions there is a maximum of two marks for an answer which is not in context. Including the name SOF in the answer a couple of times is not application and an answer of this type will score a low mark.

It was pleasing to see that more candidates than in previous sessions had been taught to apply their answers to the level questions with good use made of the scenario in the question paper. Candidates who did this immediately accessed Level 2. Those who did not often had good analytical skills and demonstrated a high level of business knowledge but this, unfortunately, could not be awarded. Candidates across the ability range were able to write at length on all three of the 10 mark questions. Some of the lowest grade candidates actually obtained most of their marks from these three questions.

Questions asking candidates to explain a way or a reason are generally marked on a one plus one marks basis. This means that the first mark is awarded for stating or identifying the way or reason. The second mark is for developing that reason (in context if that is required in the question). It was pleasing to see that a smaller number of candidates than in previous sessions stated two or three different reasons, rather than developing one of them. Stating two or three different reasons limits the candidate to a maximum of half marks on such questions because they are not developing their reasons.

Within the specification there are easily identifiable areas where evaluation questions can be asked. Some of these areas include a reference to a business which the candidate has studied

and some do not. Careful study of the specification will enable centres to plan their visits to businesses to their advantage. The use of the centre as a business is not always beneficial to candidates. An approach to planning could be to select a business or case study to cover each area of the specification where 'a business which candidates have studied' has been mentioned.

Centres need to ensure that when teaching the theory for this unit candidates have been taught using the terminology in the specification. For example Question 4(b) asked about changing business practices. This is clearly on the specification but a significant number of candidates did not attempt this part of the question. Candidates would have been taught the theory to answer such a question but perhaps did not know that their ideas were 'ways of changing business practices' and so did not write them down.

Comments on Specific Questions

- 1a, 1bi and 1bii These parts of the question were, on the whole, very well answered.. It was especially pleasing to see that the majority of the candidates were able to apply correctly the term unlimited liability to Question (b)(ii) and to describe the disadvantage of this in relation to a sole trader.
- 1c Many candidates did not give equal weight to commenting on each aspect of the question and focused on just one aspect, rather than the two which needed to be analysed. In order to score seven or eight marks, candidates needed to analyse the changes. For nine or ten marks a judgement was needed considering why the other change would not have the biggest impact. Some candidates wrote at length about both changes and limited themselves to six marks as they did not analyse. A theoretical answer not linked to SOF scored a maximum of two marks.
- 2a The questions relating to ICT were not testing candidates' specific knowledge about software/programmes but were aimed at testing whether the candidate knew how a business could make use of various types of ICT in the different functional areas. Some answers given were not linked to the actual manufacturing process and focused more on how orders may be administered.
- 2b This part of the question was answered better, but the development of how ICT makes the administration functional area more efficient was not always explained
- 2c Candidates performed well, on this part of the question; however, they need to ensure that they do not repeating examples.
- 2d Some good answers were given to this part of the question, with many candidates recognising the significance of, and difference in, online shopping and Internet advertising.
- 2e This part of the question was aimed at lower level grades. Using the context provided in the stem and the texts allowed candidates to access Level 2. More candidates were able to access Levels 2 and 3. Most understood the impact of taking a risk by developing a new product and it was pleasing to see that the other two aspects were also attempted. Fewer candidates than expected took the final prompt and wrote about which way would have the biggest impact. This style of evaluation question will feature in future examination sessions.
- 3ai This part of the question was well answered.

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- 3a ii Many candidates were able to describe the interest of one stakeholder, but were not then able explain the conflict between the two groups.
- 3b This part of the question was generally well answered, but a lot of responses included what the benefits to a business would be if did listen to its stakeholders which obviously helped candidates' thinking, but was not required by the question.
- 3c i Sustainability is clearly identified in the specification and it was pleasing to see that candidates understood the term and were able to apply it to a furniture manufacturer.
- 3c ii There were some very clear answers to this part of the question.
- 3c iii Many candidates had picked an appropriate business, eg. Cadbury and were able to give three very different answers in context. Some candidates did not read the statement 'Other than sustainability
- 4a If candidates had not read Text 4 they lost marks as this part of the question clearly asked them to explain why Leo had changed SOF's business practices 'in this way'. Some candidates tried to use exchange rates in their answer, but not all had grasped the concept and what it would mean to the business if the rates went higher or lower. Candidates, generally, were able to appreciate that trading abroad would bring additional costs for Leo.
- 4b Candidates could state a way in which their chosen business had changed its business practices but most could not develop this appropriately. The question itself stated 'Other than by changing its target market' and, therefore, developments related to the target market gained no additional marks.
- 4c This part of the question was well answered with most candidates able to achieve full marks.
- 4d There was good knowledge evident from a lot of candidates on all the economic factors listed on the question paper and as most candidates scored well on Question 4(c) they were able to use information to help them answer this part of the question. Candidates of all ability levels were able to write at length by utilising the bullet points. Some candidates stated which factor would have the biggest impact, but this was not always backed up with analysis and so was limited to Level 2.

A242 Making Your Mark in Business

A small number of centres entered candidates for the moderation of unit A242 in January 2011. Twelve centres made entries, two withdrew, leaving ten centres to moderate. The comments in this report are, therefore, based on the experiences of moderating a small number of centres. As a result of the terminal rule, many centres have deferred their entry for unit A242 until May 2011.

The controlled assessment materials for this unit are available via OCR Interchange. Candidates must use one of the five scenarios provided by OCR. From the work moderated at this series, different approaches were evident. The majority of centres had selected one scenario for use by the whole cohort. However, in other centres, a range of scenarios had been used. Work was moderated using all five scenarios; one and five being the most popular this series. It is acceptable for candidates to use the actual names of their selected business and competitors within their work, rather than using the names within the scenarios.

Task 1 (AO2) – Candidates must produce an action plan, addressing each of the bullet points within the task (two hours allocated). Candidates would benefit from using a tabular format to design the action plan, clearly showing each task and how it will be carried out. Candidates would also benefit from focussing their action plan on Task 2, ie to obtain information on target market needs and competitor activity in relation to the business scenario. Following Task 1, candidates should use the action plan as a working document. They may need to make changes to the original plan as the investigation progresses. In order to achieve Level 3, the action plan must be comprehensive and fit for purpose. Monitoring must take place, with changes being made and the reasons being given for the changes.

Task 2 – This task is based on research and carries no marks. However, it was apparent from some of the work moderated that questionnaire design was weak and that limited secondary research had been undertaken. As a consequence, some candidates had minimal information on which to base their controlled assessment tasks. These weaknesses were reflected in the marks awarded. In the design of the questionnaire, it was helpful if candidates had an understanding of the marketing mix of the selected business.

Task 3 (AO1) – Candidates are required to clearly identify and describe how the chosen business is currently meeting the needs of the target market. There tended to be implied evidence and it needs to be more explicit in relation to what the business currently offers the target market. The final bullet point within the task requires candidates to describe **two** ideas as to how the business could better meet the needs of its target market and be more successful than its competitors, making reference to the marketing mix. In order to achieve Level 3, candidates must suggest two relevant ideas for improvement, with explicit links to more than one aspect of the marketing mix. Candidates must describe how the ideas will impact on the target market. (AO2) – Candidates must present their research findings in appropriate formats in relation to both customers and competitors. The use of tables to compare products/services and prices was an effective technique. For Level 3, there should be accurate interpretation, with detailed coverage of both customers and competitors. Data should be presented in a variety of appropriate formats, eg. charts, graphs, tables, location maps, etc. There will be few, if any, errors of grammar, spelling and punctuation.

Task 4 (AO1) – This task was generally well evidenced. At Level 2, descriptions are enhanced by the use of a range of examples. (AO2) – The item of promotional material must link to one of the ideas from Task 3. For Level 3, the item of promotional material should be clearly applied to the business, the target market and based on research. Some candidates had included a second copy of the promotional material which had been clearly annotated and cross-referenced to show how it was fit for purpose, particularly targeted to research outcomes and the target market. (AO3) – Candidates must address each of the three sections within bullet point three. A

frequent omission was section one – why your chosen item of promotional material is more appropriate than any other. At Level 3, an evaluation of costs may consider different ways of producing and distributing promotional material.

Task 5 (AO3). Candidates must use their action plans to address both bullet points within the task. Some candidates would benefit from using a range of criteria to reflect on the positive and negative aspects of their skills and teamwork. For Level 3, candidates are required to reflect on a range of skills, supported by the action plan. An in-depth evaluation is required of their own contribution and a reflection on other group members' contributions, with strong and regular links to the action plan. There will be few, if any, errors of grammar, spelling and punctuation.

A243 Working in Business

This is the third session in which this unit has been assessed. There was a small but significant entry; therefore, the observations have some grounding and can be supported from evidence, but these will become more accurate as the entry increases.

The content of this unit is wide in both its depth and breadth, therefore, it is important that candidates are particularly well prepared for this examination. Revision guides and practice at examination questions are an important part of the revision process for this unit.

Due to the depth and breadth of the specification, and as noted in the specification, not all aspects will necessarily be tested in each paper. The only constant will be the finance functional area which will take up about one quarter of the marks allocated in each paper.

The use of a calculator is allowed and centres are recommended to urge candidates to use one as this will assist in the accuracy of their calculations. These will inevitably take place in the finance area of the paper, but could also take place in other areas; for example, as in this paper, when candidates were asked to consider advertising data and use it to make decisions about a future advertising campaign.

Centres should note that specific ICT applications such as spreadsheets and databases will be tested within this paper.

Centres still need to prepare candidates to effectively answer the longer questions which are assessed using level of response criteria and also the candidates' quality of written communication. There is evidence that where centres have done this, the structure and style of candidate responses allowed them to attain the higher marks. Candidates must be reminded to make good use of the stimulus material which is provided within the question paper either within the text boxes themselves or in the question stem. This information has been provided for the purpose of helping candidates to tackle questions requiring them to demonstrate the higher level skills of analysis, evaluation and supported judgement. Centres should be aware that questions have been designed so that all candidates have an opportunity to demonstrate the Level 3 skills of analysis and evaluation.

Comments on Specific Questions

Question 1

Most candidates in part (a) gained full marks for this part of the question.

Part (b) was poorly answered as candidates looked at the advantages and disadvantages of a matrix system, whereas the question specifically asked about the ways in which the functional areas of CG Ltd are affected by the matrix organisational structure.

Candidates answered part (c) very well.

Question 2

In part (a) most candidates gained one mark for explaining the purpose of promotion, but many did not gain the extra mark available for extending their answer and relating it to CG Ltd.

However, on part (b) nearly all candidates gained full marks and were able to extract the appropriate data from Text 2. Candidates answered part (c) very poorly as they did not identify methods of sales promotion, but focussed on methods of advertising such as TV, radio, etc.

Part (d) gave candidates their first opportunity to demonstrate their ability through extended writing. This was poorly answered by all but the most astute candidates, because many of them used their own perceptions of advertising, rather than using the data in Text 2. This focussed on newspapers being the most appropriate method of advertising for 'Super-Boo Karting' but a significant number of candidates formulated a generic answer clearly identifying television as the chosen method. Candidates were required to identify the figures from the table, explain them and, then at Level 3, to use the analysis in order to make a judgement about the most appropriate method of advertising.

On part (e), where candidates were required to give a feature of the Trade Descriptions Act, many became confused and considered the ASA which could not be rewarded.

Question 3

On part (a), the Profit and Loss Statement was not as well answered as on the legacy specification (4865) with some candidates confusing 'Other costs' and 'Cost of Sales' and others unable to calculate Net Profit/Loss.

On part (b) candidates were asked to use the figures from the Profit and Loss Statement to identify what may happen if the Cost of Sales rose by £90000. This was well answered but many candidates were confused and thought that this meant that sales were rising and others did not extend their answer in order to show how this rise could affect the loan application or expansion as referred to in Text 3.

On part (c) the Balance Sheet was poorly constructed by all but a few candidates. The balance sheet was added to the original specification so centres may need to download the most up to date specification for their records. Candidates need practice in completing balance sheets as they have always found these somewhat difficult

On part (d) candidates did not perform well because of their ignorance of the purpose and the mechanics of a balance sheet. The crux of the question was how could the balance sheet impact on the loan application, therefore, candidates needed to use the data from the balance sheet they had completed in order to achieve this aim. At Level 3 the candidates then needed to use the figures in the balance sheet to make a judgement about whether CG Ltd would be able to pay back the loan of £40000.

On part (e) candidates were nearly all able to calculate the correct break-even point of 800 CDs.

Question 4

Part (a) was where candidates were asked to identify the purpose of a memorandum. Many candidates were able to do so, but were unable to extend this in relation to CG Ltd.

On part (b) candidates were able to create a memorandum from the information given, but very few gained full marks because they made mistakes when transferring information. The most common mistake was in relation the 'To' and 'From' sections of the memorandum.

Part (c) required candidates to identify the correct procedures needed when working in reception. Some candidates highlighted the skills and qualities rather than the procedures, eg. greeting visitors, and they could not gain credit for some very complete but misguided responses.

The majority of candidates were able to identify three reasons why CCS Ltd needed to keep its customers happy as required in part (a).

Question 5

Part (a) was well answered by the majority of candidates. Candidates were required to analyse the Emergency Procedure Notice and most were able to gain at least half marks by identifying improvements, such as, a map to show emergency exits so that employees and visitors are able to leave the premises safely. To gain Level 3 marks candidates were required to analyse why these improvements to the emergency procedures were important to CCS Ltd. Some candidates wrongly focussed on the layout of the notice which did not gain credit.

On part (b) candidates were easily able to identify three ways in which ICT could improve the appearance of the 'in case of fire notice.'

Question 6

Most candidates on part (a) were able to identify two other types of production. However, part (b) was poorly answered as many candidates focussed on general advantages and disadvantages of production, rather than specifically concentrating on batch production. The candidates at the higher end of the ability range answered this part of the question well.

Please note: In future sessions the questions which assess the candidates' quality of written communication and which allow the candidates to demonstrate their analytical and evaluative skills (AO3) will have an eight mark allocation. This is to achieve a more discernable differentiation between the candidates when assessing these two skills.

A244 Business and You

Only two centres entered candidates for the moderation of unit A244 in January 2011. As a result of the terminal rule, many centres appear to have deferred their entry for this unit until May 2011.

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