

OCR A291 Controlled Assessment – 2010

Alex H – Commentary

General comments

The candidate shows good knowledge of the subject matter in places, though especially in Investigation three there is a total lack of any application of that knowledge which has clearly impacted on marks. Analysis and evaluation is weak throughout the work.

Investigation 1

There is a good list of factors that make a successful entrepreneur, though there is little expansion upon that good start. Application of the stated factors to Heather and Matthew is present, though again there is little expansion. A judgement is made for AO3, though there is no explanation as to why Heather's attributes are more important than Matthew's in making a successful entrepreneur.

Investigation 2

This investigation starts well, though stating that market research is sometimes known as primary research is a little confusing. The introduction of niche and mass market is useful, given Matthew's circumstances, though this connection is not really made. Secondary research is introduced, with good application to Matthew's proposed business, though the knowledge base is rather limited to various surveys. Data on incomes is appropriate, but the data on marriages is not rally utilised within the work. Analysis and valuation is very limited. More data is needed in order to give the opportunity to analyse and give evidence to help justify any recommendations made.

Investigation 3

The knowledge base in this investigation is good, with understanding shown of the pricing strategies covered. It is a pity that the candidate did not make any attempt to apply that knowledge to Matthew and the different products/services he is likely to be offering. There is a recommendation made, along with a statement as to how that strategy might change over time. There is however, no explanation as to why these particular strategies are being put forward.

Alex H- Marking

	AO1	AO2	AO3	Total
Investigation 1	2	1	1	4
Investigation 2	3	4	2	9
Investigation 3	4	0	1	5

This gives a total of 18 marks, placing the candidate just into a notional grade F.

Business Studies

**A291 Marketing and Enterprise
 Unit Recording Sheet**

Centre number		Series and year	
Centre name			
Candidate name		Candidate number	

Please fill out the mark awarded against each assessment objective for each investigation and comment on why the mark has been awarded.

Investigation 1	Max Mark	Mark Awarded
A01 A number of gaps in knowledge	4	2
A02 Some application - some misunderstanding Spain	4	1
A03 Limited evaluation	2	1
Investigation 2	Max Mark	Mark Awarded
A01 not fully explained in gaps - knowledge	8	2
A02 Planning & explanation issues	10	4
A03 Ideas are not fully justified	7	2
Investigation 3	Max Mark	Mark Awarded
A01 Theory displayed but not in context	8	-3
A02 no analysis in context	10	0
A03 very very basic	7	1
Overall Mark (max 60)		16

M
 18

Additional comments:

GCSE Business Studies Controlled Assessment June 2010

Investigation 1

Is Heather or Matthew more likely to achieve success?

This investigation is about who would succeed in creating an enterprise and be a successful entrepreneur. An enterprise is a business idea, but as with any other idea you need the key four things to start it off: production capital, land, labour and action, getting these are much easier to get if you have the right help e.g. a government grant. The person who has this idea is called an entrepreneur but they also have to be willing to take the risk of setting the enterprise up. But there is more to being an entrepreneur than just being willing to take the risk or starting a business; you must have certain skills and qualities like being

- A risk taker
- Someone who has good business management skills
- Confident
- Organised
- Decisive
- Someone who is good with people
- Able to multi task
- Hard working
- Someone who has communication skills¹

If you have those skills then you are an ideal entrepreneur. And we are now going to look at two people called Heather and Matthew and decide who would be a better entrepreneur.

Heather Wilkinson is nineteen years old and thinks she has entrepreneurial skills, she left school at sixteen with six good GCSE passes and had done well in art and design. She does not have a great deal of business experience apart from running her own mini enterprise in school but other than that has very little business experience, she has

¹ OCR business studies

worked as a assistant in a supermarket for the last three years and has worked in various departments.

Matthew Hepburn is twenty two years old and he also thinks he has entrepreneurial skills,

He left school at eighteen with a levels in business studies, geography, English and general studies. He has worked in a photographic studio for the past four years as an assistant, although he has no experience with running a business he feels he is fully capable of running a business.

(Being a entrepreneur is more than just the skills and qualities mentioned earlier it can also be very rewarding such as the higher the risk the greater the reward and the knowledge that you have done it all independently. But there are also drawbacks such as the greater the risk the greater the loss, but not only that it could even effect your relationships, your social life and also at the worst of times it could affect you health from so much stress.) And considering these points we have performed a swot analysis on both heather and Matthew taking into consideration their strengths, weaknesses, opportunities and also their threats and I have come to a conclusion.

My conclusion it that heather would be a more suitable entrepreneur because she has had experience with running her own business and although she has times of doubt she can always get help from a government grant and that will also help her with her doubting her own skills by putting her into contact with successful female entrepreneurs.

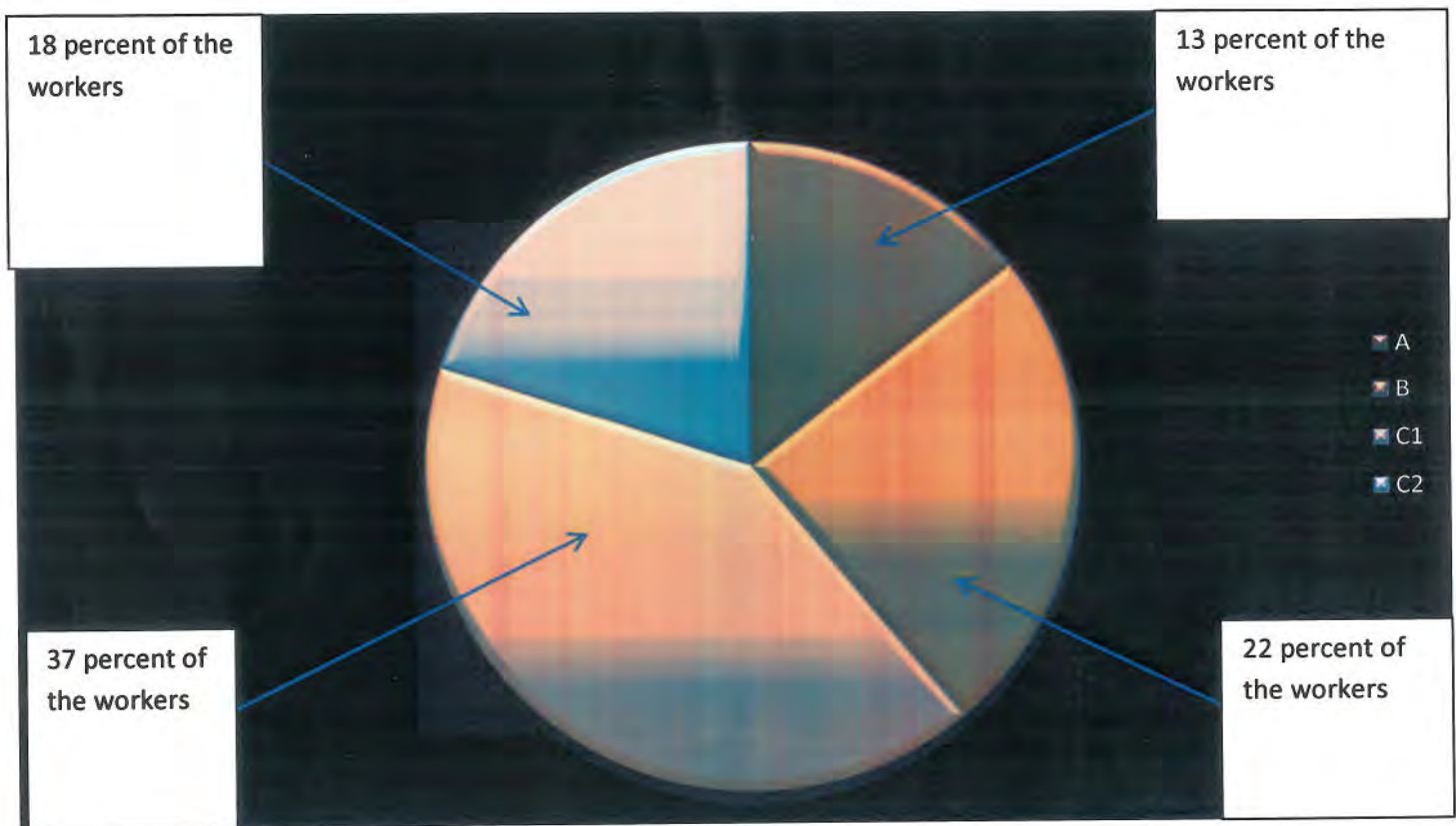
Investigation 2

Recommend market research which would help Matthew prior to starting his business

This paper is going to be about an investigation about Matthew Hepburn wanting to start a photography business and I am going to explain how he can achieve this successfully with proper planning, he can also do some research of the local towns by doing some market research. Market research is sometimes known as primary research and is achieved by asking questions to either a variety of the local market giving him a mass market or by asking people in a specific age range for a niche (smaller) market, and by doing the primary research is an excellent way to find out about things that he will need to know for his company.

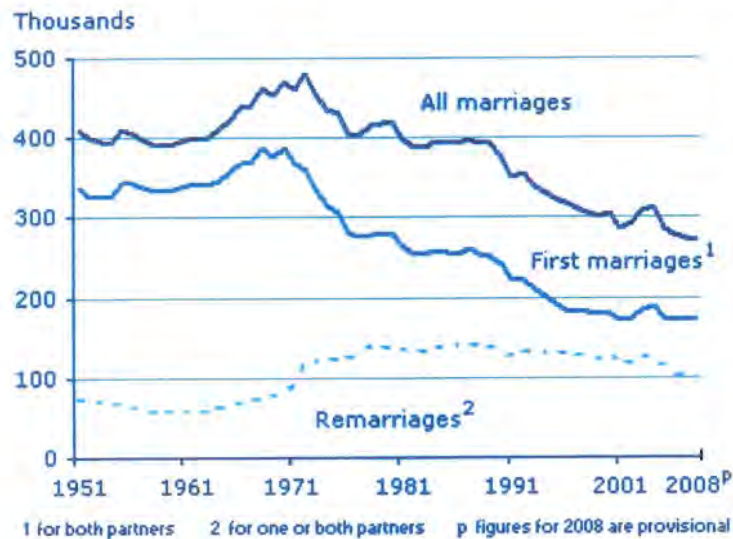
There are many different ways that Matthew can perform his research, he could do things like perform surveys and also hand out leaflets to advertise and see if there actually are people that want to use his service if not then all of his efforts will just be a waste of time and money. Matthew could also use secondary research which is different to primary because of the fact that Matthew has not done the research himself and he is using what other people have found out, and not only could they not be correct but also it could be out of date and therefore unreliable so he could be using secondary research by a book for example and if we compare what he read in that book to the survey he performed he would be better of using the facts from the survey because if he used the book there is a chance that what is reading is not completely true and if he used the things h read from the book that wasn't true then he will be going out there prepared for something that is not true or has changed. Matthew could also use a questionnaire to find out the types of people that would use the shop, what for and also how much they would be willing to pay for his photographs because if Matthew charges high prices in a low income area then he will not be able to run the shop because he will not be getting enough customers that have the money to pay his prices but if he found out the average price paid for photographs as well as asking people how much they pay for photographs then he should be able to work out a reasonable price for his photographs.

Matthew's target market is likely to be people with a higher income and if we look at a pie chart we will see what kind of people there are living in dyton.



The pie chart shows us how much of the population of dyton is a certain type of socio-economic group, e.g. group A would be the more well off people for example company directors to barristers or doctors, the people in group B would be the teachers and solicitors etc, the people in group C1 would be supervisors clerical workers and sales assistants, C2 would be skilled manual workers such as plumbers and electricians. If we apply that to the population of people aged 20-59 we get a total population of 77,000 in dyton alone, and with the average annual income of £28,000 per worker Matthew should be able to work out a reasonable price for his photographs. But Matthew should also consider photographing different events in different areas such as going within a certain distance for say office photographs and a different distance for say wedding photography. And him doing this is giving him a greater chance of profit.

if we take a look at this graph we will be able to see marriages in the U.K. from 1951 to 2008.



This just goes to show that Matthew could have a bigger profit if he decided to travel and take photographs in different areas; if Mathew also decides to he could open up a new shop in a different location to increase profit again and also to become more well known and become a better established company.

In conclusion I think that Matthew should use a mixture of primary and secondary research but mainly use primary research to find out about the people and what they would like, but he could use secondary research for find out average data and statistics such as what I have included in my investigation.

Investigation 3

Recommend a pricing strategy for Matthew to use with the different products and services he may offer in his photography business.

This essay is going to be about what pricing strategies Matthew Hepburn should use in his new photography business and how he should price his products and services.

The pricing strategies Matthew might use would vary from his products and he could use any of the following strategies,

- **Competition-based pricing**
- **Cost-plus pricing**
- **Creaming or skimming**
- **Penetration pricing**
- **Differential pricing**
- **Predatory pricing**
- **Psychological pricing**

Competition based pricing

This is simply looking at the competitors prices and seeing how well they are priced and if they could make them cheaper in any way because of the competitor e.g. a company may be selling milk for £2.99 four 2 pints where as another company may be selling it at £2.50.

Cost plus pricing

This is vitally important for a company to look at costs of the item they are selling and seeing how much more they can charge for the item and then giving them a greater profit.

Skimming/creaming

This is when a company brings something new out that people are willing to pay more for e.g. when a games company brings out a new game keen player would be willing to pay more for that game.

Penetration pricing

This is when a new company is having difficulties selling there products they would enter it at the price of another company selling a similar/ the same product.

Differential pricing

This is when businesses charge different prices for the same thing such as a train company having different prices for a train ticket for different types of people such as the elderly, single ticket holders, return ticket holders, children etc.

Promotional pricing

This is when the company temporarily reduces its prices to attract customers e.g. when a sale is on.

Psychological pricing

This is when a company makes people think that something priced at £9.99 is much cheaper than something at £10.00.

I would recommend that Matthew would use penetration pricing and differential pricing to get started of and then change his plans as he becomes more of a well know photographer.

In conclusion I would recommend that Matthew uses several different pricing strategies but mainly relies on penetration pricing and also differential pricing then when he becomes better known/ established he uses more competitor based pricing.