



# Cambridge Nationals

## **Business and Enterprise**

Level 1/2 Cambridge National Award in Business **J804**  
Level 1/2 Cambridge National Certificate in Business and Enterprise **J814**

## **OCR Report to Centres**

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**June 2013**

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

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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.

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

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Level 1/2 Cambridge National Award in Business (J804)

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## OCR REPORT TO CENTRES

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## R061 Introduction to business

### General comments

In general, the candidates attempted all of the questions on the paper. Most of them seemed to identify with the scenario, although some of the candidates found the idea of marketing and selling a service difficult. Once again there was limited evidence of the research brief being thoroughly utilised by the candidates prior to the examination. The aim of this qualification is for the candidates to engage with and to use their knowledge of business operations in order that they can apply it to realistic business situations. The research brief is released to centres in advance of the examination and this time should be spent researching each of the areas identified in the research brief. Even those candidates who had carried out the research and used some local knowledge, found it difficult to achieve any form of analysis and, therefore, they were restricted to the lower levels of the mark scheme. Centres should also encourage their candidates to spend some time reading the stem to the question and any short scenarios at the start of each section of the paper as this often gives further insight into what is required by way of a response.

There remain a number of candidates who did not respond in any way to some of the questions. As all marks achieved in the examination count towards a candidate's overall qualification grade, they should be encouraged to give a response to each and every question as this may attract some reward, whereas a 'no response' will definitely not achieve any marks. In particular there were three tick box questions on the paper and a proportion of the candidates who did not attempt these straightforward questions. There were also quite a few candidates who ticked all the boxes. Candidates only need to tick the number of boxes given in the stem, as if only two ticks are required only the first two will be marked. There was some evidence that even the most basic knowledge of ownership, objectives, marketing and raising finance was lacking. Questions 7 and 8 showed that there were gaps in knowledge about all of the external factors impacting on a business. Businesses do not operate in isolation; they are part of, contributors to and reliant on the actions and expectations of all stakeholders. All of these issues can be addressed through proper use of the research brief which is then applied to real businesses.

The quality of the answers was variable. A number of candidates were able to communicate their answers in a structured way but these were the exception. Language skills remain a problem due to the inability of many candidates to express their points clearly. This was particularly evident in Questions 3(a), 6(a)(i), 6(a)(iii) and 7.

### Research Brief

Use of the research brief is crucial for candidates to understand and apply business knowledge. Candidates should be able to use their own local research to inform their responses to a number of the questions on the paper. In this case the context of the research and brief and the focus of the question paper was an independent cinema offering a service and a number of products to enhance and complement that service. Candidates should be encouraged to research similar businesses and to use them as examples in their answers. This allows the candidates to assess the implications to the business such as increased/decreased costs, a change in business organisation and increased/decreased revenue. In this way the candidates could come to realistic conclusions in terms of an independent cinema. Candidates should use the information in the research brief to investigate similar businesses. Each section relates to a particular learning outcome and should give teachers and candidates a particular focus when preparing for the examination. For example in the marketing section as it was mentioned that research would have to take place, so teachers should encourage their candidates to investigate the methods of research which such a cinema might use in its local area and how useful it might be to the

cinema. It is important that candidates learn to look at the implications of different courses of action and to come to some conclusion(s) about which is best in a particular case.

### Comments on Individual Questions

#### Section A

1(a) This part of the question was reasonably well answered by those candidates who only ticked two boxes.

1(b). 'Plc' was seen often by way of a response to this part of the question, but so was 'partnership'. The stem stated that MIC is a private limited company. Therefore, a partnership was not a realistic option in the context of the business. A proportion of the candidates stated 'plc' as the answer found it difficult to then explain how this would raise finance. The best answers explained that shares could be sold on the stock exchange and that this might raise the amount of money MIC would need for the additional cinema screen as *referred to in the research brief*.

#### Section B

2(a) The candidates' knowledge of objectives was variable. Those who selected an appropriate objective were able to develop a simple explanation about why the cinema should have that objective. However, there were too many responses which did not identify a realistic objective and which, therefore, could not develop an answer. Some candidates managed to achieve Level 1 marks by referencing a relevant comment in the explanation. A considerable number of responses detailed SMART objectives and then went on to explain each part of SMART; therefore, missing the point of the question. The best answers referred to their local cinema and the objectives such as customer service, increased sales and growth. However, these were rare as the majority of the responses failed to reference local research at all. In order to achieve the higher levels of response, the candidates were required to analyse the objective in terms of its implications for the cinema and to come to an informed judgement as to the likelihood of its success in this context.

2(b) Since knowledge of objectives was variable, there were many incorrect answers or repeat answers from part (a). The research brief referred to the fact that the cinema currently has no objectives and, therefore, this would have been a useful area for the candidates to further explore.

#### Section C

3(a) It was encouraging to see that many of the candidates correctly answered this part of the question. The use of a formula gained full marks and in most cases this showed a clearer understanding than some of the responses which tried to explain it in words.

3(b) The research brief was clear that £500 000 would need to be raised. This should have indicated that methods of finance would be crucial to this business. Those candidates who answered this correctly chose loans, mortgages and selling shares and were able to explain how such finance could be raised, although many did not go on to explain why the cinema might use the suggested method. Too many candidates suggested forms of promotion rather than finance which showed a basic lack of knowledge and/or understanding. Also statements such as 'these are quick ways to raise money' are not useful since in most cases it is rarely true, especially when raising such large amounts.

4 A failure to read the stem to this part of the question resulted in many candidates ticking all four boxes instead of only the required two boxes. The distinction between a product and a service seemed unclear to many of the candidates. This should have been addressed in the preparation of the research brief.

5(a) Most candidates knew that a method of research was a questionnaire or survey and were able to explain how and why this might be used by the cinema, especially as it is in competition with a multi-screen cinema in the next town. However, there was a proportion of the candidates who stated both as separate methods and this was not rewardable. Other correct answers were interviews, focus groups, and social media; asking questions specifically about the other cinema or ways to improve MIC. It is important in 'explanation' questions that the candidates are encouraged to explain how and why a course of action is appropriate in order to access all of the marks available. Once again a substantial proportion of the candidates who suggested methods of promotion rather than methods of research.

5(b) This part of the question required the candidates to use their own research. Most did not do this and, therefore, gained limited reward above Level 2. It was clear from the research brief that a marketing mix would need to be developed by MIC in order to compete with the multi-screen cinema. Most candidates knew what the marketing mix is but many could not develop their answers since very little work had been done in terms of their own research. However, in this case there were some good answers which referenced local cinemas and ways in which they marketed their service through a variety of promotions, products on sale and different pricing strategies such as differential pricing. Also the way in which the cinema might be refurbished to improve the quality of the experience was suggested. However, place was confused with location. Place is about how the cinema might get its service to the customer; for example the online purchase of tickets. Although there were some good Level 3 answers, evaluation was rare. Those responses which did achieve evaluation did so through statements such as 'it depends on' or 'advertising is the most important'. Centres should encourage their candidates to make such statements.

6(a)(i) This should have been a straightforward question but in some cases the candidates simply stated that a wage was 'something you get paid', which was simply a repeat of the question. Those candidates who gained the mark explained that it was for working or was paid weekly, hourly, etc.

6(a)(ii) Most of the candidates answered this part of the question correctly and unlike the other tick box questions, few candidates ticked all of the boxes. Some of them only ticked one box and, therefore, gave themselves no chance of achieving the second mark.

6(a)(iii) Most of the answered this part of the question correctly in terms of an advantage to MIC rather than to the workforce. The ability to explain the concept presented some of the candidates with a problem. Centres should encourage their candidates to explain terms verbally in order to develop the skill of explanation before they have to write it down.

(b) Most of the candidates answered this part of the correctly with a newspaper being the most common response.

## **Section D**

7 This question presented a problem to the majority of candidates who simply did not know the meaning of the terms and could not apply them in context. The external factors affecting a business are a whole learning outcome and although the research brief does not reference them directly they affect all businesses. Therefore, candidates should have researched how each one of them might have affected their own local cinemas. Best answers identified issues such as different age groups in an area, dropping litter or recycling bags, targeting different cultures and changes in government legislation.

8 Candidates found these external factors a little more accessible but once again there was little evidence that research had taken place and very few referenced particular businesses in their local area. There were some good answers which identified that the recession might have an effect on a cinema because it is luxury and people might need to spend money on essentials.

Others explained that changing technology, in particular 3D films, might have an effect on MIC's ability to compete with larger cinemas. Legal issues such as age restrictions, Health and Safety were also suggested. However, there were quite a few who confused environmental issues with economic issues. Also due to the lack of analysis in most cases many of the responses were restricted to a Level 2 reward. Examples of evaluation were rare. This could have been achieved if candidates had interacted with the context and with the local area to come to an informed conclusion as to which factor had the most impact on MIC Ltd.

# **R062 Planning for Work and R063 Setting up and running an enterprise**

## **General comments**

Some candidates had produced good evidence to meet the requirements needed for higher marks to be awarded. The best responses were achieved when the candidates followed the model assignment alongside the marking criteria grid. The Unit Recording Sheets were well completed by most centres. All centres should be encouraged to complete these to show how marks have been awarded. Most of the candidates followed the model assignment with few deviations. Where weaknesses occurred in candidate work for unit R062 it was often due to a lack of application to a specific job role, errors in the business documents, failing to use the job descriptions or person specifications or changing their job role throughout the assessment without giving any explanation as to why. For unit R063 many of the enterprise activities were well thought out and planned. It was, however, sometimes difficult to differentiate individual candidate contributions as identical portfolios/evidence was submitted without any supporting witness statements or commentaries.

## **Model Assignments**

Centres are reminded to visit the permitted changes section of each Model Assignment before making significant changes to the model assignments. For example, the list of employment areas can be modified; however, the list should be limited and established before the assignment is given to the candidates. Centres are reminded that although candidates will work in teams on unit R063, the evidence presented should be individual and it must show each candidate's individual contributions to each activity.

## **Internal standardisation**

Centres must have a robust internal standardisation system in place in order to ensure a consistency of assessment across teaching staff. Failure to have a robust system in place will result in inconsistent judgements.

## **R062 – Planning for work**

### **Introduction**

Those candidates who produced the best responses were those who followed the model assignment accurately and included well-constructed job descriptions and person specifications. Those candidates who provided weaker responses failed to include copies of the job descriptions and person specifications or they were so brief that any skills/competencies could not be used for self-assessment or for the completion of the application documents.

### **Application of the Learning Outcomes**

#### **Learning Outcome 1 (LO1)**

Candidates achieved higher marks when they took more than a traditional view of recruitment, eg they looked at online recruitment, recruitment agencies, networks, etc. The best responses were evidenced when the candidates used a job description and person specification to identify the skills and competencies and then used these to inform their decision as to a choice of employment area/job role.



Candidates who did well on this LO researched a wide range of different job roles and were able to show the differences between the roles and working practices. Those who presented theoretical evidence of working practices achieved lower marks.

### **Learning outcome 2 (LO2)**

Candidates achieved the higher marks when their self-assessment was thorough and self-reflective. Some candidate's self-assessment included tick boxes without any further expansion as to the interpretation of their findings resulting in lower marks.

The best responses to this learning outcome were when the candidates produced customised application forms and application letters which were fully tailored to the job role. The application documents showed the skills, experience, behaviours and attitudes needed to meet the requirements in the job description and person specification. Those candidates who did not tailor their application or who did relate it to the job description and person specification limited the mark they could achieve.

Candidates achieving the highest marks for the interview plan fully related this to the job description and person specification to the specific job for which they wanted to apply. Questions were detailed and had full relevance to the vacancy. Where candidates copied interview questions from the Internet without any referencing no marks could be awarded.

### **Learning outcome 3 (LO3)**

The best responses were when the candidates produced an evaluation rather than a description of the tasks which they had carried out in the completion of the model assignment. When the candidates had simply described what they had done without making any judgement then they could only achieve relatively low marks.

The candidates achieved the higher marks when their career plan was related to the job vacancy for which they had applied and showed how they would overcome any weaknesses. The plan clearly identified dates, qualifications/experience which would be needed to be successful in this area of employment.

## **R063 – Setting up and running an enterprise**

### **Introduction**

The candidates who achieved the best responses were those who followed the model assignment accurately and included individual evidence to show their contributions. This was supported with a detailed/individual witness testimony confirming the contributions of each candidate. Where team portfolios/evidence was included without any evidence of individual contributions it was very difficult to confirm the marks awarded.

### **Application of the Learning Outcomes**

#### **Learning Outcome 1 (LO1)**

Candidates achieved the higher marks when they were able to describe the factors which would influence the viability of an enterprise activity by looking at, for example, break even, competitiveness, the availability of resources and the differentiation of products/services. Those candidates who failed to look at these factors achieved few marks. The best responses were when the candidates documented their contributions to the selection of ideas through either a diary or log or write up, which was supported with a witness testimony from their teacher. When the candidates were given three ideas, this prevented them from meeting the criterion.

### **Learning Outcome 2 (LO2)**

The best responses were those where the candidates clearly identified their own and others contributions to the business planning process. Candidates who all included the same business plan without explanation achieved very few marks.

The candidates achieved the higher marks when they were able to clearly show relevant skills/knowledge from other the units within the qualification in terms of carrying out market research, allocating job roles, looking at financial statements, etc. When the candidates were clearly able to give information about what they had learnt and how they were using it within this unit they achieved the highest marks.

### **Learning Outcome 3 (LO3)**

The candidates achieved the highest marks when they were individually able to show the contributions which they had made to organising and running at least one meeting. When the marks were limited, the candidates had either all presented the same evidence of the meetings or it was unclear who had contributed what aspect to each meeting. Some of the meeting documentation did not follow traditional formats and this had an impact on the marks which could be awarded.

The best responses to written, verbal and remote communication were through evidence from those candidates who showed the different business documents which they had individually produced throughout the enterprise activity including letters, promotional materials, agendas, minutes and emails. Verbal communication was supported through detailed and individual witness testimonies from the teacher.

The candidates who produced their own project plan and as well as combined project plans achieved the highest marks. Candidates who produced identical plans without any explanation were limited to mark band 1.

### **Learning Outcome 4 (LO4)**

The candidates achieved the highest marks when they individually showed their contributions to the running of the enterprise activity. Those candidates who failed to produce individual evidence or a supporting witness testimony from the teacher achieved lower marks. The best responses evidenced before and after project plans showing how progress was monitored against these plans and where changes had to be made. Those candidates who clearly described the issues which they had come across and how they dealt with these issues achieved high marks. Although photographs are helpful they do not show how an individual contributed to an aspect of the activity and centres may wish to reconsider using these in the future.

### **Learning Outcome 5 (LO5)**

The best responses were those when the candidate's review was supported by a wide range of evidence, eg peer feedback, tutor review, customer feedback, etc. Those candidates who compared their activity with the original objectives and identified SMART targets for improvement achieved the highest marks. Candidates who produced an honest and critical review of their own performance based on supporting evidence, eg minutes, feedback, peer review, achieved the highest marks.

The main problem which arose on this unit was that it was frequently difficult to differentiate candidate evidence or when witness testimonies were produced which were insufficiently detailed or which were not specific to the candidate in question. The evidence presented must clearly show what an individual candidate has contributed to a team activity. Guidance on witness statements is provided in Appendix A of the qualification specification.

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