

Cambridge Nationals
Business and Enterprise

Level 1/2 Award in Business **J804**

Level 1/2 Certificate in Business and Enterprise **J814**

OCR Report to Centres January 2015

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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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R061 Introduction to business

General Comments:

In this examination series most candidates made some attempt to answer all of the questions on the paper. The research brief seemed to be prepared better this series and this was reflected in the number of references to and the use of local business research in the responses. The next step is to encourage candidates to analyse and evaluate in terms of the business in the research brief by using what the candidates have discovered in the research. The research brief is available eight weeks before the examination and should be used to identify and analyse key areas of the specification in preparation for the examination. Use of knowledge and understanding which may have been gained from other units is also important in informing responses on this paper.

There was less evidence this session that candidates were not reading the stems of the question or the introductory paragraph to each section of the paper. One of the purposes of preparing the research brief is to investigate specific characteristics of the business such as the type of organisation, the product or service which it sells, its target market, how it raises finance, its key features, etc. Candidates should have a good overview in order to give relevant responses in this particular situation.

Most candidates responded reasonably well to the more straightforward questions, although there was evidence that they did not really know how to achieve all of the marks available. Preparation should include candidates becoming familiar with the different ways to access marks. For example 'explain' means to develop a point not just to add another point. Centres should familiarise their candidates with how the marks will be awarded on all the different types of question; in particular the longer questions, which are assessed using levels of response. There was less evidence of candidates being unable to access business knowledge. However, questions 4, 5a, 6a and 6b showed particular gaps in knowledge among the majority of candidates. Overall responses to question 7 and 8 were better with candidates able to access these three external factors. As in previous series, there is no specific reference to the external factors in the research brief as all businesses will be impacted in different ways.

The quality of responses was very variable. There was less evidence of candidates just using a list of reasons, benefits, drawbacks, etc. Analysis was more evident but it must be contextual, based on research and clearly associated with UGF. Evaluation was rare since, in many cases, the analysis was inadequate to underpin the final judgement. This was particularly true of questions 4 and 8.

Research Brief

The research brief should be downloaded from Interchange eight weeks before the examination. Previous reports, past papers and mark schemes can also be downloaded from Interchange and used in preparation for the examination.

Preparation and understanding of the research brief remains crucial to the success of the candidates. The brief is set out to follow the learning outcomes in the specification and gives an idea of the aspects to be covered in the examination, the type of business and the decisions which the business, in this case, UGF, will need to make. It is vital that candidates research similar businesses so that the responses to some of the longer questions can be applied realistically in context. There was more evidence this series that centres had prepared candidates in this way. For example, the simple identification that the business is a sole trader/partnership should trigger a number of characteristics and businesses which could be researched in terms of their legal set-up, finance, ownership, etc. Sentences such as 'the

business needs to investigate ways to distribute its products' should encourage centres to deliver a number of scenarios about how businesses growing and producing products might distribute its goods. Candidates who do not carry out the research and prepare for the examination in this way will be at a disadvantage.

Comments on Individual Questions

Section A

1a. This part of the question required the candidates to simply identify a small business in their local area and the product/ service it sold. It was encouraging to see that most could do this, although there were a number who identified large companies such as Tesco, Asda and Apple which were not appropriate in this context.

1b. Most candidates were able to explain the meaning of 'unlimited liability' or at least gain one mark for mentioning debt or losing personal possessions.

1c. Most candidates could identify a benefit of being a sole trader. The best answers developed this by explaining why this would be of benefit to Tracy, as opposed to her being in a partnership. Some candidates dwelt on the negative aspects of her being a sole trader or partnership, which did not answer the question.

Section B

2a. The knowledge of objectives was reasonably good with most candidates giving profit/survival as two other objectives. This part of the question was an example of how the candidates did not really read the stem of the question and, therefore, wrongly gave 'growth' and 'expansion' as answers.

b. Answers to this part of the question generally focussed on the fact that more money would be brought in enabling expansion and the purchase of machinery to take place. Others referred to the fact that objectives could be achieved quicker, although there may be disagreements. In most cases there needed to be more development for the second mark.

c. This was the first question requiring the candidates to use their research to support the analysis. The best answers gave an example of a local business and the objectives it had and how these were useful to the business in terms of increasing motivation, productivity or sales. Such answers gained full reward. There were also some good answers which analysed the use of objectives but did not refer to research. It was encouraging to see that, in most cases, there was some explanation and development rather than simply a list of reasons for having objectives.

Section C

3a. This part of the question was correctly answered by the majority of candidates.

b. Most of the candidates recognised that there would be extra money coming from Chandra but most failed to develop this and explain how this extra money could be used. This part of the question required the use of the research brief to explain how the money might be used; for example, to buy machinery. The research brief is divided into sections so that specific aspects of the specification can be addressed when preparing for the examination. Too many of the candidates misunderstood the question and answered from the standpoint of two people achieving higher sales revenue.

4. On the whole answers to this part of the question were disappointing. There was limited evidence that the candidates really understood why and how different methods of distribution could be used and how their use would affect a business. Once again distribution was

specifically flagged in the research brief and, therefore, should be prepared prior to the examination. The prompts in the table in the question were designed to help the candidate structure their answers. Too many simply went through explaining what some of them were rather than answering the question. If local research had been used the candidates would have had a better chance of explaining why different methods would be used and the impacts of using each. The best answers approached the question in this way giving a balanced argument for each in terms of the effect on revenue, costs, the ability to gain information from the market, etc. Evaluation came out of this analysis in the form of a justified recommendation in context.

5a. This was a standard question about a production method. Therefore, on the whole, the answers were disappointing. The majority of the candidates made simple statements that batch production made more products but did not clarify whether this was batch or flow production. The key to this answer was the fact that a business such as UGF can make a variety of different flavours and tastes through batch production and the use of machinery. This was a straightforward question which many candidates did not answer at all.

5b. This part of the question was generally well answered. Candidates should avoid using general terms such as 'costs'. Specific examples relevant to this purchase should have been identified, for example, the costs of maintenance, running costs, costs of training etc.

6a. Candidates did not really know what a payment system is. Some achieved a mark for 'wages' but very few could actually name 'time rate' as the method used.

6b. There was a little more flexibility in terms of acceptable answers here but very few candidates achieved the correct answer. The candidates did not recognise the type of workers who were being paid and, therefore, many of the answers suggested 'salary' which was unrealistic for temporary employees. Reading and understanding the stem of the question is essential.

6c. This part of the question was reasonably well answered in terms of ways to motivate employees but once again responses lacked the use of research to gain higher reward. The best answers used an example from business such as extra bonus or opportunities for promotion to analyse how this would affect UGF. This analysis could have been either positive or negative. For example, better wages might increase productivity for the business and also create a happier workforce. The best answers looked at both sides and used different methods to come to a conclusion about which would be the most effective in this circumstance and in this type of business. Use of the information in the research brief is crucial to such questions since different types of employee, temporary or full time, for example, will be motivated in different ways.

Section D

This section tests Learning Outcome 4

7. This question was reasonably well answered this examination series with the majority of the candidates able to state one piece of legislation which might affect this business. Most common answers were minimum wage, health and safety and food hygiene. However, some of the explanations about how this would affect the business did not clarify the direct effect it would have. The best answers explained that a law which insists on a particular rate of pay would affect the costs of the business and perhaps its ability to employ more people.

8. The basic format of this question remains unchanged from previous sessions. The candidates need to use their own research of businesses in their area to inform the answer to this type of question. In this case the two factors chosen were easy to access and would have been particularly relevant to this business. Therefore, this series there was more evidence that centres had prepared their candidates and there were some good analytical answers.

There was less confusion between environmental and economic this session. Some candidates were able to apply issues such as the recession, unemployment, interest rates and inflation to UGF and analyse how they would impact on people's disposable income, business' costs, revenue, and the ability to pay off loans. In terms of the environment, a common theme was one of the effect of the weather on growing the crops and also the effect of the use of pesticides on the environment. The best answers used examples from local businesses which had been affected by changes in the economy to support their analysis. However, the majority of the candidates still found the process of analysis difficult. Candidates should be encouraged to discuss the implications of these factors on all aspects and functions of the business, as well as its customer and other stakeholders.

Once again evaluation was rare. Simply making a recommendation is insufficient if it is not underpinned by analysis in context and based on at least one of the factors in the question.

R062 Planning for Work

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.

A problem is still the use of templates/help and feedback to students. Page 24 of the specification outlines that this is not allowed and centres should read the specification very carefully to identify what is and is not allowed.

Comments on Individual Questions:

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. More still needs to be done to integrate this section into the rest of the work and more real examples would help. Work was better in terms of employment areas although there is still a problem with job descriptions and person specifications.

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 purpose of why they were doing the self-assessment remained unclear in a lot of the work and loosely linked to the chosen role.

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 not 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 the 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

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 were included without any evidence of individual contributions it was very difficult to confirm the marks awarded. Centres which submit evidence electronically must follow the instructions in the Admin Guide and upload to the repository.

Comments on Individual Questions:

Learning Outcome 1 (LO1)

This unit needs an introduction but too many candidates started with a mind map of ideas with no explanation of the purpose of the unit. The 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, a log or a 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. Candidates need to include the relevant agenda and minutes for each meeting as it happens and not all together in the middle of what they are doing.

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. Inclusion of business plans with limited analysis affected some of the marks awarded.

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 and where evidence was organised. 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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