

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 June 2016

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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 session candidates were able to attempt all of the questions. There was less evidence of 'No Response', which was encouraging. Giving an answer gives the candidate the best chance of gaining marks. Candidates should be well prepared for all the questions if the research brief has been properly used. Reading the stem of the question is essential to understanding the requirements of each section of the paper.

Most candidates responded reasonably well to the more straightforward questions and were able to engage with the Hik U and the product and service offered by the business. However there are still some gaps in knowledge which were common in much of the work, in particular Questions 4b, 5b, 6d and 7. For example, the majority of the candidates did not understand piece rates, resource control, ethics or technology and therefore struggled to gain marks on these questions. Question 2b, for example, was about business objectives which are a key part of R063, as is resource control, assessed in Question 5b. Candidates should use the practical knowledge they have gained from other units to inform their answers in the examination, where these have been completed first. R062 for example covers much of the content of Section C and payment methods, as assessed in Question 6a, are a factor in both R062 and R063.

The quality of the responses overall was variable. Use of paragraphs in the longer questions would be useful when addressing different issues. On the shorter questions requiring explanation of a reason, there was less evidence this series of candidates giving different reasons, instead of explaining one reason as required. Reference to the research carried out on an actual business remains key to achieving higher reward. Better candidates were able to identify a business and explain how an issue could be addressed by using that business. It was encouraging to see that there was more evidence that candidates had been taught the skill of analysis and were able to show the implications of a certain action to the business. Evaluation remains a problem for candidates. This is a skill which needs to be taught and can be achieved by ensuring that analysis has taken place but that any decision 'depends' on a number of factors being in place and that these factors may change. This was particularly important when answering Question 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.

Thorough preparation and understanding of the research brief remains the best way for candidates to do well in this examination. The qualification is based on the idea that all decisions in business are dependent on the characteristics of a business and the external environment in which it operates. The research brief gives a number of hooks on which research into real businesses can take place. It is only by quoting an actual business that has been researched that candidates can achieve the higher levels of response.

There was a little more evidence that candidates had prepared using the research brief but there are still too many candidates who do not refer to the context or to specific businesses which have been researched locally. The business which is researched must be named. This reference is essential when answering the longer questions in particular. The business can be any local business and only has to be 'similar' to that in the research brief, for example similar in size, form of ownership, product or service.

It is very important that candidates are prepared for possible questions by looking at the issues highlighted in the research brief. In this case it was obvious from the research brief that Hik U had an issue with demand and external factors impacting on the objectives. These areas need to be thoroughly prepared in order to give candidates the best chance of success. Use of past research briefs, papers and mark schemes is essential in order to see how the paper is structured and how the questions are linked to the business itself.

Comments on Individual Questions

Section A

This section tests Learning Outcome 1

1a. Generally, well done.

1b. Most candidates found it difficult to explain the term 'limited liability' which is a fundamental part of business. There were a substantial number of candidates who did not know the answer to the question. Better candidates gained all 3 marks for knowing limited liability and referring to debt and the limited amount that they would need to pay back in terms of their own investment.

1c. Reasonably well answered with most candidates giving 'selling shares to public', 'on the stock exchange' and 'more money' as the benefits of being a public limited company. It was encouraging to see that many candidates gained the second mark by explaining the benefit correctly.

Section B

This section tests Learning Outcome 2

2a. The answers to this were disappointing as this is a key area in R061 and R063 in particular and therefore should have been accessible to most candidates. There were some correct answers such as setting targets and goals, to increase motivation and to measure success but few candidates went on to explain the reasons for having objectives. It is important that candidates can explain the objective in terms of break even, costs and sales for example.

2b. Candidates should be encouraged to read the question and to ask themselves if they know the answer. In this case many candidates missed the point of the question. It was about why objectives might change if there is an increase in demand. This means that the business may have to make more goods to meet demand; this could result in a fall in quality or an increase in recruitment for example. Also how is Hik U going to make more goods with a poorly motivated workforce? The research brief highlighted this issue under the heading 'objectives' with the sentence 'the business must adapt to changes in demand...' This should have been a clue to the question set. Most candidates did not address the issue of increased demand and therefore could only achieve 2 marks. This question also required candidates to reference a business they had researched. Most did not do this and therefore the reward achieved was restricted to 2 marks.

Section C

This section tests Learning Outcome 3

3a. Most candidates identified and could explain the meaning of 'seasonal' in terms of the demand for luggage. The majority could not explain how this might affect cash flow in terms of increased/decreased sales and increased / decreased costs for example. A simple reference to money coming in and going out of the business was sufficient to gain the second mark.

3b. Most candidates answered this correctly.

4a. Once again the context was key to answering this question correctly and the key was in the research brief under 'marketing' where it was stated that 'the Marketing Director wants to start selling products in Europe'. Candidates should have researched a business that sold goods or services in Europe and could have referred to methods of research used. Some candidates gained a mark for knowing a method of research. Most could not explain how it would be relevant in this circumstance.

4b. Best answers to this question identified a relevant factor which would affect the decision about advertising in Europe. Most common correct responses were cost of transport, language and regulations. These responses were able to explain why each might impact on the choice of advertising in Europe. Too many thought this was about types of advertising. Once again it is important to really understand the requirements of the question.

4c. Most candidates answered this correctly.

5a. Most candidates answered this correctly.

5b. This was poorly answered on the whole. The research brief states that 'raw materials come from Sweden and that it has to control the resources it uses'. The brief also states that staff motivation is low. Proper preparation of the research brief allows candidates to specifically investigate the problems associated with these two factors, through research of similar businesses. However, most candidates did not reference relevant research and had limited understanding of the meaning of 'controlling resources'. Best answers used research of a local business to analyse the implications of a seasonal demand market or a market with a changing demand which transported materials from a distance or even abroad. Suggestions such as quality checks, temporary recruitment, and performance management, changing production processes, finding new suppliers, good storage facilities and total quality management were all suggested. There were few examples of evaluation or assessment of the best way to control resources in a changing international environment.

6a. Very few candidates knew that 'piece rate' was the correct answer.

6b. Most candidates could suggest some methods of motivation which might be relevant in the context. No research was required in this response and therefore if candidates picked up the monetary reward issue stated in the case they were able to achieve higher reward. Most candidates did this and quite a few managed to analyse the suggested method in terms of an effect on Hik U, in particular, increased productivity.

Section D

This section tests Learning Outcome 4

7. Most candidates answered this correctly but there were still a number who failed to recognise types of legislation.

8. The structure and requirements of this question remain the same in each session. This is the one area which is not specifically mentioned in the research brief and therefore relies on centres to identify how external factors might impact on the actions and decisions of the business. Candidates need to look at these issues in terms of their implication to the business in terms of loss of customers, sales revenue, increased costs and perhaps loss of reputation for example.

In this case Hik U is a large private limited company offering a quality product to a particular market.

The ethical factors impacting on Hik U were reasonably well addressed by some candidates. However, it is important that candidates understand that ethics are not the same as legal requirements and therefore health and safety and the minimum wage are legislative issues rather than ethical or moral matters. Better candidates explained about treatment of staff, problems of accurate advertising and some of the effects on the environment of importing from Sweden. This is a difficult area and it is essential that candidates look at how real businesses deal with their ethical responsibilities.

In all businesses the impact of changes in technology, especially production processes, payment and money transfer systems, the internet and social media have had a huge impact on business operations. In this case candidates might have suggested that social media might help with both market research into Europe and with problems of advertising both in the UK and Europe. However, the majority of candidates could not give an example of any form of technology which would have had an impact on Hik U and there were few candidates who referenced any research that had been carried out with local businesses in this respect. Some candidates gave an example of 'machines' with a general explanation of how they could be used in production but with limited specific examples of technology which could be used.

A few candidates were able to analyse both factors using local research and come to an informed judgement about which factor would be more likely to affect the business.

R062 Planning for Work

General Comments:

It was good to see that improvements had been made to the marking of the unit and the quality of evidence submitted by candidates. Marking was much more accurate, more closely reflecting the actual standard of the work received. There are still far too many centres with clerical errors which delay the process of moderation. There were some individual examples of malpractice but not often throughout the centre. This still needs to be emphasised to candidates in order to eradicate it completely. 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 and applied the marking scheme relating to the sample assessments. The Unit Recording Sheets were well completed by most centres; however some have a tendency to repeat the criteria which is not helpful. 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 one of the following: a lack of identifying one employment area and job vacancies within this employment area, application not to a specific job role, errors in the business documents, failing to use the job descriptions or person specifications or changing their selected job role throughout the assessment without giving any explanation as to why, with the biggest impact on the changing of career plan.

Comments on Individual Questions:

Learning Outcome 1 (LO1)

Candidates achieved higher marks when they took more than a traditional view of recruitment, e.g. they looked at online recruitment, recruitment agencies, networks, and applied these to specific businesses 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. These should be personal to each candidate. For example, a whole cohort of candidates with ambitions to be a project leader was seen in one example using the Vesten model assignment. Some centres seem to have grasped the idea of an employment area at last, with some good customisation of job descriptions and person specifications. However, there are still too many not doing this and as a consequence over marking LO1.

Candidates who did well on this LO researched a wide range of different job roles in one single employment area and were able to show the differences between the roles and working practices. This was improved on previous sessions. 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; however this is not always followed throughout the assignment and the work loses its way due to a lack of planning. More evidence to show the qualifications and skills required to match their own qualities and expected qualifications would enhance the evidence presented.

Whilst job roles selected can be aspirational ones, candidates should remember that they must later be able to match their own skills and experience to the role, when applying for it in LO2.

Learning outcome 2 (LO2)

Candidates achieved the higher marks when their self-assessment was thorough and self-reflective. However not all the self-assessments were realistic and usable. 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 remains 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 relate it to the job description and person specification limited the mark they could achieve. Those candidates who achieved marks in band three fully customised their documents to match all/most of the requirements from the job description/person specification. Candidates should be encouraged to proofread their work. The quality of documentation is still very variable. There were some excellent examples of customised application forms with extra information but there are still a lot of inaccuracies in letters in particular.

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. Some candidates still did not use an actual advertisement which is essential to identify key features of the application. Use of interview questions clearly downloaded from the Internet, without any referencing, meant 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. This needs to be taught as a skill in order for better candidates to achieve the higher mark bands. Also these reviews still rely on the candidate's commitment to the chosen role; this remains a problem especially in the second part of the learning outcome. 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 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

General Comments:

On the whole, the approaches made to the work were closer to the exemplar material which had been created. However there is still a big issue with structure and organisation. Some of the submitted work is to say the least 'chaotic' and difficult for a moderator to follow.

There is still an issue with witness statements which are very variable in quality. There are examples of only one paragraph per candidate. Best witness statements use the form provided by OCR attached to the model assignment for R063. Some centre used the generic witness statement form which needs to be addressed, as this affected the quality of testimony. More centres seem to be using the URS to make useful comments. There was more evidence of candidates identifying their own evidence this session, showing a marked improvement on previous years.

Comments on Individual Questions:

Learning Outcome 1 (LO1)

This was well done by many of the candidates especially those who tested the viability of the ideas by calculating break-even. This work will be very important in the exam. SWOT analysis in some cases was also very good. Presentations were included but would have been improved by the inclusion of notes. Rationale behind the final decision remains unclear in some cases; this would be helped by better commentary about the process. Some of the witness statements also need to be more specific as the delivery of the presentation is usually well commented upon; however the criteria is about the contribution to the selection of the idea and this is where the emphasis needs to be.

Learning outcome 2 (LO2)

Witness statements were clearer this series from some centres and helped the better candidates to achieve higher marks. This was especially true of those that referenced the synoptic element. More candidates drew upon work from R061 and R062 this series but much of this was not referenced and some did not reference or comment on this at all, yet high marks were still awarded by the teacher. It was still difficult at times to see the individual contributions and this is something that centres should further develop.

Learning outcome 3 (LO3)

Very difficult to follow in many cases. Centres should be encouraged to give some kind of organisational structure – for example diary, agenda, minutes, action points, actions taken, level of success, problems, steps taken to deal with these points. This should be done with giving specific direction, i.e. without approaching malpractice. At the moment and the presentation of much work is disorganised and very simplistic. There needs to be much more detail overall if candidates are to achieve higher than mark band 2. Project plans and Gantt charts were sometimes included but seemed to be little more than a paper exercise in most cases. Candidates should explain how they are to be used in planning the operation and monitoring outcomes for LO4.

Learning outcome 4 (LO4)

Evidence here was mixed and again often very difficult to follow. Once again much of this is dependent on the quality of the witness statements. It is essential that any statement is supported by the evidence of the work submitted. Some candidates had little or no evidence to substantiate what was stated, but were awarded top marks. Monitoring progress relies on a proper plan and some indication that the plan has been referred to and adjusted as the enterprise progressed. There was some evidence of this but still too little overall. Addressing issues as they arise is difficult if action points are not referenced in the minutes of the meetings.

Learning outcome 4 (LO5)

Quality of evidence for this learning outcome was very variable. Centres need to encourage candidates to review the process as it goes along not just try and remember what happened. Keeping a log of events and actions can help this. In many cases this learning outcome seems to be a final add-on rather than as part of the ongoing process. Very few really address the central theme of the mark bands which emphasises the identification of targets for improvement. This is a high level skill which needs to be taught in order for candidates to achieve the highest marks.

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