

GCSE (9–1)

Exemplar Candidate Work

BUSINESS

J204

For first teaching in 2017

J204/01 Summer 2019 examination series

Version 1

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Introduction

These exemplar answers have been chosen from the summer 2019 examination series.

OCR is open to a wide variety of approaches and all answers are considered on their merits. These exemplars, therefore, should not be seen as the only way to answer questions but they do illustrate how the mark scheme has been applied.

Please always refer to the specification <https://www.ocr.org.uk/Images/304213-specification-accredited-gcse-business-j204.pdf> for full details of the assessment for this qualification. These exemplar answers should also be read in conjunction with the sample assessment materials and the June 2019 Examiners' report or Report to Centres available from Interchange <https://interchange.ocr.org.uk/>.

The question paper, mark scheme and any resource booklet(s) will be available on the OCR website from summer 2020. Until then, they are available on OCR Interchange (school exams officers will have a login for this and are able to set up teachers with specific logins – see the following link for further information <http://www.ocr.org.uk/administration/support-and-tools/interchange/managing-user-accounts/>).

It is important to note that approaches to question setting and marking will remain consistent. At the same time OCR reviews all its qualifications annually and may make small adjustments to improve the performance of its assessments. We will let you know of any substantive changes.

Question 16(d)

16

Text 1

The Ford Motor Company Ltd

The Ford Motor Company Limited (Ford Motors) is a global manufacturer of a range of vehicles including cars, vans, trucks and buses. Ford Motors has been one of Britain's best-selling car brands for over 30 years, with a range of models including the KA, Fiesta, Focus, Mondeo and Galaxy. The company's large range of products includes models that differ in size to meet the individual needs of different market segments, including eco-friendly small cars, family cars, sports cars and 7-seater people carriers.

Ford Motors carries out a lot of market research when developing new car designs and uses both primary and secondary research. This ensures that new car designs and models meet the needs of potential customers.

Each model's sales levels are regularly monitored against the product lifecycle.

- (d) Explain how Ford Motors could use market segmentation when deciding where to place an advert for its new car models. [2]

Exemplar 1

1 mark

Ford Motors can use market segmentation to see what they're target market is, whether they are wealthy. Look at their income, lifestyle, age or gender allowing them to precisely place their adverts in areas where people meet their target market. [2]

Examiner commentary

This response shows a good understanding of market segmentation and how a business could use this technique to help decide where to place an advert. However, the answer is generic and can only be awarded one of the available two marks. In order to gain both marks, the response needs to be contextual. Centres are advised to encourage candidates to answer all questions that include the name of the business in the question contextually.

As a learning tool it may be helpful to set learners some apparently similar questions (one generic and two containing the name of a business) and then discuss how each would be marked. For example "Q1 Explain how a business could use market segmentation when deciding where to place an advert for its products"; "Q2 Explain how Ford Motors could use market segmentation when deciding where to place an advert for its new car models" and "Q3 Explain how Ford Motors could use market segmentation when deciding where to place an advert for its new gas buses". In Q2 and Q3 the explanation needs to refer specifically to advertising new car models or new gas buses, respectively. This activity should clarify the differing needs of the question and, therefore, the difference in the way each needs to be answered. Two or three such questions (on whatever topic is currently being studied) could be set as lesson starters to repeatedly reinforce this learning point throughout the programme of study.

Exemplar 2

2 marks

Ford could segment the market into age and genders. They could then see who is more likely to purchase a car, enabling them to locate their adverts in areas which are dominant in one segment [2]
e.g. younger generation so place ads near clubs and bars.

Examiner commentary

The wording of this question includes the name of the business, therefore, to achieve full marks the candidate needs to give a correct and contextually specific answer.

This response shows both an understanding of market segmentation and how it can be used to help Ford Motors decide where to place an advert for a new car model. The answer is specific to Ford as it refers cars being targeted by age to the younger generation by placing adverts near clubs and bars. The candidate is awarded full marks because the answer is both correct and contextual.

Question 16(f)(iii)

- (iii) Evaluate whether or not Ford Motors should continue to use the product lifecycle when planning the marketing of its products. [7]

Exemplar 1

3 marks

Using the product life cycle will be good for Ford because they will be able to plan marketing when the product has started. This will increase sales for the product and Ford will be aware if the marketing is working as they will be able to see if there is an increase/decrease in sales. It ~~will~~^{is} also useful because the product life cycle will show Ford when sales are declining. This means Ford can plan how to market the product so it can increase sales again. However, Ford using the product life cycle can be bad as the product life cycle does not show which type of customers are buying the product (age/gender). This will make it difficult for Ford to plan their marketing as they don't know what to aim the planning to. Also the product life cycle will take a long time to form as they'll have to wait to record the sales. This will help planning as they'll have the time to plan carefully for their marketing. This could also be a negative as they ~~the~~ marketing team may have to act quick to increase product sales and they cannot do this without the product life cycle information. [7]

Examiner commentary

All seven mark extended response questions on this qualification are assessed for three specific skills i.e. application, analysis and evaluation. On this question, two marks were available for application, two marks for analysis and three marks for evaluation. Each skill is assessed separately. Please see the assessment grid in the published mark scheme for further details.

This response begins with a clear statement that Ford should continue to use the product lifecycle when planning the marketing of its products. The reason presented is that it will help Ford increase sales. The method by which this can be achieved is outlined in lines 11-13 of the response and is deemed analytical due to the reference 'it can increase sales again'. The remainder of the response attempts to present some disadvantages but none of these are valid. On re-reading the response it should be noted that all comments made would apply generically to other businesses, the response does not contain any contextual argument. The response was awarded 3 of the available 7 marks: zero for application, one mark for analysis and two marks for evaluation.

Perhaps a better way to structure the answer to this question would be to begin with the positives, continue with the negatives and retain the final decision (with reasoning) to the end of the answer. Whilst the order in which the answer is presented in no way affects the marks awarded, this approach is more likely to encourage the candidate to outline a contextual advantage/disadvantage to Ford and the positive/negative impact that these have on the business in much more detail, as these points then become integral to the decision-making process. Using a writing frame in class, at least initially, may help learners better structure their answers.

Exemplar 2

4 marks

Using the product lifecycle allows the company to see when sales of one of the cars is falling so they can begin marketing the car to make people buy it again and increase its lifecycle. It also allows more cars to be sold with less required promotion as if a car is already selling there is less need for promotion and promotion is expensive.

Monitoring sales against life cycle is time-consuming and takes the attention of staff ~~who~~^{who} could be doing other things. This is a negative as there are less people to do other jobs. Also, the product lifecycle may not always work, and monitoring other things like competitor promotions would also be helpful.

Ford should continue monitoring the lifecycles as it is an easy way to ensure they save a lot of marketing money. They should also monitor their competitors, as a Ford will not sell if there is a better and cheaper alternative. [7]

Examiner commentary

For this question, two marks were available for application, two marks for analysis and three marks for evaluation. Each of these skills is assessed separately. Please see the assessment grid in the published mark scheme for further details.

This response begins with an advantage to Ford of using the product lifecycle when planning its marketing i.e. it will know to begin marketing when car sales start to fall. The argument culminates with an impact on the business (i.e. analysis) – allows more cars to be sold with an overall lower spend on promotion. This first paragraph gains one application mark and one analysis mark.

The second paragraph attempts to argue the negatives of using the product lifecycle. Despite the arguments being presented being too vague to be awarded, this is a good way to structure the response i.e. begin with a positive analytical point, and then continue with a negative analytical point before moving to a conclusion.

The third paragraph shows a clear decision 'Ford should continue' and backs this up with a valid reason i.e. "to save a lot of marketing money". The justification is awarded two of the three available evaluation marks. To be awarded three marks for evaluation, the justification needs to be 'strong'; i.e. contextual.

The response was awarded 4 of the available 7 marks: one mark for application, one mark for analysis and two marks for evaluation. A much stronger disadvantage would have significantly improved the marks for this response. Nevertheless, it is a good example of how to structure the response: contextual advantage – analysed; contextual disadvantage – analysed; decision with contextual reasoning.

Question 17(a)

17

Text 2

Redrow Homes

Redrow Homes is one of the UK's leading housebuilders. Housebuilders, such as Redrow Homes, typically use self-employed construction professionals alongside their own employees.

Redrow Homes employs over 2 300 people in a range of jobs including trades such as carpentry, plumbing and bricklaying. They also employ landscape designers, customer service administrators and sales advisors to sell the houses. The company is committed to staff development, with 15% of the workforce undergoing an apprenticeship or other formal training programme.

Redrow Homes has been named one of the 'Top 100 Apprenticeship Employers' for the last five years and was recently named the 'Construction Industry Training Board Apprentice Employer of the Year'. At any one time the company employs at least 130 apprentices, as the company feels that it is an excellent way to find and develop young motivated staff. The company offers apprentices a clear career path whereby they gain qualifications alongside work experience and a good wage.

- (a) Explain **one** method Redrow Homes' head office employees could use to communicate with staff working on one of its building sites. [3]

Exemplar 1

1 mark

Method Phone calls

Explanation Easy way to communicate ~~every~~ ^{every} ~~staff~~ ^{site manager} staff member gets a work phone that they only use to answer the phone to work related things this way its still a cheap and efficient way [3]

Examiner commentary

For this question marks were awarded as follows: one mark for identifying a suitable communication method and up to two marks for explanation (two marks for a contextual explanation or one mark for a generic explanation).

This response identifies a suitable communication method and is awarded one mark. The explanation is deemed too vague to be awarded. References to 'easy', 'cheap' or 'efficient' can rarely be awarded; a comparator with reasoning may help to make the argument more specific e.g. 'easier than ...' or 'cheaper than ...'. However, the better way to answer this type of question would be to give a more specific advantage of the method. In the case of 'phone calls' this could be the instant nature of the communication or the benefit of two way communication or the opportunity to ask questions or gain clarification.

Exemplar 2

2 marks

Method ~~Phone calls~~ Text messages

Explanation ~~As the employees will all be different areas and a phone call is the quickest way of communicating individually.~~ They are less time consuming as ~~they can~~ be same message can be sent to many at once. [3]

Examiner commentary

This answer is awarded one mark for identifying a suitable communication method and an additional mark for the explanation that multiple text messages can be sent at once, making them less time consuming. The explanation is detailed and accurate, but it is not contextual. To gain full marks the explanation needs to be contextual since the question asks specifically about Redrow Homes.

To gain full marks the explanation needs to be contextual. Perhaps one of the easiest ways to include context in this particular response would have been to change the final few words from the generic 'many at once' to 'all of the builders at once' or 'all of the bricklayers at once' etc.

A simple starter or a plenary activity may help to reinforce learners' understanding of how to provide contextual explanation: a short question with a generic response could be displayed on screen, learners should then be asked to turn it into a contextual response (and therefore a full mark response) by inserting or changing a few words. For fun, learners could be asked to do this in as few words as possible, such competitive activities tend to stick in the mind.

Question 17(e)(iii)

- (iii) Recommend whether Redrow Homes' managers should use interviews or group activities to select new apprentices. Give reasons for your answer. [3]

Exemplar 1

2 marks

Personally, I think that Redrow Homes should use group activities to ~~all~~ select new apprentices. This is because they can look at ~~a~~ multiple new apprentices at the same time and pick the best ones. You can also analyse which ones have the skills needed. Whereas ~~the~~ using interviews will only let you talk to the new apprentice and would also take a longer because you have to speak to ~~all~~ of the apprentices [3] individually.

Examiner commentary

A 'recommend' question always requires a decision. Somewhere in their response, the candidate needs to make clear to the examiner what their decision is – for this question 'interviews' or 'group activities'. Sitting on the fence and saying they should use both does not answer the question set and would not be awarded marks.

This response clearly declares the candidate's recommendation and outlines a reason. In fact, this candidate gives two reasons – one relating to time and one relating to checking out skills. Either of these answers justify the selection of 'group activities', the candidate is awarded 2 of the available 3 marks.

To achieve full marks the justification needs to be contextual. The question asks for a recommendation as to which selection activities Redrow Homes should use; it is not a generic question on which of the two selection methods is better (indeed such a generic question would make little sense). The examiner was looking for some particular reason why Redrow Homes should choose one of these particular activities. In this particular response a reference to needing to select '130 apprentices' could have been linked to the time factor argument, or a reference to the type of skills needed e.g. 'working as a team with other builders' or 'carpentry skills' could have been added to the skills argument.

It should be noted that either activity (interviews or group activities) could be recommended by the candidate (there is no correct or incorrect answer) and, so long as the justification was contextual the answer would be awarded full marks.

Exemplar 2**3 marks**

I feel Redrow Homes managers should use group activities as it allows the business see which employees have the best communication and leadership skills and who is the best at actually doing activities as although interviews enter you can work out the personality of an employee you don't know if they are good at working with other people and working with other people is very important for Redrow Homes as they will all [3] be working on a building site all together.

Examiner commentary

This answer is just what examiners were looking for. The response makes clear their recommendation in the opening line i.e. 'group activities'; it then goes on to provide a comparative justification of why group activities are better than interviews i.e. communication and leadership skills can be assessed rather than just personality. The importance of finding out whether the applicant has the required communication and leadership skills is justified contextually in the final line of the response i.e. 'as they will all be working on a building site all together'. The response contains all of the elements required for full marks.

Question 18(c)(ii)

18

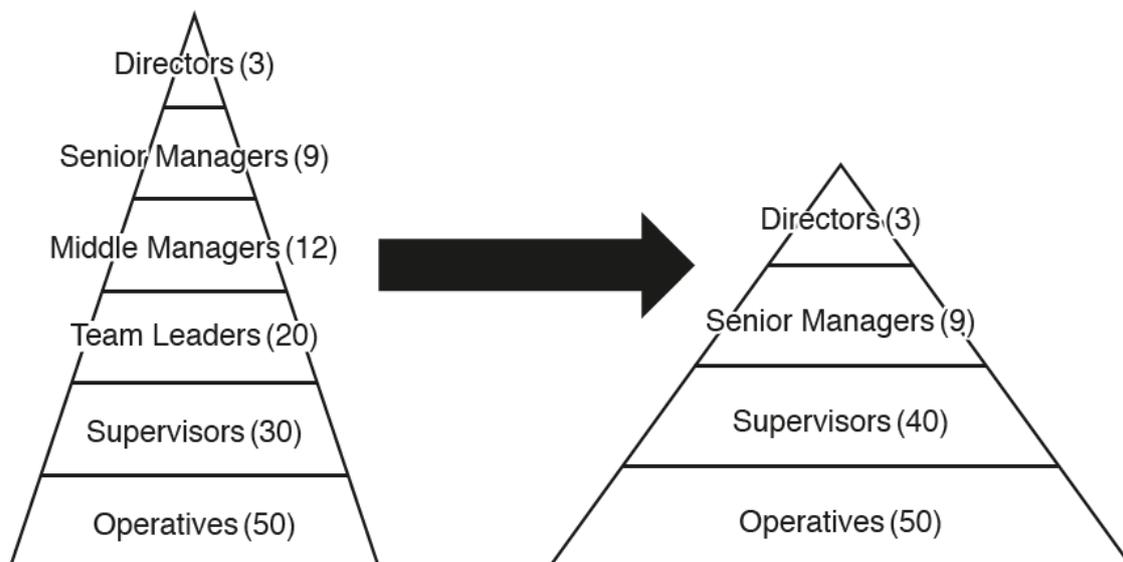
Text 3

Beautiful Buds plc

Beautiful Buds plc is a company which grows plants that are sold to garden centres throughout the UK. Beautiful Buds plc has a new Managing Director who has proposed a merger with Green Gardens plc, a chain of garden centres selling a wide range of plants and other garden products.

Green Gardens plc is currently one of the country's largest plant and garden retailers, with a market share of approximately 12%. The vertical merger will result in one company owning a chain of garden centres as well as growing the plants which are sold in these retail outlets.

Beautiful Buds plc currently has 124 employees. Its Managing Director is looking to make the business more efficient and is planning to change its organisational structure by removing two layers of management (see below). This change is planned before the proposed merger. The Managing Director believes that the tasks carried out by Middle Managers and Team Leaders can be effectively completed by employees either below or above them in the structure. The estimated redundancy costs due to the restructuring are £200 000.



Beautiful Buds plc's planned organisational structure change

Job role	Average salary
Directors	£110 000
Senior Managers	£80 000
Middle Managers	£50 000
Team Leaders	£35 000
Supervisors	£30 000
Operatives	£22 000

Beautiful Buds plc's current salary structure

- (ii) Recommend which stakeholder group will be most affected by the vertical merger between Beautiful Buds plc and Green Gardens plc. Give reasons for your answer. [3]

Exemplar 1

2 marks

The owners of the two business will be more affected as the ~~best~~ resulting business will become larger, ~~increasing~~ ~~in sales~~ sales will increase, along with popularity and reputation and more profit will be generated.

Examiner commentary

A 'recommend' question always requires a decision. Somewhere in their response, the candidate needs to make clear to the examiner what their decision. This response begins by clearly stating the candidate's selection i.e. the owners of the two businesses. A chain of argument is presented, culminating in more profit being generated for the owners. Since profit is the return for enterprise, it is directly attributable to the owners; the explanation is deemed valid and, therefore, the selection justified. On reading through the answer, however, it should be noted that this answer would apply to absolutely any businesses in the private sector that planned to merge. There is no attempt at contextualising this response. The response is, therefore, awarded two of the available three marks.

To achieve full marks on this question the justification needs to be both correct and contextual. Without the context the candidate has, in effect, answered a slightly different question i.e. 'recommend which stakeholder group would be most affected if two business merged vertically'.

Exemplar 2

3 marks

I think that the competitors of other garden centres will be most affected. This is because now a chain of garden centres have no supply of plants as Beautiful Buds have ~~no~~ merged with Green Gardens leaving them vulnerable and without any stock. Therefore, not producing any profit which allows the merge to outweigh those competitors as they are able to sell to two new customer bases and produce more revenue + profit. [3]

Examiner commentary

Although not a commonly seen answer, 'competitors' especially 'other garden centres' is a perfectly valid answer. The response then uses a chain of argument to explain why and how the competitors would be affected. The argument centres around being unable to obtain supplies of plants and thus, with limited stock, being unable to make a profit. This argument is both valid and contextual. The response is awarded full marks.

Question 18(d)

(d)* Discuss, with reference to the data in Text 3, whether Beautiful Buds plc should go ahead with the plan to change its organisational structure. [9]

Exemplar 1

5 marks

NO because of many reasons such as
 if the 2 layers are removed first 32
 people would as a result be
 unemployed, second is that once the
 two layers were removed the managing
 director believes that either the
 lower or higher layer would do their
 jobs efficiently.

Now that 32 employees are unemployed
 - the other employees have to fulfill their
 tasks putting strain and fatigue on them
 making them not do either the task at
 hand or their own tasks.

In the layers were removed however the
 company would save the company
~~around~~ ~~over~~ ~~an~~ ~~ally~~ 1.3 million pounds
 each year they could just raise
 existing ~~customer~~ employees salaries
 and still save money.

In conclusion they should keep the
 employees to keep everything balanced
 and steady.

[9]

Examiner commentary

All nine mark extended response questions on this qualification are assessed for five specific skills i.e. knowledge, understanding, application, analysis and evaluation. On this question, one mark was available for knowledge, one mark for understanding, two marks for application, two marks for analysis and three marks for evaluation. Each skill is assessed separately. Please see the assessment grid in the published mark scheme for further details.

This response is awarded both of the marks for knowledge and understanding. The knowledge mark is awarded for the accurate use of the organisational structure term 'layers' used throughout the response. The understanding mark is awarded for showing understanding of this particular change in organisational structure i.e. that it will mean making people unemployed. Application marks on this question are for using the data in Text 3, as required by the wording of the question. To award the application marks the examiner is looking for 'use' of the data, rather than solely quoting the data. This response contains two such uses as evidenced by the calculation that '32 people' will lose their jobs and that the business will save '£1.3 million' on salaries. Both application marks were awarded. No analysis marks were awarded. Analysis on a question like this refers to an impact on the business itself, for example impact on profit, cash flow or reputation. The second paragraph contained an impact on employees but could not be awarded as the impact on the stakeholder was not developed to its end point of impact on the business itself. The final paragraph repeats the decision made right at the beginning of the response that the business should not go ahead with this change in organisational structure. A decision has been made, but the reasoning 'to keep everything balanced' is too weak to be awarded as justification, therefore one evaluation mark is awarded for making a decision. The response scores 5 of the available 9 marks.

To improve this response, the candidate would need to continue their chain of argument in the points made until they reach the impact on the business itself. In the second paragraph the argument about the employees suffering 'strain and fatigue' could have been developed to a fall in customer service leading to a fall in revenue or an increase in absenteeism leading to a reduction in output, etc. The reference to 'save money' at the end of paragraph 3 came close to being analytical, but the use of the term 'money' here was too vague. Had the candidate said 'reducing labour costs' or even 'reducing costs' it would have been awarded as analytical. In addition, the decision at the end of the response needed to be supported with something more specific (and preferably contextual), perhaps a fall in customer service due to the loss of 32 employees is likely to lead to a bad reputation for the business and a fall in profitability.

It should be noted that candidates who discussed the positives and negatives before making a decision appeared to do better on this question. The way in which the candidate orders their answer in no way affects the marks awarded, however beginning with the positives and negatives (leaving the decision-making until the end) tended to lead to more rounded and more carefully considered responses. The use of a writing frame in class, at least initially, may help learners develop an appropriate structure for answering such questions.

Exemplar 2

9 marks

One disadvantage is that Beautiful Buds will be making 32 employees redundant. This is important because they would have to pay £200,000 in redundancy costs. This will impact the business by significantly increasing costs over a short time ~~is~~ decreasing profits. One advantage to Beautiful Buds going ahead with it is that they will be saving a lot of wages. This is important because these 32 employees they're making redundant have a combined salary of £1,300,000. This will impact the business by saving them £1,300,000 a year in wages, increasing profits over the long term.

One advantage is that with a more flat organisational structure, communication between layers becomes much easier. This is important because employees could better talk to their superiors, ~~eventually~~ bettering the mood in the organisation. A disadvantage is that in the new structure they employ 10 new supervisors. This means that they'll be spending an extra £300,000

on supervisors wages. This will impact the business by decreasing the money they're saving from making 32 people redundant.

In conclusion, I believe that Beautiful Duds should go ahead with the changes in the organisational structure because although there are downsides, saving an extra £1,000,000 in wages is too good to pass up on.

Examiner commentary

This response is just what the examiner is looking for. It is clearly structured, uses accurate organisational structure terminology (flat, layers), shows understanding of the change (making employees redundant), analyses the pros and cons (increasing profits, increasing costs), uses the data given in Text 3 to support the argument, (32 employees, salary of £1,300,000, extra £300,000 supervisor wages), leaves the decision-making to the end when all points have been raised, and justifies the decision made using both business argument and context (saving £1,000,000 in wages). Full marks were awarded.

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