

A LEVEL

Examiners' report

BUSINESS

H431

For first teaching in 2015

H431/01 Summer 2024 series

Contents

Introduction	4
Paper 1 series overview	5
Section A overview	6
Section B overview	7
Question 16*	7
Question 17	8
Question 18 (a)	10
Question 18 (b)	10
Question 19*	11
Question 20	13
Question 21*	13

Introduction

Our examiners' reports are produced to offer constructive feedback on candidates' performance in the examinations. They provide useful guidance for future candidates.

The reports will include a general commentary on candidates' performance, identify technical aspects examined in the questions and highlight good performance and where performance could be improved. A selection of candidate answers is also provided. The reports will also explain aspects which caused difficulty and why the difficulties arose, whether through a lack of knowledge, poor examination technique, or any other identifiable and explainable reason.

Where overall performance on a question/question part was considered good, with no particular areas to highlight, these questions have not been included in the report.

A full copy of the question paper and the mark scheme can be downloaded from OCR.

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Paper 1 series overview

This component focuses on the local business environment, in this case a private limited company called Dev Draper Landscaping (DDL) which was a premium-quality garden design and landscaping business whose customers included both corporate and private households. There was evidence of improved exam technique on the longer responses relative to previous sessions. Many candidates wrote contextually and could produce a lot of analysis, developing this where necessary. Some responses continue to be difficult to read, sometimes even impossible, which means that they are not likely to be as successful, due to the argument being difficult to follow. This is something which centres need to address if a candidate is to reach their potential. Some scripts were also very hard to follow and lacked structure. On the other hand, there were many scripts that were very well laid out with the arguments clearly arranged in paragraphs and with a concise evaluative conclusion. There was no evidence of time pressure in the exam and very few candidates 'ran out of time'. This report has been written based on the feedback from the entire team of examiners and should be read in conjunction with the published mark scheme

Candidates who did well on this paper generally:	Candidates who did less well on this paper generally:
<ul style="list-style-type: none"> made full use of the information provided in the resource booklet started their response by demonstrating their understanding of the key concept had a clear structure with developed chains of analysis had wide-ranging knowledge of the specification scored well across the Multiple Choice Questions in Section A showed their working on numeric questions wrote focused responses which were not overly long and kept to the specific issue in the question. 	<ul style="list-style-type: none"> gave purely theoretical responses which meant that they could not gain the analysis and evaluation marks. did not use/read the resource booklet well enough. Time should be spent reading this before starting to respond to the exam did not score well across the Multiple Choice Questions in Section A did not read the question correctly and wrote what they wanted to instead of what the question required.

Section A overview

The multiple choice questions proved a very effective discriminator on this paper. Some questions generated a very high level of correct responses whereas others did not. Some candidates do not complete any of the calculation questions. Question 4 which required candidates to calculate labour turnover was answered incorrectly by many. There was also evidence of candidates not reading the question carefully, such as Question 11 where there was some confusion between 'franchiser' and 'franchisee'. However, there were plenty of candidates who demonstrated excellent knowledge of the topics and scored more than 12 marks.

There were a small number of candidates who missed out one or more responses in this section. Centres are reminded to inform candidates that there is no negative marking and so any response can be more successful than none. There were also other candidates who marked more than one box. When a multiple choice question has only a single, correct response and a candidate provides two responses (even if one of these responses is correct), then no mark can be given, as it is not possible to determine which was the first response selected by the candidate. A detailed rationale of the multiple choice responses is provided in the mark scheme.

Section B overview

There was clear evidence that many candidates found the context about the landscaping business to be highly accessible and it was evident that the stimulus material had been read prior to answering the questions. Most candidates were able to use the case material from the resource booklet in their responses, which is key to being able to access the higher skills of analysis and evaluation.

Having said that, the main reason for low marks by some candidates were responses which did not make any use of the context provided. This was particularly true for Question 17 where candidates gave a very generic account on what a Gantt chart was but did not achieve the two marks for available for applying it to the case study. There is always a wealth of data available in the resource booklet including the calculation questions and it is worth noting that it should be stressed to candidates that the calculated data is an ideal source of information that can provide both context and justification to an answer. For example, Question 19 provided an ideal opportunity to use the discounted price of paving slabs calculated in the previous question to provide context when discussing the benefits of internal economies of scale. Good use of context will pull together two or three pieces of information from the case study. This is an area which centres should focus on to allow their candidates to gain access to the higher marks.

Question 16*

16* Evaluate how DDL benefits from Dev's entrepreneurship.

[15]

The substance of the answer was usually well written and the better answers were based on clearly identified entrepreneurial traits possessed by Dev. Most candidates could identify characteristics of an entrepreneur. Some went via the route of the advantages of setting up the business as a limited company, but as that was a decision that Dev had made, it was awardable.

Some answers moved into 'but where Dev isn't so good is' or 'what he should do is' which was not what the question wanted and meant that the candidate wasted valuable time without generating any further marks. This question did not see many full marks given because candidates often did not provide any evaluation. There was little attempt to prioritise the extent of the benefits or the significance of the factors, with most simply providing a repetition of what had already been said.

Question 17

17 ‘...projects have always been managed to a high standard, but they are becoming ever more complex.’ (lines 43–44)

Analyse **one** advantage to Dev of using Gantt charts as a method of project management.

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..... [6]

Many candidates did not demonstrate any knowledge of what a Gantt chart is and many just latched onto the ‘project management’ part of the question stating that ‘it makes projects easier for Dev’. It is in the candidate’s interest to state knowledge of the issue(s) to make sure that the examiner can reward for the knowledge and subsequent analysis and/or evaluation. Examiners must be sure that the candidate knows precisely what they are talking about, so taking the question and turning the wording around will not yield any marks.

Many of those that did know what a Gantt chart was, were not able to achieve the full marks available because they gave a purely theoretical answer. This question did not need a long answer to achieve the full marks available.

Candidates who did well on this question generally:	Candidates who did less well on this question generally:
<ul style="list-style-type: none">started their response by demonstrating their understanding of Gantt chartsmade full use of the information provided in the resource booklethad a clear structure with a developed chain of analysis.	<ul style="list-style-type: none">did not understand what a Gantt chart wasdid not apply the question to the information provided in the resource booklet.

Exemplar 1

One advantage of using Gantt charts is that Dev will be able to monitor progress of the garden constructions against a timeline of where they were projected to be, to where they actually are. This is advantageous as it can allow Dev to monitor progress of the landscapers and make necessary changes if needed. This means that Dev is less likely to be wasting time and money using a strategy on construction if it isn't working. For example, he could use a previous project and recognise what went well and also improvements needed in order to improve efficiency and quality.

In Exemplar 1, we can see that the candidate clearly understands what a Gantt chart is and also applies it straight away to the case study material. The answer is clear and concise and demonstrates knowledge immediately and achieves full marks.

Question 18 (a)

18 'Dev uses cost-plus pricing with a 30% mark-up.' (line 36)

A customer orders 100 paving slabs which will cost DDL £3200 in total.

(a) Calculate the price paid by the customer for 100 paving slabs.

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Answer = £ [2]

This was a straightforward calculation, and it was rare to see an incorrect answer.

Question 18 (b)

If an order is for more than 100 paving slabs, the supplier will offer DDL a discount of 20% on the total bill.

(b) If DDL requires 150 paving slabs, calculate the decrease in the cost per slab.

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Answer = £ [3]

This calculation question was more challenging than the first and threw up some unusual calculations. Many candidates calculated £25.60 which was the cost per slab for an order of 150, but many candidates left it there rather than reading the question which required the actual decrease in the cost per slab. Some answers stated that the difference was in the thousands of pounds per slab which should have been a flag that the calculation must be incorrect. It is important that candidates refer to the question when an answer is arrived at to check whether it is credible.

Assessment for learning – always show workings in calculation questions

The advantage of showing workings is that an incorrect response can still score close to full marks. If the rest of the workings are correct (and clearly seen) the response could still achieve marks. However, many candidates still do not do this and lose out on possible marks.

Question 19*

19* Evaluate the benefits DDL may gain from **internal** economies of scale if it continues to grow. [15]

This question elicited a wide range in terms of the quality of the answer, some candidates clearly understood what economies of scale were and they were able to identify them and write knowledgeably about them. Others were able to identify the economy of scale but didn't have the ability to analyse them correctly. Many candidates were able to demonstrate implied knowledge, i.e., purchasing EoS was demonstrated by 'bulk buying', but equally, many more were unable to identify an EoS at all. Unfortunately, the terms 'price' and 'cost' were often used interchangeably and indeed, this is something that has been repeatedly flagged over the years in the PE reports. Of those identified; management EoS's and skills and expertise of the workforce were the least well explained, these were often linked to the benefits of growth and being able to hire MORE managers/employees rather than more expert managers or more skilled employees. Although NRs (no responses) were rare, there were often pages of irrelevant comments as to 'what might make DDL grow' which was the most common error on this question.

Those candidates who scored well on this question, clearly demonstrated knowledge of internal economies of scale and were able to provide contextualised developed analysis.

Exemplar 2

Economies of scale are when ~~you~~ as your business increases in size the unit cost of your product decreases. One internal economy of scale DDL may gain is bulk buying. As DDL take on more landscaping projects they will need to buy more equipment materials like paving slabs. When DDL purchase over 100 paving slabs they receive a 20% discount on the total bill which means that the unit cost per slab actually decreases. This means that from buying more paving slabs for more projects DDL actually will end up lowering their costs because of the deal they have with their supplier. Therefore DDL can increase their profit margins on all their projects.

Exemplar 2 provides an excellent example of how to structure an answer. The candidate shows evidence of knowledge straight away which is applied to the business. They provide a benefit of the economy of scale and go on to develop this point. This answer went on to give an overarching judgement on which EoS was the most beneficial to DDL and why, therefore achieving full marks.

Question 20

20 Analyse **two** ways external quality standards may have an impact on DDL.

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..... [9]

Many candidates did not understand what an external quality standard is and therefore were not able to achieve marks. Those that did demonstrate understanding were generally able to achieve 8 or 9 marks as their answers often naturally centred around costs to the business of following the standard.

Question 21*

21* One of DDL's objectives is to 'increase turnover to £2m by the end of 2025'. (line 18)

Evaluate the importance of process, people, and physical evidence as part of DDL's marketing mix to help achieve this objective. [15]

There was too little focus on *marketing* with many candidates talking about the operational side/benefits of these as being 'good' with no link to marketing and so could not score. Once again, a need to take a moment to consider what the question is asking for as opposed to what the candidate wants to answer.

There was some confusion with 'customers' for 'people' within the Marketing Mix together with 'process' being confused with the operational process of what DDL were going to do as part of the garden development rather than the process of interaction with the customer or how the customer gained access to the service and how that would benefit DDL from a marketing perspective.

Many candidates just stopped after a strong consideration of three factors and made little to no attempt to evaluate the importance of them in achieving their objective. This resulted in severely limiting the marks that can be awarded as there are 7 marks available for evaluation.

Exemplar 3

Overall, the most important ~~way~~ part of DDL's marketing mix is physical evidence. This is because it is one of the main ways DDL can attract new customers, whether it is through word of mouth or by posting previous gardens they had designed on their Facebook account. Process is still an important part of DDL's marketing mix but is not as important as physical evidence. This is because if a potential customer has heard and seen really good projects from DDL then they would be unlikely to decide to go to a competitor just because DDL don't have a perfect website. Therefore physical evidence is the most important part of the marketing mix to help DDL achieve their goal.

Exemplar 3 demonstrates that it is not necessary to write a huge amount; just a clear focus on the question and a reasoned overarching conclusion.

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