

**GCSE (9–1)**

**Examiners' report**

# **BUSINESS**

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**J204**

For first teaching in 2017

**J204/01 Summer 2024 series**

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## 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 responses 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

Teachers appear to have used OCR resources (including the practice paper and previous live papers available online from [OCR's Teach Cambridge site](#)) to good effect.

Candidates who did well on this paper generally:	Candidates who did less well on this paper generally:
<ul style="list-style-type: none"> <li>demonstrated a breadth of knowledge across the topics on the specification (especially in Section A)</li> <li>applied their responses in Section B to the contexts given in Texts 1 to 3</li> <li>suggested impacts on the business, rather than its stakeholders, when demonstrating analytical skills</li> <li>gave comparative, contextual, reasons to support recommendations</li> <li>used the numerical data given in Text 3 when answering Question 18 (d).</li> </ul>	<ul style="list-style-type: none"> <li>left one or more multiple choice questions entirely blank</li> <li>gave generic responses to questions in Section B, rather than applied responses</li> <li>gave brief responses with no attempt to explain or analyse points made</li> <li>made a recommendation when required by the question but gave limited or no reason to support the recommendation</li> <li>made no reference to, or use of, the numerical data given in Text 3 when answering Question 18 (d).</li> </ul>

Section A gives candidates time to settle into the examination. This section of the paper was generally well answered by most candidates. However, some candidates lost marks by leaving a multiple choice question (MCQ) blank. This is poor examination technique. Candidates should be encouraged to indicate a response to all 15 questions. A minority of candidates also lost marks because the letter written in the box was unclear. Candidates should be discouraged from trying to alter an answer by writing over it – say by trying to change a D to a B, or vice versa. In such cases it is impossible for the examiner to know which letter was the last to be written. If a candidate wishes to change their response, they should fully cross out their original response and replace it with their new selection and if necessary this should be written to the side of the box provided.

### OCR support



Centres are advised to give candidates plenty of practice at answering multiple choice questions throughout their programme of study. OCR has produced lots of practice multiple choice questions for centres to use. These can be accessed on [Teach Cambridge](#).

The resource organises the practice multiple choice questions by topic, so that it can be used appropriately throughout the programme of study.

For Section B it is important to remind candidates that questions which include the name of the business in their wording require evidence of application of understanding to achieve full marks (i.e. candidates should give a response which is applied to the business as detailed in Texts 1 to 3). Each text includes important information about one specific business which can be used to gain application marks.

In this specification 'application of knowledge and understanding' refers to the use of context, and not simply the mentioning of context. A name drop of the business, relevant personnel or the product/service the business offers is insufficient for the award of application. The candidate must use the context in their response, i.e. the contextual reference must add something cognitive to the response which demonstrates further understanding by the candidate of the topic in question. This is an important issue because answering such questions in a theoretical or generic way severely limits the number of marks that the examiner can award to the candidate. As per the specification 32% of marks on this paper are reserved for application of knowledge and understanding.

Each of Questions 16 to 18 contain at least one 'analyse' question and at least one 'evaluate'/'discuss'/'recommend' question. To increase candidate accessibility to marks, these skills are independently assessed and so, for example, a candidate may gain full marks for evaluation without any analysis (or vice versa). It is, therefore, important that candidates are clear as to the difference between the two skills, because to achieve maximum marks they will need to fully demonstrate both skills, i.e. analysis and evaluation.

The maximum tariff for analysis on any question on this paper is two marks. Therefore even on the highest tariff questions only two analytical points are needed to achieve the maximum marks available for this skill. It should be noted, however, that the skill of analysis is tested many times on the paper including questions using the command word 'analyse' and questions using the command word 'evaluate'.

Each time the skill of evaluation is rewarded on this paper, it has a tariff of three marks. Candidates should be encouraged to reach decisions and give reasoned justification to support their argument using contextual information. While a valid justification that applies to most businesses would achieve two of the available three evaluation marks, a response which argues using the particular circumstances of the business in the text would be deemed stronger and would be given the full three marks available.

In addition, the nine mark question on this paper (Question 18 (d)) includes the testing of candidate ability to interpret and use numerical data. The need to demonstrate quantitative skills was highlighted in the examiners' report last year. However, examiners have seen any increase in the proportion of candidates who included the demonstration of quantitative skills in their responses in this series. On Question 18 (d) two marks (application marks) are reserved for the demonstration of numerical skill. For an award of nine out of nine, candidates are required to show that they have used the numerical data given in Text 3. Those who did not include numerical data were still able to achieve seven of the available nine marks.

The range of questions presented on this year's examination paper gave candidates of all abilities the opportunity to demonstrate their grasp of the core constructs of business. The vast majority of the scripts showed that the candidate had, at least attempted to answer all of the questions set, with a consequent very low question omit rate across the paper (with the exception of Question 18 (b)). The questions addressed a wide range of topics taken from the specification and were a true test of a candidate's ability to apply their knowledge and understanding to how businesses operate. Questions 16 (c), 17 (b) and 18 (c) gave high ability candidates the opportunity to demonstrate the depth of their understanding and strength of their evaluative skill. In addition, the higher tariff seven and nine mark questions tested candidates to ability to evaluate, with a good proportion of candidates scoring full marks.

## Section A overview

The majority of multiple choice questions were well answered. Only two questions caused difficulty (Questions 6 and 13).

### Question 6

- 6 Two brothers are currently unemployed. They decide to set up their own window cleaning business, trading as a partnership.

What is an entrepreneurial risk for the brothers?

- A Cold weather
- B Paying taxes
- C Poor health
- D Slippery ladders

Your answer

[1]

This question was testing candidates' understanding of the term 'risk' in the context of being an entrepreneur. The correct response (C) was selected by only one third of candidates. Incorrect answers were evenly split across the other three options. This indicates a lack of understanding of this business concept. 'Paying taxes' is a business cost. 'Cold weather' and 'slippery ladders' are hazards that window cleaners are likely to encounter. The only risk listed relates to potential harm to the entrepreneurs' health.

### Assessment for learning



Centres are advised not to overlook the third bullet point of Topic 1.1 on the specification, i.e. The concept of risk and reward.

## Question 13

**13** An independent toy business is seeing fewer potential customers visit its shop.

Which change to its marketing mix may help the business solve this problem?

- A** Introduce price skimming across the full range of toys
- B** Offer free superhero stickers and badges to all visitors
- C** Reduce the number of 'pre-school toy' loss leaders offered
- D** Use digital distribution channels for outdoor toys

Your answer

**[1]**

This question was testing topic 2.4 of the specification, bullet point three, 'the use of the marketing mix to inform and implement business decisions', with particular emphasis on fewer customers visiting the shop. The correct answer (B) was selected by approximately one third of candidates. Incorrect answers were split between (A) and (D). This suggests poor understanding of pricing methods and distribution channels.

## Section B overview

Candidates should use the information provided in each of the appropriate texts when answering the questions in Section B. This is especially important when the name of the business is included in the question because this indicates that some of the available marks are for the skill of Application.

### Question 16 (a)

16

#### Text 1

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(a) Explain **one** way that limited liability affects the owners of a company.

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..... [2]

Examiners were looking for a way that limited liability affects shareholders. Many candidates gained at least one of the available two marks. By far the most common correct responses related to the protection of personal assets and only being able to lose the amount originally investment.

Those candidates who developed their response through to explanation were given full marks.

Of those candidates who did less well, the most common error was to confuse limited liability with unlimited liability, giving responses about owners being able to have their cars, houses etc taken off them.



### Assessment for learning



Centres are advised to spend sufficient time developing candidate understanding of the demands of the command words in the questions. This question began with the word 'explain' rather than 'identify' therefore some development was needed to gain full marks.

### OCR support



To help centres and candidates, OCR has included in the specification for this qualification a full list of possible command words that could appear on the exam paper.

Centres should make sure that candidates have a robust understanding of what is required by each command word on this list.

## Question 16 (b)

(b) Explain **three** advantages for Sainsbury's of using television to advertise its products.

[6]

- 1 .....
- .....
- .....
- .....
- 2 .....
- .....
- .....
- .....
- 3 .....
- .....
- .....
- .....

By far the most common responses to this question related to being able to reach a large audience appropriate for a large supermarket chain, the ability to target specific groups of customers such as middle to high income earners and having visual impact allowing Sainsbury's to showcase their food products. All of these responses are valid and applied to Sainsbury's. Such responses gained the full six marks.

Candidates who gained two or three marks are likely to be able to improve their responses by ensuring that they give applied responses. The question wording explicitly asks for advantages for Sainsbury's rather than advantages for any business in general. Generic responses are valid, but each can only gain one mark.

Candidates who did less well on this question tended to make one particular error, i.e. giving responses about the purpose of advertising in general, e.g. to gain more customers or to increase brand awareness, rather than the specific advantages of advertising via the medium of television.

## Question 16 (c)

- (c) Analyse **one** likely reason why Sainsbury's uses market segmentation when developing new products.

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..... [3]

This question was targeted at high ability candidates. Those that did well on this question had both a secure understanding of using market segmentation during product development and the ability to analyse the impact on Sainsbury's of this. Please see Exemplar 1 for a response that gained full marks. Further details of what examiners were looking for can be found in the published mark scheme.

By far the most common incorrect responses examiners read related to using market segmentation for advertising or pricing, whereas the question was specifically about the product itself, i.e. the P for Product in the marketing mix rather than Price or Promotion. This question uses the command word 'analyse' so requires a reason developed through a chain of argument to an impact.

## Exemplar 1

One reason why Sainsbury's would use market segmentation is to ~~use~~ alter their products to be made specific to customer wants and needs. In the case study, it says that ~~the~~ the supermarket industry is very competitive. The impact of this is that it allows Sainsbury's to segment the market and target specific groups leading to greater customer satisfaction and good reputation and brand image. [3]

This response begins by suggesting that Sainsbury's could use market segmentation to alter products to meet the specific needs and wants of its customers. This valid knowledge is developed by a logical chain of argument to suggest that this would lead to greater customer satisfaction, a good reputation and a good brand image. This is Analysis. By including in the response that Sainsbury's operates in 'a very competitive industry', the answer also demonstrates Application. This response, therefore, gains full marks – one mark for Knowledge, one mark for Application and one mark for Analysis.

## Question 16 (d) (i)

(d)

(i) Identify **two** primary market research methods.

1 .....

2 ..... [2]

Most candidates were able to suggest two correct methods. By far the most common responses were questionnaires, surveys and focus groups. Of those candidates who did less well, the error was invariably to give two secondary market research methods, rather than primary ones.

## Question 16 (d) (ii)

- (ii) Evaluate whether Sainsbury's should use primary or secondary market research methods in the future.

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..... [7]

The seven marks for Question 16 (d) (ii) were allocated as follows: two marks for Application, two marks for Analysis and three marks for Evaluation. Each assessment skill was marked independently. Further details of this mark breakdown can be found in the published mark scheme on the marking grid for this question.

To gain Analysis marks examiners were looking for the advantages and/or disadvantages for a business of using primary or secondary research methods. The specific/tailored results of primary research, the relative low cost of secondary research, the time-consuming nature of primary research and secondary research being out-of-date, were the most common correct responses seen.

Those candidates who also applied their responses, e.g. 'low cost would allow Sainsburys' more money to spend on its television advertising' or 'specific results would give Sainsburys' a greater ability to gain a competitive advantage over its rival Aldi', also gained Application marks. Candidates should be encouraged to embed application into their answers throughout the response.

Most candidates managed to achieve at least one mark for Evaluation, i.e. by deciding as to whether Sainsbury's should use primary or secondary market research methods in the future. Those who were able to justify their decision gained extra evaluation marks. Those whose justifications were deemed good, (i.e. valid but non-contextual) were given an extra one mark (totalling two marks for Evaluation) and those whose justifications were deemed 'strong', (i.e. valid and contextual) were given an extra two marks (totalling the full three marks for Evaluation).

## Question 17 (a)

17

### Text 2

#### C & J Clark International Ltd (Clarks)

Clarks is a successful UK footwear brand with ranges for children, women, and men. Their market is very competitive. Clarks employs specialist designers who create new shoe styles in response to fast-changing fashion trends. The designers interpret quantitative data carefully when planning new shoe styles.

The designers work closely with employees from other functional areas of the business, such as marketing, finance, and retail, to ensure that the new shoe styles meet customers' needs profitably.

Clarks works hard to retain its team of designers, as they are central to its success. However, Clarks sometimes needs to recruit new designers and uses several selection methods to help find the best person available to fill the vacancy.

(a) State **two** aspects of employment law that may affect a business.

1 .....

2 ..... [2]

This question divided candidates. Few candidates gained one mark; candidates either knew about employment law (and therefore could suggest two aspects and gained full marks) or did not appear to have a clue and often left the response space blank (and therefore gained no marks). By far the most common correct responses were 'discrimination', 'limits on working hours' and 'minimum wage', however there were many more to choose from. Please see the published mark scheme for a list of other acceptable responses.

Of the candidates who were given one mark, the most likely reason was that they gave two responses both about discrimination, e.g. racism and ageism. These were deemed to be repeats.

## Question 17 (b)

**(b)** Analyse **one** advantage for Clarks of interpreting quantitative data when designing new products.

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.....

.....

..... [3]

This question was targeted at high ability candidates. Those that did well on this question had both a secure understanding of an advantage of interpreting quantitative data and the ability to analyse the impact on Clarks of this.

Candidates often explained what quantitative data was or gave an example, e.g. numerical data such as sales figures. While this is reassuring and good underpinning knowledge, no marks were available for this. Examiners were looking for an advantage for Clarks of interpreting such data, followed by the analytical impact on the company of this advantage.

The most commonly seen correct responses related in some way to the ease of data manipulation for example 'can be sorted', 'are easy to analyse' or 'results are easy to compare'. Other valid responses included being able to identify patterns or spot trends, e.g. changes in demand over time.

Candidates who gained the Understanding mark appeared to find it relatively easy to include Application to Clarks in their responses. Many responses ended abruptly at this point and did not include a chain of argument ending in an analytical impact. When seen, increased revenue, cashflow, profit and market share, were the most common awarded analytical impacts.

## Question 17 (c)

(c) Explain **three** reasons why employee retention is important for Clarks.

1 .....

.....

.....

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2 .....

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3 .....

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[6]

This question was not well answered. The vast majority of candidates only scored two marks on this question usually by identifying 'less time taken on recruitment' and 'lower training costs'. Few candidates managed a third reason and even fewer applied their responses.

Those who did well on this question gave responses specifically applied to Clarks (as required by the question). Examples of applied responses included reference to fast changing fashion trends, specialist designers, operating in a very competitive market, and designers being central to Clarks' success. Each correct response applied to Clarks gained two marks rather than one. Please see Exemplar 2 for a response that gained full marks.



## Exemplar 2

- 1 Employee retention is important for Clarks as its team of designers are central to its success. This ensures that their designers are committed and able to continue to innovate and design new shoes as Clarks wouldn't be able to operate without.
- 2 Another reason that employee retention is important for Clarks is that they don't want to spend too much capital on recruiting new shoe designers that they could otherwise spend on opening new shoestores.
- 3 A final reason is that Clarks won't need to dedicate as much time and money to train their shoe designers to a good standard (eg. by induction training) as they are already used to the business, and capital can be used to buy more leather for shoes instead.

[6]

Response 1 targets the final bullet point on the published mark scheme, sub-bullet point 2 (engagement/commitment/goodwill/workforce loyalty) and includes application to Clarks (designers are central to its success). Two marks given.

Response 2 targets the first bullet point on the published mark scheme, sub-bullet point 2 (lower recruitment costs) and includes application to Clarks (could otherwise spend on opening new shoe stores). Two marks given.

Response 3 targets the second bullet point on the published mark scheme, sub-bullet point 2 (lower training costs) and includes application to Clarks (capital can be used to buy more leather for shoes instead). Two marks given.

Question 17 (d) (i)

(d)

(i) Analyse **one** advantage for Clarks of using interviews to select new designers.

[3]

Question 17 (d) (ii)

(ii) Analyse **one** advantage for Clarks of using references to select new designers.

[3]

## Question 17 (d) (iii)

- (iii) Recommend whether using interviews **or** references is likely to be more effective for selecting new designers. Give a reason for your answer.

.....

.....

.....

.....

.....

..... [3]

Questions 17 (d) (i), (d) (ii) and (d) (iii) comprise one question, scaffolded for accessibility. The question is testing 'recruitment and selection' (topic 3.4 on the specification) and in particular 'methods of selection'.

In Questions (i) and (ii) examiners were looking for an advantage of each method. In each case, once the first mark was secured those who applied their answer or gave an impact on the business of this advantage gained extra marks (Application/Analysis respectively). Candidates did better on part (i) of this question than part (ii). This suggests that candidates are more familiar with interviews as a selection method than with references. This is understandable given interviews are within the life experience of most people, but references are within the domain of the HR function.

Part (iii) was the first 'recommend' question on the paper. It required candidates to decide whether interviews or references are likely to be more effective for selecting new designers. There was no right or wrong answer here, all candidates were required to do for the first of the three available marks was to make a choice. Almost all candidates managed this and, thus, gained at least one mark. Of the very few candidates that scored zero on part (iii) of this question, the reason was invariably one of 'sitting on the fence' and never reaching an overall decision.

The other two marks available for (iii) were given for the quality of the candidate's justification of their decision. To be awardable the justification needed to argue why the chosen selection method was 'better' than the alternative (rather than just 'good'). As such the justification needed to be comparative, e.g. 'interviews because they rely on the judgement of Clark's own staff rather than the opinions of a third party which may not be appropriate to Clarks' needs' or 'references because they will take up far less of Clarks' time since references only need to be requested and read, whereas interviews need to be scheduled taking up at least half an hour for each applicant', etc. For full marks the response also needed to be contextual.

## Question 18 (a)

18

### Text 3

## SJ Salon

SJ Salon is a hair salon owned by Sam and Jamila. The business partners met whilst studying hairdressing at college. The partners' creativity has helped make the salon very successful. SJ Salon is currently the only salon in town and uses cost-plus pricing.

Sam and Jamila are qualified hairdressers who work full-time in the salon. Until recently, the partners employed one part-time and one full-time worker who works 40 hours per week. However, due to increasing customer demand, two additional part-time employees have recently been recruited.

Sam and Jamila have just found out that a national hairdressing chain is planning to open a new salon in their town. They are concerned about the impact of this competition. The partners asked 200 current customers to complete a short questionnaire. The results show that:

- 130 of the customers have used SJ Salon since 2019
- 104 of the customers were aware of the national hairdressing chain
- 84 of the customers would consider trying the new hair salon, if its prices were cheaper
- 66 of the customers consider quality of service to be more important than price.

When SJ Salon was set up in 2014, Sam wrote a business plan. He has not written another one since then, as the business has been profitable. However, Sam now thinks that a new business plan should be written to help the business succeed against any new competition. Jamila disagrees, as the original business plan took Sam 30 hours to write. She feels that his time would be better spent keeping current customers satisfied.

(a) Creativity is one characteristic of an entrepreneur.

Identify **one** other characteristic of an entrepreneur.

..... [1]

Most candidates gained the mark for this question. By far the most common response was 'a risk taker'. Some candidates repeated the characteristic 'creativity' which was excluded by the stem of the question.

## Question 18 (b)

(b) Analyse **two** advantages for SJ Salon of using cost-plus pricing.

[6]

This question was targeted at high ability candidates. Those that did well on this question had both a secure understanding of the advantages of cost-plus pricing and the ability to analyse the impacts on SJ Salon of these. Please see the published mark scheme for suggested correct responses to this question.

The vast majority of responses read by examiners showed a lack of awareness of cost-plus pricing or a total misunderstanding of the method. With response spaces sometimes being left totally blank, this question had the highest omit rate on the paper. In addition, where an attempt was made at the question, examiners were all too often reading about starting off with low prices and gradually increasing them or starting off with high prices and gradually reducing them. This suggests that candidates were trying to fit the question to the pricing methods they were aware of (possibly from previous exam papers), i.e. penetration pricing or skimming. Other responses attempted a very vague response about customer satisfaction or business image, neither of which were awardable.

Please see Exemplar 3 for a response that gained full marks for this question.

## Exemplar 3

- 1 One advantage of SJ Salon using cost-plus pricing is that they can guarantee a profit being made. This is convenient for SJ Salon as they do not need to worry about competitors because the case study states they are the only hair-dressers in town. This means that SJ salon can use the finance gained into areas of development for the business.
- 2 Another advantage of using cost-plus pricing is that the prices can easily be altered due to changes in the market. For example, the case study states that due to an increase in demand, more employees are being needed to help this. Altering the price can allow SJ Salon to cover more easily the wages of the new employees whilst still maintaining a profit.

Response 1, 'guarantees a profit', targets bullet point two on the published mark scheme. The analytical impact of this is that they can use the finance gained to develop other areas of the business. The explanation that the business does not need to worry about any competition because it is the only hairdresser in town is clear evidence of application to SJ Salon. Response 1 gains its full three marks, one for Understanding, one for Application and one for Analysis.

Response 2 'prices can be easily altered' targets bullet point three on the published mark scheme. The analytical impact of this is that they can easily alter the price to cover the wages of the new employees. This analytical point is an applied point as it references the 'new employees'. The response also included application by way of explanation earlier in the response when it explains that the business is experiencing high demand requiring more employees. Response 2 gains its full three marks, one for Understanding, one for Application and one for Analysis.

### Misconception



A significant proportion of candidates appear to be under the impression that adding a specific percentage to costs makes cost-plus pricing an unpopular method with customers because it leads to high prices. This is not the case. Candidates need to realise that to operate in the long-term all businesses need to cover their costs in order to survive. Cost-plus pricing would only lead to exorbitantly high prices if a very high percentage was added to costs.

### Question 18 (c) (i)

- (c) Sam and Jamila want to improve communication with their employees now that the size of the workforce has increased. They are considering two methods:
- a weekly team meeting which all employees will be expected to attend
  - a weekly email sent to all employees.

(i) Analyse **one** advantage for SJ Salon of each method of communication.

**[6]**

## Weekly team meeting

Weekly email

### Question 18 (c) (ii)

- (ii) Recommend whether a weekly meeting **or** a weekly email would be the more appropriate method of communication for SJ Salon to use. Give a reason for your answer.

..... [3]

Questions 18 (c) (i) and (c) (ii) comprise one question, scaffolded for accessibility. The question is testing candidate understanding of 'Communication in business' (Topic 3.3) and in particular 'ways of communicating in a business context'.

General responses about the advantages of good communication could not be awarded. Examiners were looking for particular advantages of each specific method. For example, a meeting can give real time feedback to SJ Salon's owners. On the other hand, email can be referred back to for clarification multiple times. In general, candidates gave better responses about the email than the meeting. Please see the published mark scheme for other suggested responses to (i).

Question (ii) was the second 'recommend' question on the paper. The question required candidates to recommend whether a weekly meeting or a weekly email would be more appropriate for SJ Salon. There was no right or wrong response here, all candidates were required to do for the first of the three available marks was to choose one of the two methods of communication. Almost all other candidates clearly identified their recommendation and, thus, gained at least one mark (even if their reason for selection was totally incorrect).

The other two marks available for (ii) were given for the quality of the candidate's justification of their recommendation. To be awardable the justification needed to argue why one method was 'better' than the other method (rather than just being 'good'). As such the justification needed to be comparative, e.g. 'meetings because they involve direct human interaction that can improve teamworking whereas emails do not' or 'emails because they can be read from anywhere whether at work or not, whereas information given at a meeting requires all employees to be at work', etc. For full marks the response also needed to be contextual.



## Question 18 (d)\*

**(d)\*** Evaluate, using the data in **Text 3**, whether Sam should write a new business plan.

**[9]**

This is the highest tariff question on the paper. The nine marks were allocated as follows: one mark for Knowledge, one mark for Understanding, two marks for numerical Application, two marks for Analysis and three marks for Evaluation. Each assessment skill was marked independently. Further details of this mark breakdown can be found in the published mark scheme on the marking grid for this question.

Most candidates achieved some marks for Understanding, Analysis and Evaluation. Candidates across all ability ranges did less well achieving the knowledge and application marks.

For the Knowledge mark, examiners were looking for explicit knowledge that a business plan is a document or record of intention, rather than just a thought process. An Understanding mark was given for identifying any one piece of content that would be contained in a business plan. For those candidates who launched straight into the pros and cons of writing a business plan these marks were often missed. A deliberate exam technique of defining the key terms in the question at the beginning of a response might be helpful here.

For the Application marks, examiners were looking for the use of the numerical data given in the text (as indicated in the question by the phrase 'using the data in Text 3'). A mark was given each time a candidate demonstrated the numerical skill of calculation using the data given (to a maximum of two marks). Some calculations were relatively straightforward, e.g. the number of years the business had been trading; others were more complex, e.g. percentage who were not aware of the existence of the competitor. Any two calculations of whatever level of difficulty, were awardable for two Application marks. Some further examples of numerical skill are shown in the callout box below.

To gain Analysis marks examiners were looking for the advantages and disadvantages for a business of writing a business plan. The ability to secure additional finance and adapt goals were the most common advantages seen. Time and cost implications were the most common disadvantages seen. To gain full marks for Analysis, examiners were looking for one positive argument (in support of writing a business plan) and one negative argument (against writing a business plan).

For the Evaluation marks, examiners were looking for a clear decision coupled with justification of this decision. There was no right or wrong response here, all that was required for the first of the three available marks was to make clear their decision as to whether Sam should, or should not, write a new business plan. Almost all candidates clearly indicated their decision and, thus, gained at least one mark for Evaluation. Of the very few candidates that scored zero for evaluation, the reason was usually one of 'sitting on the fence', i.e. giving reasons for and against but never stating an overall decision, such responses could not be rewarded with Evaluation marks.

The other two marks available for Evaluation were given for the quality of the candidate's justification. It should be noted that some candidates made no attempt at justifying their decision, simply ending with a phrase like 'therefore Sam should/should not write a new business plan'. This is not good examination technique. Ending the response so abruptly limits the evaluation to one mark out of an available three.

Of those candidates that did attempt to justify their decision, one extra Evaluation mark was given for a valid reason that would be appropriate to most businesses. For example, 'Sam should not write a new business plan (one mark) because it will take time away from satisfying his customers (plus one mark)'. Two extra Evaluation marks were given for reasoning that was not only valid but also contextual. For example, 'Sam should write a new business plan (one mark) because the salon needs to set new goals to compete once the national hairdressing (CONT) chain opens in the town (plus two marks)'.



**Common examples of numerical application evidenced in candidates' responses were:**

- The majority of customers have used the salon for a least 5 years ( $2024 - 2019 = 5$ )
- Sam last wrote a business plan 10 years ago ( $2024 - 2014 = 10$ )
- The salon now has 4 employees ( $2 + 2 = 4$ )
- The business has 4 part-time workers ( $1 + 2 = 3$ )
- It would take Sam 75% of a working week to write the business plan ( $30/40 \times 100$ )
- 96 of the customers asked were not aware of the new competitor ( $200 - 104 = 96$ )
- 70 of those surveyed had only recently become customers ( $200 - 130 = 70$ )
- 33% of customers consider quality of service more important than price ( $66/200 \times 100 = 33\%$ )
- 42% were not aware of the competition ( $84/200 \times 100 = 42\%$ )
- 58% of customers would not try the competitor even if cheaper ( $((100 - (84/200 \times 100)) = 58\%)$ )

For further examples, please see the list in the published mark scheme.

**Assessment for learning**

To maximise Evaluation marks, candidates should be encouraged to give detailed contextual reasons in support of any decisions they make.

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