ENTERPRISE AND MARKETING

INCLUDED ON THE
KS4 PERFORMANCE TABLES

Examiners' report

OCR Level 1/Level 2

Cambridge National in
Enterprise and Marketing

J837
For first teaching in 2022 | Version 1

R067 Summer 2025 series

ocr.org.uk/cambridgenationals

Cambridge Nationals

OCR
Oxford Cambridge and RSA

Contents

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 Teach Cambridge.

Would you prefer a Word version?

Did you know that you can save this PDF as a Word file using Acrobat Professional?

Simply click on **File > Export to** and select **Microsoft Word**

(If you have opened this PDF in your browser you will need to save it first. Simply right click anywhere on the page and select **Save as . . .** to save the PDF. Then open the PDF in Acrobat Professional.)

If you do not have access to Acrobat Professional there are a number of **free** applications available that will also convert PDF to Word (search for PDF to Word converter).

R067 series overview

This session's examination considered a wide range of questions. The paper, as usual, differentiated well, with questions that were accessible to different abilities. The scenario of a small retailer of body care products appeared to be relatable and offered plenty of opportunity for relevant application in questions.

However, following on from a small fall in standard in January 2025, overall performance saw a more substantial decline this session. This was mainly due to a lack of application in most of the 4-mark questions. On a more positive note, performance on the final question was much improved, with many candidates scoring 5 or more marks.

There was no evidence of candidates running out of time, although many candidates continue to omit many of the questions, in particular Question 17 (b).

Candidates who did well on this paper generally:	Candidates who did less well on this paper generally:
• attempted all the questions • made use of the context provided to gain most of the application marks available • considered the implication on the business or owners in the 6-mark questions • had a good level of understanding of most of the specification.	• had significant gaps in their knowledge • omitted many questions • did not relate answers to the context available • scored low on Section A.

Section A overview

The multiple-choice questions differentiated well, with many candidates scoring full marks while others only answered two or three correctly. Questions 2 and 7 were answered correctly by the majority of candidates. On the other hand, slightly less than half of candidates answered Questions 4 and 6 correctly.

Question 4

4 An actor eats Brand X breakfast cereal in a popular television program. This is organised by the producers of the breakfast cereal.

What is this method of public relations called?

(a) Media release ☐

(b) Point of sale advertising ☐

(c) Product placement ☐

(d) Sponsorship ☐

[1]

This was the least well answered question in Section A. Point of sale advertising and sponsorship were common wrong answers although both are examples of sales promotion techniques, rather than public relations.

Assessment for learning

Candidates frequently confuse advertising media, sales promotion and public relations methods. The distinction is clearly set out in the specification (4.3 – 4.5) and it is vital that centres make sure that candidates understand the difference between these categories of marketing methods.

Question 6

6 Adding value and advertising are examples of

(a) Competitive pricing ☐

(b) Extension strategies ☐

(c) Market research ☐

(d) Sales promotion ☐

[1]

Half of candidates selected an answer other than (b), with (d) being the most popular wrong answer. As with Question 6, candidates need to understand the distinction between activities classified as sales promotion and those which are extension strategies.

Section B overview

There were some very good answers to the questions in this section which made good use of the context. However, there was a lack of application in some answers (many of which were otherwise very good) which meant that candidates missed out on marks throughout the paper.

Questions 13, 15, 16 (c) and 18 (a) were lacking in application by candidates. Question 17 (b) also showed a lack of understanding of price skimming by most candidates.

Question 11 (a)

You have worked in a shop selling cosmetics and bodycare products for the last five years. You are unhappy with the inflexible working hours. However, you have identified an opportunity to start a small business selling identically sized refillable bottles of bodycare products, such as shampoo, shower gel, and liquid soap. The products are made from natural organic ingredients and targeted at 15-30 year-olds.

Your local council enterprise department is offering empty city centre shops rent-free for 12 months to start-up businesses. You decide to apply to use one of these shops for your business.

11 You set up your business in partnership with your sister. You each own a 50% share of the business.

(a) Explain **two** disadvantages of starting your bodycare product business as a partnership.

Disadvantage 1 ....

....

Explanation ....

....

Disadvantage 2 ....

....

Explanation ....

....

[4]

Most candidates scored at least 2 marks. Sharing profit and decisions were the most popular correct answers, with many candidates achieving application marks by referring to the 50% ownership with the sister. A small number of answers demonstrated a good understanding of unlimited liability.

Less successful answers tended to lack any application or considered general disadvantages of setting up a business, with no consideration of it being a partnership.

Question 11 (b)

(b) Other than a partnership, state **two** forms of business ownership.

1 ....

2 ....

[2]

Less than half of candidates gained both marks for this question. Franchise was a popular answer, along with sole trader.

Many candidates did not gain any marks as they did not appear to know any business ownership categories, often giving generalised answers such as shared or group ownership.

Question 13

13 The local council enterprise department invites you to a business planning meeting next week. You need to take information to the meeting about the potential demand for your products. Your sister has completed some market research by analysing quantitative data in a government publication. She has produced some graphs and statistical calculations.

Analyse **one** benefit and **one** limitation of using quantitative data to assess the potential demand for your bodycare products.

Benefit ....

....

....

Limitation ....

....

....

[6]

Around a half of candidates gained no more than 1 mark for this question. There were many vague answers which gave the impression that candidates were unfamiliar with the benefits and limitations of quantitative data. A number of these answers were about the use of primary or secondary market research, or the use of market research in general. Other answers could have applied to any form of data, as they referred to how it could aid decision-making or that not all customers would provide any feedback. The use of context was also largely missing so answers often gained no application marks.

More successful answers focused on the way in which quantitative data can be visualised and how it would be lacking in detail about opinions.

Exemplar 1

Benefit One benefit of using quantitative data is that the Data can be made into easy to read graphs. This means that it will be easier for me to understand my customers wants and needs which will help me make a better product. Therefore leading to more profit. Which is also good because I will be able to show the councillers the information and it will also be easier for them to understand which will increase my chances of being able to sell my product in the empty shop rent free for 12 months.

Limitation One limitation of quantitative data is that it doesnt tell me how I can improve upon my products. This means that I may create a product that statistically should do well however it doesnt and I will not know why as I havent spoken to any of my target customers (15-30 year olds) As a result I could lose out on sales which is bad as I own 50% of the business which means that if I lose money the bank could reposses my assets

[6]

Exemplar 1 is a good full mark answer. The benefit that quantitative data is easy to turn into graphs shows good knowledge. There is then reference to how this will increase the chances of getting the councillors (application rewarded at this point as this is the purpose of the data) to see how this will lead to sales in the rent-free shop.

The limitation focuses on the lack of detail in quantitative data, so not knowing how to improve the products may lead to losing out on sales. This part of the answer contains plenty of application as there is mention of the 15–30-year-olds target market and your 50% ownership of the business.

Both parts of the answer contain a correct piece of knowledge, a tangible impact on the business and a specific reference to the context provided.

Question 14

14 Explain **two** potential rewards for you of taking the risk of starting a new business selling bodycare products.

Reward 1 ....

....

Explanation ....

....

Reward 2 ....

....

Explanation ....

....

[4]

Most candidates were clear about the potential rewards for taking the risk of starting a new business which led to a majority gaining at least 2 marks. Answers tended to focus on the financial and independence rewards. However, fewer candidates went on to score more marks as answers were largely generic. The application marks could be gained quite easily by referring to the 50% ownership situation, unhappiness with the hours in the previous job, or the rent-free shop which would help with the level of financial reward.

Question 15

Your application for one of the empty shops is accepted and you decide to leave your current job.

15 You will need to buy a lot of stock to start your business and you will need to raise some capital. Your friend offers to give you a loan.

Explain **one** advantage and **one** disadvantage of taking a loan from a friend for your bodycare product business.

Advantage ....

....

Explanation ....

....

Disadvantage ....

....

Explanation ....

....

[4]

This was the least successful of the 4-mark questions for two common reasons. Firstly, many candidates misread the question to mean that the money was a gift (rather than a loan) so they gave advantages of there being no interest payable, or the money did not have to be paid back. Secondly, most answers made no attempt to use the context to show application.

There were also many general answers about raising finance to start the business which could have applied to any source of capital.

More than half of candidates scored 1 mark which tended to be a disadvantage, most often about the potential to 'fall out' with the friend.

Exemplar 2

Advantage They won't be as demanding as a bank or other places you can get loans from.

Explanation This means that they could be accepting to wait a prolongued period as long as we paid them back

Disadvantage You can't take out a large sum of money.

Explanation considering we need to buy lots of stock it will be expensive and we will most likely need lots of money which is unlikely from a friend. **[4]**

Exemplar 2 gives an answer that gained 3 marks. It identifies an advantage of taking this loan (rather than a gift) as the 'easier' process you would expect to go through to borrow the money. However, it is not applied to the context; for example, how this would make it easier for you given your lack of experience as a new business owner, or how this quicker process may be vital given the urgent need to stock the shop.

The disadvantage correctly identifies that you are less likely to raise as much money from a friend (compared to a bank) and this is applied by referring to the need (identified in the stem of the question) to 'buy lots of stock'.

Assessment for learning

As stated in previous reports, candidates often have a low level of understanding about sources of capital. The distinction between sources of capital, especially loans, gifts and grants, is one that would benefit from greater focus by centres.

Question 16 (a)

16

(a) The table shows different examples of marketing available for your business.

Tick (✓) **one** box in each row to **best** describe each example.

Marketing example	**Non-digital advertising**	**Digital advertising**	**Sales promotion**	**Public relations**
A podcast on a local community website				
A celebrity recommends one of the shampoos				
A 10% discount on all purchases made on the shop's opening day				

[3]

This was well answered with more than 60% of candidates gaining full marks.

Question 16 (b)

(b) You have limited funds to promote your new business.

You segment the market by age. State **two** other ways to segment a market.

1 ....

2 ....

[2]

The majority of candidates gained both marks. Those who did not tended to confuse segmentation methods with the marketing mix or did not pay attention to the instruction in the question and gave 'age' as an answer.

Question 16 (c)

(c) Analyse **two** benefits of market segmentation for your bodycare product business.

Benefit 1 ....

....

....

Benefit 2 ....

....

....

[6]

This was the most successful of the 6-mark questions, although few candidates scored full marks.

Highly marked answers tended to focus on how segmentation helped to target marketing or better understand what customers wanted. However, in some cases it was difficult for examiners to award both answers as they were often too similar. Many answers also lacked any application, containing examples which made no use of the context available, such as the target market of 15–30-year-olds or the organic nature of the products being sold.

Less successful answers did not relate to the question asked. For example, many candidates answered a question on how they could segment the market, (such as, 'target it towards girls and use pink packaging'). Other answers were generally about what the business was doing or should do, with no reference to segmentation.

Misconception

A reminder that application can come from anything which is contained in the context at the start of Section B or in the stem to the questions. However, application cannot be rewarded for the name of the business, what the product is, or anything contained in the question.

Question 17 (a)

17 It is important to choose an appropriate price for the bodycare products.

(a) State **two** factors to consider when choosing a price.

1 ....

2 ....

[2]

This was less successfully answered than the other 2-mark knowledge-based questions. Less than half of candidates gained both marks. Incorrect answers often named pricing strategies.

Question 17 (b)

Your sister suggests that you should use a price skimming strategy.

(b) Analyse **two** advantages of using price skimming for the bodycare products.

Advantage 1 ....

....

....

Advantage 2 ....

....

....

[6]

This was the least well answered of the questions on the paper due to confusion about what price skimming is. It is mostly confused with competitive pricing or price penetration. Many responses stated it was about 'setting prices low' or that 'prices could be reduced after an initial high price'.

More successful answers focused on the advantages for the brand image and the need to sell fewer products to achieve break-even.

Misconception

Along with sources of capital, evidence suggests pricing strategies (and price skimming in particular) are the least well understood parts of the specification. Centres may benefit from making these topics a focus for extra revision and retrieval practice throughout the unit to support candidates' understanding of this topic.

Question 18 (a)

18 All businesses need to ensure they have enough cash.

(a) Explain **two** consequences for your bodycare product business of a lack of cash.

Consequence 1 ....

....

Explanation ....

....

Consequence 2 ....

....

Explanation ....

....

[4]

Most candidates were able to gain 1 or 2 marks. Often, the reason for 1 mark was that the two answers given were fundamentally the same. For example, 'will not be able to pay rent' and 'will not be able to pay wages'. The need for cash to provide change for customers was also a common correct answer.

Lack of application was an issue on this question too. Few answers made use of the available context, such as the lack of income having given up your previous job or the cash-based challenges faced by a new business. There also continues to be confusion between cash and profit.

Question 18 (b) (i) and (ii)

(b) You decide to charge the same price for all your products. You made £1400 profit during your first month. You sold 1000 bottles of bodycare products which earned you sales revenue of £5000 for the month.

(i) Calculate the total costs for your first month.

Show your workings.

Answer £ ....

[2]

(ii) The formula for break-even quantity is: $\dfrac{\text{fixed costs}}{\text{selling price per unit} - \text{variable cost per unit}}$

The fixed costs for the second month will be £2030. The variable costs per bottle sold will be £1.50 and you will charge the same price as in your first month.

Calculate the number of bottles of bodycare products you need to sell in the second month to break even.

Show your workings.

Answer ....

[4]

The calculations were generally well answered with many candidates gaining full marks to both answers. In both cases, the most common marks were full marks or no marks.

The most common error in the break-even calculation was not calculating the selling price correctly. However, if an answer was clearly set out, this could still lead to 3 marks being awarded.

Question 19

19 Your business has now been open for 12 months. Sales are highest at the end of the week and weekends when more people visit the city centre. However, the shop is quiet on Mondays and Tuesdays. Now that the 12-month rent-free period has finished you will have to start to pay rent.

You need to decide whether to keep the shop or set up a website to sell your bodycare products.

Discuss whether you should continue to sell your bodycare products from the city centre shop **or** through your own website. Your recommendation should include:

- an advantage and a disadvantage of selling bodycare products from the city centre shop
- an advantage and a disadvantage of selling bodycare products from your own website
- a justification for your decision.

[8]

Many candidates performed very well on this question, with the majority gaining at least 5 marks. These candidates were able to give an advantage and a disadvantage of operating from the city centre shop and selling goods via a website.

Candidates could further improve these answers by avoiding the use of repeated answers. For example, paying rent as a disadvantage for operating the shop and as an advantage for using a website. This is unlikely to gain reward for both options. Other candidates wrote unnecessarily long answers by providing more than one advantage and/or disadvantage for each option; the instructions to the question are very clear.

This all led to far more candidates scoring 7 or 8 marks. Unfortunately, some potentially full mark answers missed out as they did not contextualise the decision made (see Exemplar 3). To gain full marks, the decision must be more than a simple choice of one option over the other. The decision must be justified using a piece of context about the business.

Exemplar 3

In conclusion, as an entrepreneur I know that risk-taking is a key skill to have so we are going to take the risk and start selling our bodycare products from a website instead, because we see an opportunity where we can make much more in profit and be more successful as a business from here compared to continueing with the shop.

Exemplar 3 shows the final paragraph of an answer which had so far correctly considered an advantage and disadvantage of each option, containing some application. This achieves a mark at the top of Level 2.

Once 6 marks have been gained, the decision ('start selling our bodycare products from a website') moves the answer into Level 3 and 7 marks. However, although this paragraph is well written, it contains no application. The reference to being an entrepreneur is not application, as that could apply to any person setting up a business. Context could have been added by referencing the ending of the 12-month rent-free period or the irregular sales patterns in the store, therefore justifying the decision.

Online courses

Enhance your skills and confidence in internal assessment

What are our online courses?

Our online courses are self-paced eLearning courses designed to help you deliver, mark and administer internal assessment for our qualifications. They are suitable for both new and experienced teachers who want to refresh their knowledge and practice.

Why should you use our online courses?

With these online courses you will:

- learn about the key principles and processes of internal assessment and standardisation
- gain a deeper understanding of the marking criteria and how to apply them consistently and accurately
- see examples of student work with commentary and feedback from OCR moderators
- have the opportunity to practise marking and compare your judgements with those of OCR moderators
- receive instant feedback and guidance on your marking and standardisation skills
- be able to track your progress and achievements through the courses.

How can you access our online courses?

Access courses from Teach Cambridge. Teach Cambridge is our secure teacher website, where you'll find all teacher support for your subject.

If you already have a Teach Cambridge account, you'll find the link to the **Online courses** under the **Assessment** or **Training** tab – hover over **Assessment** or **Training** on the horizontal menu and select **Online courses** from the dropdown.

If you don't have a Teach Cambridge account yet, ask your exams officer to set you up – just send them this link and ask them to add you as a Teacher.

Access the courses **anytime, anywhere and at your own pace**. You can also revisit the courses as many times as you need.

Which courses are available?

There are **three types** of online course for Cambridge Nationals.

All teachers delivering our Cambridge Nationals suite are asked to complete the course **Essentials for the NEA**, which describes how to guide and support your students. **You'll receive a certificate which you should retain**.

Following this you can also complete a subject-specific **Focus on Internal Assessment** course for your individual Cambridge Nationals qualification, covering marking and delivery of the NEA units.

We have also created subject-specific **Understanding the examined unit** courses that provide a wealth of information to support you with the delivery, assessment, and administration of the examined unit. The courses outline the assessment structure, including details on synoptic assessment, performance objectives and command words for your Cambridge Nationals qualification. Working through the course, you have an opportunity to interact with resources developed to support the exam, in particular candidate exemplars and mark scheme guidance. The final section covers details on administrative requirements, including assessment opportunities, entry rules and resits.

How can you get support and feedback?

If you have any queries, please contact our Customer Support Centre on 01223 553998 or email support@ocr.org.uk.

We welcome your feedback and suggestions on how to improve the online courses and make them more useful and relevant for you. You can share your views by completing the evaluation form at the end of each course.

Tell us what you think

Your feedback plays an important role in how we develop, market, support and resource qualifications now and into the future. We want you and your students to enjoy and get the best out of our qualifications and resources, but to do that we need your honest opinions to tell us whether we're on the right track or not.

You can email your thoughts to resources.feedback@ocr.org.uk or visit our feedback page to learn more about how you can help us improve our resources.

Designing and testing in collaboration with you and your students

Helping young people develop an ethical view of the world

Equality, diversity, inclusion and belonging (EDIB) are part of everything we do

Contact the team at:

01223 553998

ocr.org.uk

To stay up to date with all the relevant news about our qualifications, register for email updates at ocr.org.uk/updates

Visit our Online Support Centre at support.ocr.org.uk