Oxford Cambridge and RSA

GCSE

Applied Business

General Certificate of Secondary Education (Double Award) **J226**

General Certificate of Secondary Education **J213**

OCR Report to Centres June 2016

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It is also responsible for developing new specifications to meet national requirements and the needs of candidates and teachers. OCR is a not-for-profit organisation; any surplus made is invested back into the establishment to help towards the development of qualifications and support, which keep pace with the changing needs of today's society.

This report on the examination provides information on the performance of candidates which it is hoped will be useful to teachers in their preparation of candidates for future examinations. It is intended to be constructive and informative and to promote better understanding of the specification content, of the operation of the scheme of assessment and of the application of assessment criteria.

Reports should be read in conjunction with the published question papers and mark schemes for the examination.

OCR will not enter into any discussion or correspondence in connection with this report.

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A241 Business in Action

General Comments:

Preparation for this examination needs to emphasise the need to apply learning to a specific business context, the ability to analyse (consider the impacts or consequences) and the ability to evaluate (make a decision with justification). Those candidates who had been fully prepared for this examination generally performed well.

Questions on this unit will either be purely theoretical, applied to the business given in the texts within the question paper itself, applied to a business such as ..., or applied to a business which the candidate has investigated during their programme of study. For questions which required application to the text, it is important that the introductory texts are read very carefully by the candidate and used as appropriate when answering the questions. The texts put the business, in this case Jarrah Mill, in context and give candidates invaluable information which allows them to apply their answers and enable them to access the higher levels of response on the mark scheme.

When a question asks the candidate about a business which they have studied, then their answer must clearly relate to that particular business. It is not sufficient to simply write the name of the business and then write a general, possibly theoretical, answer which could apply to almost any business in existence. This was especially the case in question 2(d).

On the 10 mark questions, candidates were able to access Level 2 by demonstrating the application of knowledge without using context. Without context, however, the maximum mark which could be scored is four out of the available 10 marks. Candidates need to be encouraged to use context wherever possible – even if it is as simple as changing ‘product’ to ‘flour’ or ‘raw materials’ to ‘wheat’. These simple changes will allow candidates to pass beyond four marks. All of the 10 mark questions on the paper require a candidate to evaluate. Candidates need to be taught to analyse their suggestions before reaching a decision. Having made a decision, candidates need to give a reason which does more than repeat their previous analysis.

Within the Specification there are clearly identifiable aspects where evaluation questions can be asked. Some of these elements include reference to a business which the candidate has studied and some do not. Careful study of the Specification will enable Centres to plan their visits to businesses to their advantage. An approach to planning the course could be to select a specific business to study for each area of the Specification where ‘a business candidates have studied’ has been mentioned. The use of the Centre as a business is not usually beneficial to candidates as, all too often, they feel they know more about the way the Centre operates as a business than they actually do.

The range of questions presented on this year’s examination paper gave candidates of all abilities the opportunity to demonstrate their understanding. The vast majority of the papers showed that the candidate had, at least, attempted to answer all of the questions set, with a consequent very low question omit rate on the whole paper. 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 of business. The higher tariff, 10 mark questions, gave higher ability candidates the opportunity to fully demonstrate their understanding using contextual application, analysis and evaluation.

Teachers appear to be using past mark schemes, examiner reports and other OCR resources to good effect to help to prepare candidates for this examination.

Comments on Individual Questions:

Question No.

Q.1(a), (b)
These questions were intended to be relatively straightforward introductory questions. They served their purpose on this paper as most candidates answered them correctly. It should be noted, however, that some students are still confusing type of business 'activity' with type of business 'ownership'. This confusion led some candidates to score zero for question 1(a) as they incorrectly identified the business activity as 'a partnership' rather than as 'production' or 'retail'.

Q.1(c)
The key to gaining marks on this question was to understand that the question required an answer which Georgia as an employee could do. The answer should have been given in context. Many gave examples of what the employer could do, many more did not answer in context.

Q.1(d)
The best answers for this question came from candidates who chose a business whose activities they understood. Hairdressers, shops, and bakeries were good choices. Candidates who chose chemical or insurance companies had little grasp of how they could be enterprising.

Q.1(e)
This question was well answered. The most common answers related to increased revenue and profits. To score full marks candidates needed to answer in context. It was disappointing to see some candidates still using generic words like 'product' e.g. they will sell more products, when if they had said 'flour' e.g. they will sell more flour, they would have received higher marks for a contextual response.

Q.1(f)
Many candidates did not demonstrate a clear understanding of what a mission statement is. This made it difficult for them to explain the importance. Many confused a mission statement with aims and objectives, others confused it with a slogan or strap line.

Q.2(a)
Many candidates gave good, practical answers to this question. They gave thoughtful answers as to what Marc and Sue could do to achieve sustainability. Common right answers were 'turn off the lights when not using the mill', 'use recycled paper and packaging' and 'install solar panels'. For the explanation marks we were looking for how the method links to being sustainable e.g. reducing energy usage, minimising waste or being environmentally friendly. Sadly, despite asking similar questions on previous papers, a significant number of candidates still misinterpreted the meaning of the question and suggested marketing policies to sustain the longevity of the business. The specification for this qualification clearly indicates that sustainability links to using current resources without harming the resources for future generations.

Q.2(b)
There were some very impressive answers to this question. Candidates who argued from the perspective of liability frequently scored full marks. There was evidence that many candidates had a lot of knowledge of partnerships and private limited companies as forms of ownership. Where lower marks were achieved two common errors seem to arise: either the candidate wrote a purely theoretical answer (reference to Marc and Sue having used up all their savings, or being a couple/family or producing flour from wheat would have sufficed for context), or the candidate confused the liability – incorrectly stating that the partnership had limited liability and the private limited company unlimited liability.

Q.2(c)(i)
Most candidates were able to tell us that the finance function was in some way concerned with money; and for doing so they scored one mark. The command word in the question was 'describe' not 'explain', so in order to get the second mark they needed to develop their answer to explain how the role was done. Simple answers such as 'calculate profit using a spreadsheet' or 'pay employee wages using bank transfer' would gain the full two marks.

Q.2(c)(ii)
Whilst identical in format to the previous question, candidates found this question far more difficult. Candidates need to be clearer on what the role of the operations functional area is. By operations we mean the core business function of the organisation. So, it would be manufacturing in a factory, selling in a shop, teaching in a school, healthcare in a hospital and styling hair in a hair salon. One common misconception was that operations was in charge of all of the other functional areas, commanding the business.

Q.2(d)
Again, some very pleasing answers. Those candidates who related their answers to specific functional areas e.g. ICT, HR, marketing etc., rather than just answering in general scored most highly. To gain high marks candidates need to analyse the consequences of functional area inefficiency. Analysis should always be taken to be the impact on the business. Some candidates limited their marks by giving a purely theoretical answer despite being given the freedom to choose any business they knew well to focus this question on.

Q.3(a)
The most common answers to this question were economic factors e.g. interest rates, exchange rates, inflation and unemployment. Other answers such as the level of competition or changes in law were equally acceptable. In each case the development mark was for description not explanation. E.g. Interest rates are the cost of borrowing money (or the reward for saving).

Q.3(b)
Some candidates chose to use the factors they had identified in the previous questions, others did not. The marks achieved by candidates did not seem to be affected by either approach. Again, to achieve high marks the candidate needed to be able to analyse i.e. correctly suggest the impact of changes in external factors on the business. To achieve marks above four, they needed to answer in context. The simple use of a word such as 'crops', 'flour', 'wheat', 'coffee', 'cakes' would have sufficed although more complex context such as 'having spent most of their savings', 'being a tourist attraction', 'being a family run business' were greatly appreciated.

Q.4(a)
Most candidates seem to know the meaning of the term 'stakeholder' and were able to score at least half marks. Those that missed out on marks tended to suggest answers that were inappropriate for Jarrah Mill e.g. managers or shareholders. A small minority of candidates appeared to totally misunderstand the meaning of the word 'stakeholder', despite the question paper providing an example. Such responses gave three different types of ownership as the answers (sole trader, partnership, limited company) and were awarded no marks.

Q.4(b)
Candidates seem to grasp this question well. Those that scored full marks answered in the context of Jarrah Mill, rather than just giving a generic example.

Q.4(c)
A simple question answered well by the majority of candidates. Of those who did not score full marks the most common errors were twofold; either suggesting uses of ICT instead of types or giving types of IT equipment rather than types of ICT. Correct answers needed to relate to types of communication technology (the ‘C’ in ICT). The most common correct answers were spreadsheet and databases.

Q.4(d)
A well answered question. Candidates appear to have a clear grasp of the benefits to a business of developing its own website. Some candidates placed the emphasis on the business having a website, others on the business developing it themselves. Either approach was acceptable. Contextual answers were required to score full marks.

A242 Making Your Mark in Business

General Comments:

The aim of the A242 controlled assessment is for centres to find a local business which is similar to one of the five scenarios. The controlled assessment materials are available via OCR Interchange. Candidates must use one of the five scenarios provided by OCR. It is not acceptable for centres to create their own scenario. Candidates should use the actual names of their selected business and competitors within their work, rather than using the names within the scenarios. Candidates must ensure that they follow the requirements of the chosen scenario. Scenario 3, for example, requires the candidates to recommend 'ideas of other products or services the business can offer both in its shops and through the internet'. In the work of some candidates, the new products or services were not entirely clear.

When Centres wish to enter portfolios electronically, the OCR Repository must be used and the candidates entered under A242/01. If candidates are entered for A242/02, then hard copy paper portfolios must be sent to the moderator. Under no circumstances is it permissible for Centres to enter candidates for A242/02 and then send a disk to the moderator without supporting hard copy paper portfolios.

Comments on Individual Tasks:

Task 1 (AO2) Candidates must produce an action plan, addressing each of the bullet points within the task (two hours allocated). Candidates would benefit from using a tabular format to design the action plan, clearly showing how each task will be approached. They may find it helpful to include actual and target dates for completion. Candidates would also benefit from focussing the action plan on Task 2 i.e. to obtain information on target market needs and competitor activity in relation to the business scenario. On completion of Task 1, candidates should then use the action plan as a working document. They may need to make changes to the original plan as the investigation progresses. In order to achieve Level 3, the action plan must be comprehensive and fit for purpose. Monitoring must take place, with changes being made and reasons being given for the changes. Candidates should indicate how the changes have impacted on other actions. The use of colour coding to show the changes and impact of changes is an effective technique.

Task 2 This task is based on research and carries no marks. However, it was apparent from some of the work moderated that questionnaire design was weak and that limited secondary research had been undertaken. As a consequence, some candidates had minimal information on which to base their controlled assessment tasks. These weaknesses were reflected in the marks awarded. In the design of the questionnaire, it was helpful if candidates had an understanding of the marketing mix of the selected business. Primary research could also take the form of an interview with a member of staff, observations, visits, focus group or acting as a mystery shopper. Primary and secondary research should focus on the marketing mix of the business under investigation and at least two of its competitors. It is not necessary for candidates to include all their research findings from Task 2, although inclusion of a copy of the questionnaire is useful. Any appendices should be clearly labelled and cross-referenced to the relevant section of the work.

Task 3 (AO1) A brief introduction would be helpful stating which real business is being studied and which competitors are being investigated. Candidates are required to clearly identify and describe how the chosen business is currently meeting the needs of the target market within the scenario. The current customers may not necessarily be the target market from the scenario and candidates should describe the target market the business actually has. There tended to be implied evidence but it needs to be more explicit in relation to what the business currently offers the target market. The final bullet point within the task requires the candidates to describe **two** ideas of how the business could better meet the needs of its target market and be more successful than its competitors, making reference to the marketing mix. In order to achieve Level 3, candidates must suggest two relevant ideas for improvement, with explicit links to more than one aspect of the marketing mix. Candidates must describe how the ideas will impact on the target market. The two ideas must be based on findings from their primary and secondary research and may be derived from any aspect of the marketing mix: Scenario 1 (e.g. refurbishing salon, new product(s), price reduction); Scenario 3 (e.g. new products or services); Scenario 5 (e.g. new product(s), targeted promotion, price deals).

Task 3 (AO2) Candidates must present their research findings in appropriate formats in relation to both customers and competitors. Candidates would find it useful to research the marketing mix of the business and its competitors. It would be helpful if candidates included a copy of the questionnaire and a tally chart. When analysing questionnaire data, candidates should be encouraged to use percentages. The use of tables to compare products/services and prices of the business and its competitors is an effective technique. For Level 3, there should be accurate interpretation, with detailed coverage of both customers and competitors. Data should be presented in a variety of appropriate formats with supporting explanations e.g. charts, graphs, tables, location maps. The x and y axes of bar charts should be clearly labelled. There will be few, if any, errors of grammar, spelling and punctuation.

Task 4 (AO1) For Level 2, candidates must provide a comprehensive description of the reasons **why** it is important for businesses to promote. Descriptions are enhanced by the use of a range of examples from different businesses. Some candidates had described **how** rather than **why** businesses promote.

Task 4 (AO2) The item of promotional material must link to one of the ideas from Task 3 e.g. producing an item of promotional material for the new product idea. For Level 3, the item of promotional material should be clearly applied to the business, the target market and based on research. Some candidates had included a second copy of the promotional material which had been clearly annotated and cross-referenced to show how it was fit for purpose, particularly targeted to research outcomes and target market. Such an approach is helpful to the moderator when confirming the standard. Annotations could also show the reasons for the choices made e.g. font size, colours, images.

Task 4 (AO3) Candidates must address each of the three sections within bullet point three. A frequent omission was section one – why your chosen item of promotional material is more appropriate than any other. Candidates may wish to consider a range of promotional media e.g. leaflet, poster, billboard, newspaper/magazine advertisement, radio, television. Links to the target market need to be clear in the evaluation, including how the promotion will attract the target market. Evidence from research should support judgements. At Level 3, an evaluation of costs may consider different ways of producing and distributing promotional material. Candidates may wish to include a comparison of costs with other promotional media.

Task 5 (AO3) Candidates must use their action plans to address both bullet points within the task. Some candidates would benefit from using a range of criteria to reflect on the positive and negative aspects of their skills and teamwork. For Level 3, candidates are required to reflect on a range of skills, supported by the action plan. An in-depth evaluation is required of their own contribution and reflection on other group members' contributions, with strong and regular links to the action plan. There will be few, if any, errors of grammar, spelling and punctuation. For Levels 2 and 3 candidates need to make links to their action plan. This could include reflecting on the process of creating an action plan and any benefits they derived from this process. The candidates also need to reflect on the changes which they made to the action plan and why they feel those changes were necessary. They may consider whether or not the changes were avoidable had the candidate worked in a different way. Candidates also need to make judgements about their contribution to the group. Did they have a large or small impact on the group? Were they effective as a team player? What evidence is there for this? Did they take a leading role? Did they solve any issues? Candidates need to support the judgements they are making with examples.

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