



GCSE EXAMINERS' REPORTS

**GCSE (LEGACY)
APPLIED BUSINESS**

SUMMER 2018

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APPLIED BUSINESS

GCSE (LEGACY)

Summer 2018

THE BUSINESS AND ITS ENVIRONMENT

General comments

It is difficult to highlight any difference in the moderation process this year to that of previous years. Every centre, except one, had entered candidates for this specification in a previous series.

Candidates had chosen between Option A and Option B in both Unit 1 and Unit 3. There seemed to be no particular preference for one or the other in either unit. Unit 1 was a new Controlled Assessment set for this year although Unit 3 had simply been refreshed in light of a review of the tasks and the responses given by candidates last year.

The sample of work required for moderation from each centre together with the required documentation arrived in time for the Moderation Conference. Only one centre did not meet this deadline but had contacted the Subject Officer to explain their situation and an appropriate arrangement had been made for an extension to the deadline.

Generally speaking, the presentation of the samples was good. Many centres sent the individual assessments securely presented, task ordered, placed in rank order and with detailed supporting comments on every pupil. Often there was a supporting letter highlighting issues and details of resource material or assistance given to candidates in relation to the resource materials. The work was thoroughly annotated and identified the number of marks awarded in each task against the specific assessment bullet points.

This year one centre sent the moderation sample with a simple list of the ten candidates and their marks, followed by ten cover sheets and then the work, unbound or secured in any way. Often tasks in the work were not in order. There were no comments on the cover sheet and no annotation.

All the work was accompanied by a teacher signature and a candidate signature to authenticate the work this year.

Many centres provided a full list of candidates with the marks achieved. This is greatly appreciated as all the information we need as moderators is contained within the sample received without us having to immediately refer to the WJEC website.

There were again some interesting choices of business this year. Often these choices were made due to the availability of resource packs provided by the chosen business or the effectiveness of the web resources that could be easily accessed. The choice of business included Cadbury, Braun, Nike, Samsung, Coca Cola European Partners as well as Tesco. There were also businesses chosen local to the centres like Chester Zoo and Camel Creek.

It should also be noted that a number of candidates did achieve full marks in their assessments and deservedly so.

As in previous years, in both Units 1 and 3, Task 1 is still generally marked generously. The opportunity to develop this transferable planning skill is being lost as most candidates appear to

carry out this task as a means to four “easy” marks rather than as a means to plan carefully to achieve higher marks across all tasks. It is extremely rare to see an action plan that the whole piece of work is based on. It appears that the work is often completed and an action plan adapted to fit. The Mark Bands in the Controlled Assessment have been developed over the course of the specification to indicate exactly what is required of candidates. Too often candidates are given the mark in the next mark boundary and this then inflates the overall mark by one mark. Often this process is repeated in the other two skills tasks, Tasks 8 and 9, meaning the candidate marks are inflated. When the subject content is seen, in Tasks 2 – 7, the overall mark has already been pushed close to the tolerance level and the possibility of scaling being applied.

I can only repeat again my comments of last year, and indeed of many years with regard to Task 8. *In a minority of centres Task 8 is still not being addressed as required. The candidate completes a presentation in Task 7. Task 8 asks the candidate to evaluate this presentation. How better to do this than for the candidate to evaluate it themselves and then ask an independent third party (a peer) to evaluate it as well? Guided by these two evaluations **of the same presentation** an overview can be achieved and suggestions made to improve the presentation or highlight outstanding features of the presentation, or both. Candidates still find it difficult to grasp that they **MUST** submit the work of another candidate in their work, namely the peer assessment of the presentation, carried out by one of their friends.*

Task 9 was again generously marked across most centres. There is almost an element of “benefit of doubt” with many candidates being given a generous mark or two in this task. As stated previously, the cumulative effect of this generous marking in the skills tasks may mean disagreement with centre marks.

Controlled Assessment

Task 1 – Action Plan

Please see General comments. This task was deemed to be generously marked in many cases.

Task 2

This task was generally completed very well. This may be as a result of the advice given previously and candidates addressing not only the task but the assessment bullet points as well. There were very few rambling, irrelevant accounts on the chosen business containing a full history of the business and simply responding to the question “tell me all you know about your chosen business.”

Task 3

In Option A, candidates seemed to jump straight to the specific aims of their chosen organisation without first examining typical business aims. Almost every candidate addressed the work done in functional areas to meet these aims but this was generally not covered so well.

In Option B, the work done in the different functional areas tended to be very general and not applied to the chosen organisation. Where there was detail about individual functions within the organisation it was invariably cut and paste from a resource pack or a website and was clearly beyond the candidate’s level of understanding. Very few included an organisational chart and the use of ICT within functional areas tended to be very general.

Task 4

In Option A, candidates were asked how current economic conditions had impacted on their chosen organisation. This continues to be answered in textbook form with very little application. The only time the chosen organisation was referenced was if there was a specific resource available and this was generally submitted without adaptation.

In Option B, candidates were asked about business aims. The same observations apply here as in Task 3 Option A.

Task 5

This year in both Option A and Option B this task was identical, asking about business ownership. As in previous years the AO1 assessment - the theory – was well answered with many candidates achieving full marks. The more difficult areas of the suitability of ownership tended to be less well answered although a number of candidates showed a good level of understanding and were able to suggest why the form of business ownership operated was the best option.

Task 6

In Option A, candidates did well to identify ICT use in functional areas, particularly the use of websites and internet. In terms of individual use of ICT the responses were not so well presented.

In Option B, this task addressed communication within a business. This was surprisingly one of the poorest tasks this year. Many candidates did not even give the usual detailed text book answer, very few applied communication to their chosen organisation and even less gave examples of effective communication and where communication could be improved.

Task 7

This task causes the least problems to the Moderation Team. Candidates appear to continue to enjoy the development of the presentation and would appear to spend a large amount of time preparing this task. The presentations are generally well done, using PowerPoint, with information given on the slides and, in the best examples, accompanied with notes and/or speeches. The self-assessment and peer assessment carried out in Task 8 also guides the Moderator to agree, or disagree, with the assessment.

Interestingly, in Option B where candidates were asked to present information on economic and environmental matters, the work was very good, if not fully applied. So much better than when this issue was addressed in Option A in task 4

Task 8

Please see general comments. It is apparent that not all centres understand the relationship between unit 8 and 9. The quality of the work was fine where the relationship was understood – where that was not the case then it was difficult to align the evidence with the criteria in operation.

Task 9

Please see general comments.

APPLIED BUSINESS

GCSE (LEGACY)

Summer 2018

BUSINESS FINANCE AND DECISION MAKING

General Comments

This examination was the final paper (excluding resits) for the examination component of the GCSE Applied Business award. This paper is well-established with a layout and style familiar to centres. Candidates from a number of centres were able to provide detailed and considered responses to the questions asked. This was particularly evident in the questions that require financial documents and accounts to be completed using supplied information. However, some candidates lost marks because they gave generic answers, particularly to the questions regarding the use of ICT. Other candidates found the calculations required difficult and also lost marks for not correctly giving answers to two decimal points. The use of 'recurring' should not be encouraged as it sometimes gives the incorrect two decimal points. The Own Figure Rule was used throughout when dealing with calculations and many candidates only obtained marks because of this. Candidates should be encouraged to read the business scenarios carefully as they contain information that is required when answering some questions.

The overall standard of the work was reasonably good with most candidates developing their answers to better meet the demand of the questions. The paper was accessible, with most candidates able to attempt answers to most questions.

Question 1

- (a)** The majority of candidates scored full marks for completing the Purchase Order. A few candidates did not give the date or gave the incorrect one. Other candidates calculated the total price for each item instead of the giving the unit price.
- (b)** This question was also very well answered with nearly all candidates explaining correctly why a Purchase Order needed to be signed.
- (c)** Completing the Invoice caused few problems for the majority of candidates. A very few gave the address of the supplier instead of the purchaser of the items and, as usual, some candidates were unable to calculate the discount and VAT.
- (d)** Candidates knew the purpose of a Trade Discount but many seemed unaware that it was given to customers in the same trade or line of business. Nearly all candidates were fully aware of the meaning of VAT and its purpose.
- (e)** A number of different answers were given when naming the document presented with goods when delivered but the predominant incorrect answer was the Goods Received Note. The Own Figure Rule was applied for the explanation of why it had to be signed but candidates still demonstrated a degree of confusion over the purpose of a Delivery Note and Goods Received Note.

- (f) A degree of confusion was evident when explaining the difference between an Invoice and a Statement of Account.
- (g) Some candidates lost marks because they did not consider what was being paid for when stating the best method of payment. Many candidates are still too vague when discussing the advantages and disadvantages of their chosen method of payment. Some of the answers given could apply to any method of payment. A few candidates continue to disregard who is paying and give answers in the incorrect context.
- (h) A large number of candidates continue to not know the purpose of a Remittance Advice Slip and give answers more appropriate to a Receipt.
- (i) A number of candidates scored no marks for evaluating whether a computerised system was better than a manual system for producing transaction documents as they had not answered the question. However, many more candidates had considered the question and answered fully, scoring full marks.

Question 2

- (a) Many candidates scored full marks for calculating the Gross and Net Profit Ratios but a many still find this question problematic. Some candidates were unable to find the required figures to complete the equations although they had been given in the Profit and Loss Accounts on the previous page, others did not include both the Cash and Credit Sales and others were simply unable to to the calculations.
- (b) In previous examinations most candidates have found completing the Balance Sheet relatively straight forward, but only a few candidates scored full marks in this series. Some did not know how to do the calculations and others were, once more, unable to find the figures given elsewhere.
- (c) Candidates were much more confident when calculating the Debtor Collection Period and Creditor Payment Period although, again, a few candidates could not find the relevant figures.
- (d) The candidates who had problems finding the figure for Capital Employed did not score well. Candidates should be encouraged, as for all ratio calculations, to look at the scenario and any other information given elsewhere in the question.
Some candidates lost marks as they gave a stakeholder that was relevant for a company rather than a sole trader.
- (e) A few candidates fully evaluated the ratios in the context of the given business and gave relevant advice backed by their arguments. Most candidates were able to score the marks available for stating whether the ratios had improved or not over the two years. Some candidates are confused regarding the effects of changes in the Debtor Collection Period and the Creditor Payment Period.

Question 3

- (a) Some candidates scored well as they were able to define and give a relevant examples of Fixed and Variable Costs. However, few candidates were able to

- (b)** define the term Total Revenue. Many candidates mentioned 'costs' and 'profit' which cannot be used in this context.
- (c)** Many candidates had little trouble explaining Break-even Point but others confused the term with profit.
- (d)** Almost all candidates scored full marks for completing the formula but a few were unable to calculate the number of customers required to break even.
- (e)** Most candidates did well in this question. However, some candidates did not identify the effects of the changes on the chart itself and seemed to think that the terms 'costs' and 'price' are interchangeable and mean the same
- (f)** On the whole, this question was poorly answered as candidates had not answered the question. Little mention was made of the advantages and disadvantages of break-even analysis and only a description of events in the business was given without any mention of break-even analysis

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Controlled Assessment

Task 1 – Action Plan

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Task 2

This task was not answered as well as it has been in previous series. Very few candidates put any kind of organisational structure in their response. Too often the response was of a very general nature and not applied to the chosen organisation.

Task 3

In Option A, the candidates had examined two job roles and their specific duties and working arrangements. In many responses it did not appear that candidates fully understood the content. Marks in AO1 and AO2 were fair but not so in AO3.

In Option B, candidates had examined the three roles and the training involved. Again answers tended to be generalised rather than specific to the chosen organisation and training was limited to first aid, health and safety and induction training rather than looking at the wider aspects of career training.

Task 4

In Option A the candidates had identified customer expectations in general terms and there were limited attempts to apply these to the chosen organisation. There were very few

comparisons to other forms of customer service to show how customer service could have been improved.

In Option B, as last year, candidates seemed to be fully informed about the process of recruitment and the methods of job application in general terms. The more “technical” aspects such as legal and ethical issues tended to be less well understood.

Task 5

In Option A, most candidates struggled with this task and very few were able to apply their knowledge to their chosen organisation.

In Option B, candidates still found this task the most difficult challenge and answers tended to be generalised with very limited reference to the chosen organisation.

Task 6

In Option A, candidates had produced good pieces of individual work on the recruitment. This task was generally answered well.

In Option B, candidates found difficulty in addressing the task requirements. This may well have something to do with the task request to look at *recent* media cover and issues.

Task 7

In both Option A and B, candidates worked well to produce a suitable presentation to meet the task. The assessment of this task was generally accurate as it was validated by the work carried out in Task 8. Candidates continue to put great efforts into this task.

Task 8

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APPLIED BUSINESS

GCSE (LEGACY)

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BUSINESS FINANCE AND DECISION MAKING II

General Comments

This Unit 4 paper was the last examination paper for the Applied Business Double Award. This is a familiar and well established examination but some candidates have gaps in their knowledge, especially regarding methods of stock recording and valuation, Just In Time ordering, methods of production and quality control.

Many candidates fail to fully evaluate when asked to do so. Insufficient points are made for higher level marks and points made are frequently not explained. Candidates had obviously been well prepared in some parts of the specification, notably calculations of the Cash Flow Forecast and Decision Trees, but other parts of the specifications seem to have been hurried over.

The overall standard of the work was good. Many centres had endeavoured to ensure that candidates were well prepared for this examination. The paper was accessible to all and candidates were able to attempt answers to nearly questions.

Question 1

- (a) Many candidates produced excellent responses, fully evaluating the usefulness of a computer spreadsheet program in drawing up cash flow forecasts. Some candidates, however, did not read the question properly and evaluated the usefulness of cash flow forecasts to the business.
- (b) Nearly all candidates were able to define and give relevant examples of Inflows and Outflows.
- (c) Some candidates repeated advantages of using cash flow forecasts, merely stating the advantage in a different way. Some candidates continue to write about cash flow forecasts showing profits which they do not. Marks were not awarded if candidates did this.
- (d) On the whole, candidates performed well in this question, demonstrating their understanding of how cash flow forecasts are calculated. The downfall of some candidates was the calculation of the negative Closing Balance in September. The Own Figure Rule was used for the subsequent calculations.
- (e) The majority of candidates were able to give some advice based on the cash flow forecasts. The better candidates wrote about the sales, repayment times and the level of costs.
Some candidates were unable to state a course of action to resolve cash flow problems but even those who did give a relevant course of action had problems explaining how this could help the situation.
- (f) The majority candidates achieved full marks for classifying the Start-up and Running Costs. Common problems were the mis-classification of shelves and fridges and insurance.

Question 2

- (a) Candidates were not as confident as in past examination series when completing the Stock Record Card. Marks were lost for not giving the full document reference numbers, omitting the indications that they were Purchase Orders or Requisition Orders, essential information when recording stock movements. **Some candidates were also unable to calculate the stock Balance.**
- (b) Most candidates were able to explain why a Stores Requisition form needed to be signed although some candidates still mistake this document for a Purchase Order.
- (c) Some candidates were not sure of the meaning of the term re-order level and were unable to explain why it was important for a store manager to be aware of this. However, many candidates scored well in this question.
- (d) Few candidates obtained full marks for calculating stock valuation. Many did not understand the concept that different receipts of goods had different prices and tended to calculate the value at one price. The approach needs to be more methodical, showing each Receipt and Issue and their price as they occur in the Balance column. The calculation **of the value of each Receipt and Issue at that date must then be made in order know the value of the stock held. The Own Figure Rule was used when marking** and most candidates obtained their marks in this way. In the real world their valuations would have been far out.
- (e) Candidates normally score well when responding to questions regarding Just in Time ordering of stock. This was not the case in this examination with very few candidates obtaining all the marks on offer. Answers did not refer to JIT only to stock ordering in general and frequently only one point was made with no full evaluation of the method of ordering.

Question 3

- (a) As the business is a small a description of how the business maintains quality would have been sufficient. Candidates tended to only name a method of quality control.
As candidates had not fully answered the first part of the question the responses regarding the appropriateness of the actions of the business were problematic. The marking of this second part of the question did, however, take this into account.
- (b) **Although it was obvious from the scenario that the business was small, many candidates thought that flow production was the most appropriate method of production. Even those who recognised the smallness of the business lacked the terminology to state the exact method of production.**
The majority of candidates demonstrated little knowledge of methods of production and even those who did show some knowledge answered uniquely from the point of view of the customers of the business.
- (c) Many candidates could not name two relevant stakeholders of the business. Most candidates could not state any relevant impact on stakeholders of the proposed expansion and no evaluation was undertaken.

- (d)** Many candidates were able to state that a mortgage was the best source of finance for the new building. Bank loans were only accepted if there was an indication that these were long-term loans. Few candidates could state more than one advantage or disadvantage of the source of finance and few evaluated the source's usefulness to the business.
- (e)** Nearly all candidates were able to calculate the expected values of the proposed expansion. Some lost marks as they had not completed the calculation by adding the two values for each.
Candidates were able to give the business relevant advice and explain their decision using the information from their calculations of the expected values.



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