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# **EXAMINERS' REPORTS**

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**LEVEL 3 CERTIFICATE IN  
APPLIED BUSINESS**

**SUMMER 2018**

Grade boundary information for this subject is available on the WJEC public website at:  
<https://www.wjecservices.co.uk/MarkToUMS/default.aspx?l=en>

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### **Annual Statistical Report**

The annual Statistical Report (issued in the second half of the Autumn Term) gives overall outcomes of all examinations administered by WJEC.

<b>Unit</b>	<b>Page</b>
<b>Unit 1: The Organisation: Survival and Prosperity</b>	<b>1</b>
<b>Unit 2 Active Marketing</b>	<b>6</b>

# APPLIED BUSINESS

## Level 3 Certificate

Summer 2018

### Unit 1: The Organisation: Survival and Prosperity

#### General Comments

This was the first sitting of the new specification. One particularly pleasing aspect of the paper was that every candidate answered all questions in Section A and almost every candidate attempted all questions in Section B. This suggests that candidates were able to finish the paper in the allocated time. This attests both to the candidates' hard work and to that of their teachers who had prepared them well for the exam.

It was disappointing to see, however, that some centres had opted to enter students for the paper-based version of the exam. Where this was the case, there were many examples where the handwriting of candidates tested, and sometimes defeated, the interpretation skills of the examiners, which may also reflect a desire to give quantitative rather than qualitative answers. In contrast, candidates who completed the electronic version of the paper often gave shorter answers for the extended response questions, possibly due to their inability to type more in the allocated time.

Most teachers and candidates are conscious of the need to read questions carefully and pay particular attention to key words. This means, for instance, that they will know when evaluation is expected (key words and expressions include assess, discuss, to what extent .... and evaluate) and cases where it is not (key words include analyse and explain). Candidates who ignore these key words often waste valuable time in the exam without gaining extra marks. There were few examples of this. Candidates should always ask themselves "does this question require me to apply my answer to the particular stimulus in the question?". Many students gave generic responses consisting only of theory when they were required to apply their answers fully to the business scenario. These responses could not be awarded marks in the top mark band. If the question uses the term "such as" application is not required and other examples can and probably should be given.

#### Question-specific comments

##### Section A

The questions in this section were based on a case study concerning Slipway, a small seaside coffee shop looking to expand their operations. This type of business scenario should be familiar to most candidates although no detailed knowledge of the operations of a coffee shop was required.

**Question 1** asked candidates to select the best sector to place the coffee shop. This question proved accessible to almost all candidates.

**Question 2** asked students to identify two external influences which related to the minimising of drinks packaging. This question proved accessible to almost all candidates.

**Question 3** required candidates to identify a business which operates mainly in the private sector. Again, this question proved accessible to almost all candidates.

**Question 4** required students to match four items to the correct sections of a business plan. This was generally answered well, however, some candidates incorrectly placed Customer service policy in the Marketing section and Pricing strategies in the Financial section.

**Question 5** asked candidates to classify a given statement as a mission statement, objective, aim or a function. The majority of students classified it correctly as an 'objective', however, the most common error given was an 'aim'.

**Question 6 (a)** required candidates to suggest methods of communication which would be suitable to order stock from a supplier immediately. Many candidates failed to apply the term immediately which was in bold and therefore, incorrectly stated 'letter'. This answer was not awarded any marks. E-mail and telephone were the best answers.

**Question 6 (b)** was generally answered well showing that candidates had a good knowledge and understanding of the criteria used to choose communication methods.

**Question 7** was answered correctly by almost all candidates. A wide range of stakeholders was accepted as long as the explanations of why each of them had an interest in the business were justified.

## **Section B**

Each of the four questions in section B develops the initial business scenario.

**Question 1 (a)** asked students to explain how setting up as a private limited company would help raise finance for the new business. The majority of candidates stated that they would be able to sell shares to friends and family which is what the mark scheme predicted. However, some candidates stated that it would also help as a private limited company would have more credibility as a business than a partnership and candidates were credited for this. A few candidates incorrectly referred to a public limited company and that the business could sell shares on the stock exchange. No marks were awarded for this.

**Question 1 (b)** asked students to state one other benefit of setting up as a private limited company. The majority of candidates stated that they would benefit from limited liability. Almost all candidates understood the concept of limited liability.

**Question 1 (c)** asked candidates to discuss the view that a grant would be a better source of finance than a bank loan to fund the business start up. This was an evaluative question which required students to discuss the advantages and disadvantages of both grants and bank loans. Weaker candidates gave simple definitions of grants and a bank loans. The best answers gave a balanced explanation of the factors relating to the choice to be made and applied these factors fully to Slipway's circumstances.

**Question 1 (d)** required candidates to simply suggest and explain how two generic software packages could be used to help improve business efficiency. This was generally answered well by the majority of . The most common answers included Word processing, Spreadsheets, Desk top publisher and Databases, however, credit was also given to Outlook (e mails) and anti virus software.

**Question 1 (e)** asked candidates to explain how contactless payments could help improve business efficiency. Almost all answers demonstrated an excellent understanding of this.

**Question 2 (a)** required candidates to state and explain two quality initiatives that Slipway could use to achieve its mission statement. Weaker candidates focused on the mission statement part of the question and failed to mention any quality initiatives. A few candidates outlined the advantages and disadvantages of initiatives, which were given no credit, as this was not an evaluative question. Many answers were generic and made no reference to Slipway's mission statement and therefore were awarded a maximum of 4 marks. The best answers stated an initiative and provided an applied explanation of how it would meet the business's mission statement.

**Question 2 (b)** required candidates to explain why human resources are important and why physical resources are important to Slipway. They were then expected to reach a conclusion regarding whether either one or both was more important. The majority of candidates were able to explain why physical resources are important and gave relevant examples which applied to Slipway but when it came to human resources, most candidates incorrectly referred to the Human Resources Department rather than Human Resources.

**Question 2 (c)** asked students to analyse how two external influences affected what the business does and to examine the likely responses the business could make. Many candidates were able to answer this question well with relevant influences analysed and interesting responses suggested. However, some candidates were unable to state the external influences using PESTEL terminology and used generic language instead. Where candidates gave two examples of the same influence e.g. inflation and interest rates (both Economic) full marks were awarded.

**Question 3 (a)** was generally well answered showing that candidates had a good knowledge and understanding of person specifications and job descriptions. A few candidates mixed up the contents of each document.

**Question 3 (b)** asked candidates to evaluate the provision of 'off-the-job' training from both the business's and the employees' point of view. Very few candidates achieved marks in the top mark band for this question. Weaker responses simply described 'off-the-job' training or just stated the advantages or disadvantages from either the business's or employees' point of view. The best answers were well structured and evaluated each point of view in turn.

**Question 3 (c)** asked candidates to analyse how Slipway could use Maslow's Hierarchy of Needs to motivate its staff. Most candidates showed some understanding of this theory of motivation and used relevant terminology. Candidates who did the paper-version of the exam were able to draw the pyramid and annotate it. Those candidates who completed the electronic version listed the different levels from the bottom to the top of the pyramid. This was equally acceptable. The majority of answers made some attempt at suggestions that Slipway could employ to motivate their staff to satisfy different needs e.g. a permanent contract of employment to satisfy security needs. However, few candidates achieved marks in the top mark band as they either failed to state that employees are motivated by the next level of unsatisfied need or that employees will have different needs or answers were not fully applied to the business scenario.

**Question 4 (a)** asked candidates to state two likely responsibilities of a new manager and a full-time employee. Nearly all candidates achieved full marks for this question. A few candidates gave generic responses that were not applied to Slipway and therefore were unable to be awarded full marks.

**Question 4 (b)** required students to evaluate the use of a flat organisational structure in meeting Slipway's objectives. Weaker responses showed some understanding of a flat structure e.g. better communication but didn't use specialist terminology. It was expected that candidates apply the terms span of control and chains of command. The majority of candidates were awarded marks in the middle mark band as only a few students fully applied the advantages and disadvantages to Slipway.

**Question 4 (c)** asked candidates to discuss the advantages and disadvantages of becoming a franchisee such as Domino's. As this was a 'such as' question candidates were not required to apply their answer to Slipway. This was generally answered well by the majority of candidates. The most common error occurred when students evaluated from the franchisor's point of view rather than the franchisee's viewpoint. Candidates must be encouraged to read the requirements of the questions carefully, especially in this type of question.

## **Unit 2 Active Marketing**

### **Overview**

The aim of this unit is for learners to understand and appreciate the key role that marketing has in the success of an organisation. The controlled assessment consisted of 3 given tasks to be completed over a 12 hour period.

### **Administration**

All learner work had been authenticated appropriately. Some candidate submissions exceeded the 3,000 word limit but it appears that the work was written within the given time limit and so these candidates were not penalised. In the main assessor annotation on the candidates work was good which greatly helped the moderation process. Assessor comments also helped the moderator to understand the assessor decisions. Better centres also annotated the synoptic links throughout the work. Most assessors had used the performance bands to assess the work correctly, with assessment decisions falling into the correct bands. Centres are reminded that the descriptor for each mark band describes work at the middle of the band.

### **Candidate work**

The work was well presented and structured with clear use of headings which made it easy to follow. Communication was good with the better candidates using appropriate specialist vocabulary. All work had been word-processed. Although most candidates submitted appendices to show their research with their work there was not always evidence of this research being used in the body of the work. Candidates are advised to reference their appendices throughout (e.g. with footnotes) and use their research as a basis for analysis and evaluation.

All candidates sampled had correctly selected two real organisations offering different products (goods/services) as required. Unfortunately much of the research undertaken on the two businesses was secondary with a great deal of reliance on the Internet. A range of research techniques was not often found. This appeared to be because candidates choose large businesses, rather than smaller local businesses which could prove to be more accessible. Centres are advised to stress the importance of local knowledge and links and the use of smaller businesses to candidates to allow them to obtain better quality and more relevant information to utilise. Where a candidate has obtained secondary research e.g. on

a large organisation such as Tesco, the learner would benefit from choosing one store in the locality where they could gather primary research to enhance their work, rather than trying relying on secondary research and attempting to write about all the stores in the chain in general.

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WJEC  
245 Western Avenue  
Cardiff CF5 2YX  
Tel No 029 2026 5000  
Fax 029 2057 5994  
E-mail: [exams@wjec.co.uk](mailto:exams@wjec.co.uk)  
website: [www.wjec.co.uk](http://www.wjec.co.uk)

