EXAMINERS' REPORTS

LEVEL 3 CERTIFICATE AND DIPLOMA IN BUSINESS

SUMMER 2023

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BUSINESS

Level 3 Applied Certificate and Diploma

Summer 2023

UNIT 1: THE ORGANISATION: SURVIVAL AND PROSPERITY

General Comments

This was the fifth sitting of the Unit 1 exam for this specification. There were 424 entries which was slightly higher than last year - 315 English Medium and 109 Welsh Medium. Most candidates attempted all questions in Section A; however, some candidates left some questions in Section B blank, suggesting that these candidates were underprepared for this examination.

The questions focused on a case study about the Builth Wells Youth Theatre (BWYT) and most candidates related to this context effectively. The nature of the operations of this business appeared well understood by most candidates.

The performance of candidates across the paper was variable. Most teachers and candidates appeared conscious of the need to read questions carefully, but there was a lack of specific attention to the command words. There was reasonable application of the theoretical content to the organisational context in most candidates' responses, although this continues to be an area that could be developed further in future. Some candidates gave generic answers to the extended response questions, 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 Level 3 mark-band.

Many of the lower tariff questions proved very accessible to candidates. Of the highest tariff questions, question 2d regarding on-the-job versus off-the-job training proved to be accessible to most candidates with many Level 2 and 3 mark-band responses. The least accessible question to candidates was the final one of the paper which assessed the merits of a flat organisation structure, although it is acknowledged that some candidates may have run out of time for this question.

Where continuation pages were used to complete extended response answers, these were generally poorly referenced, making it difficult to mark in some cases.

Comments on individual questions/sections

The questions in both sections were based on the BWYT business scenario outlined in the introduction to the paper.

Section A

Q.1 This question asked candidates to identify a sector that the business could be best associated with. This question proved inaccessible to most candidates with many incorrect answers. This suggests unfamiliarity of the knowledge of the quinary sector which was an issue identified in past papers.

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Q.2 The second question asked candidates to state what type of resource a loan is. This question proved accessible to almost all candidates with a high proportion of correct answers.

Q.3 Candidates were given six examples of typical business plan content. They were asked to identify the contents most likely to be found within four specific sections of a business plan. Candidates were asked to indicate their answer by selecting the relevant letter for the content. They were given six examples of typical content but only had to select four. Many candidates selected more than one example of content for some business plan sections which automatically resulted in zero marks as they had not answered the question. Clear knowledge could not be demonstrated by giving more than one answer.

Q.4 This question required candidates to identify the business term/phrase described by four definitions. This question proved accessible to many candidates as most were able to correctly identify some of the terms/phrases accurately. Some candidates incorrectly stated that the definition for quality circles was innovation, which then limited their options for the final definition as they had used the correct term/phrase.

Q.5 This question required candidates to state two reasons (other than passion) why someone would set up their own business. Most candidates stated appropriate motives. Profit/financial reasons was a popular response.

Q.6 Most candidates were able to identify two key attributes of a successful entrepreneur. This question only required the attribute to be identified but many candidates offered a description which was not necessary and highlights the importance of the command word.

Q.7 For the final question in this section candidates were asked to state two functional areas and explain the role that each of the areas could have in contributing towards BWYT's objectives. Most candidates could identify appropriate functional areas, however, the explanation of the functional area towards achieving the organisation's objectives was weak which limited marks. Some candidates explained typical tasks carried out by the functional area with no appreciation of how it supported the achievement of objectives.

Section B

Each of the four questions in Section B developed the business scenario given in the introduction. Additional context showed the development of the organisation.

Q.1 **(a)** This question asked candidates to outline the importance of BWYT to the Builth Wells economy. This question was one of the least accessible questions with many candidates showing poor understanding of the importance. There were many vague answers relating to the benefits to the owners of BWYT rather than wider economy.

(b) Candidates were asked to state two statements/clauses within a Deed of Partnership. Many candidates were able to give a correct answer such as how profits are shared.

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Q.1 **(c)** This question asked candidates to state and explain one purpose of a business plan, other than to apply for finance. Communicating aims and objectives to others and providing direction were popular answers. Some candidates stated the purpose but did not explain it for the second mark.

(d) Candidates were asked to identify two other external sources of finance that BWYT could seek. Some candidates identified loan which was excluded as a correct option which demonstrates the importance of reading the question carefully. Some candidates gave inappropriate answers such as share capital which was not an option for the partnership.

(e) The final part of this question asked candidates to evaluate Alison's decision to become a partnership. Many candidates showed understanding of sole traders and partnerships but only some candidates evaluated. This shows the importance of the command word to support candidates to access the higher marks.

Q.2 **(a)** This was an accessible question as most candidates could accurately state two internal forms of communication.

(b) This question was not accessible to all candidates. Candidates were required to explain why ICT will improve communication internally and externally. It was a level-based question, and many candidates gave theoretical answers at best. In many cases only two marks were awarded.

(c) Candidates were asked to outline two security and/or legal factors that would need to be considered by BWYT when using ICT. Popular answers focused on keeping the data secure to prevent unauthorised access.

(d) The final part of this question asked candidates to consider if they agree with Meryl's view that on-the-job training is better than off-the-job training. Generally, candidates had a good understanding of both types of training and could contrast the features. However, many candidates did not evaluate why they agreed or disagreed with Meryl's view. Some gave a basic judgement but were unable to justify their viewpoint.

Q.3 **(a)** For part (i) most candidates accurately stated two stakeholders (other than customers) who would have an interest in BWYT. However, part (ii) was less accessible as many candidates struggled to explain how their interests would conflict. Few candidates applied their answer to BWYT.

(b) Most candidates stated appropriate attributes for the new employees for part (i). A range of different answers were accepted for this question, such as punctuality, loyalty and use of initiative. Part (ii) was less accessible as some candidates were unable to explain why one of the attributes would be important in carrying out their job roles efficiently. This part required candidates to consider the context.

(c) Most candidates had a good knowledge of job descriptions and person specifications and were able to describe each of the documents. However, many candidates struggled to describe how the information on a job description differs to that included on a person specification. To fully answer the question and gain Level 2 marks candidates were required to focus on the differences to contrast the two documents.

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(d) The final part of this question was reasonably accessible. Candidates were asked to evaluate the benefits and drawbacks of recruiting employees externally. Most candidates had a good understanding of external recruitment. However, lack of application to the context prevented many candidates from accessing the upper range of Level 3. Again, few candidates evaluated the benefits and drawbacks.

Q.4 **(a)** For this question candidates were asked to suggest and explain how one quality initiative could be adopted by BWYT to ensure its prosperity. This question proved less accessible to many candidates. A range of answers were accepted including empowerment, training, and quality circles. BWYT provides a service so answers relating to a manufacturing environment were unable to achieve full marks.

(b) For part (i) of this question candidates were asked to state and explain the typical roles and responsibilities of a manager at BWYT. Most candidates accurately stated management roles and responsibilities such as motivating others and supervising employee performance. For part (ii) candidates were asked to state and explain the typical roles and responsibilities of a part-time employee at BWYT. Candidates generally had less knowledge of the roles and responsibilities of an employee compared to a manager. However, some candidates gave excellent answers that were applied well to the context such as ordering costumes and entering students for examinations.

(c) The final question of the paper asked candidates to evaluate Meryl's viewpoint that a flat structure is the best type of organisational structure for BWYT. Some candidates showed poor knowledge of flat structures and offered features typically associated with a tall structure. As with other evaluate questions few candidates offered a full evaluation linked to the achievement of the business objectives. Level 3 requires candidates to provide a fully justified judgement based on the specific context.

Summary of key points

Section A was found to be more accessible than Section B with marks being gained across most questions. Two potential areas for concern as highlighted by the general performance on Section B are AC1.2 (Analyse the relationship between organisations and their stakeholders) and AC2.1 (Describe the types and roles of the main organisational functions and structures). Teachers are advised to focus on these areas of the specification for future examination preparation.

In future, all centres should advise candidates to carefully read all questions to check if any potential answers are excluded from the rewardable answers. Candidates should also apply their answers to the organisational context from the case study.

It is also recommended that time is spend on focusing on the requirements of different command words, especially effective evaluation, to support candidates to achieve higher marks on the higher-tariff questions.

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BUSINESS

Level 3 Applied Certificate and Diploma

Summer 2023

UNIT 2: ACTIVE MARKETING

General Comments

The majority of the work uploaded this series met the WJEC/CBAC administration requirements. These are:

- A document of administration that includes the authenticated mark record sheet and time sheet (pdf or Word doc)
- A single annotated document of the candidate report with appendices (Word or PDF doc)

There were some issues:

- Some centres failed to use the Learner Assignment Brief (iSAM pages 5-7) as required, and candidates did not set their work out under the task headings as specified.
- Some assessor marks were shown by assessment criteria (AC) rather than by task as required.
- Some centres sent a 'clean copy' of the candidate work which did not show the moderator where/why the assessor feels marks should be awarded. Centres are advised to show where assessment criteria (ACs) have been awarded by the assessor as this greatly helps the moderation process.
- To achieve higher marks candidates will have made use of their knowledge, skills and understanding from Unit 1. Annotation of these synoptic links throughout the work was not always found.

Comments on individual questions/sections

Candidate reports

In the main the work was word-processed, and communication was good with some use of specialist vocabulary. Some candidates wrote in continuous prose without the use of paragraphs or headings.

Many candidates made good use of appendices to support their report, but although some candidates had submitted some research findings and evidence in the form of appendices they did not always refer to these throughout their reports.

Some candidates included business theory which is not necessary. All work submitted should be vocationally applied.

Where a candidate has obtained secondary research e.g., on a large organisation such as Tesco, the candidate would benefit from choosing one store in the locality where they could gather primary research to enhance their work, rather than relying on secondary research and attempting to write about **all** the stores in the chain in general. This research should be used as a basis for analysis and evaluation.

There were some issues in the candidate work which could be avoided or improved upon:

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Task 1

For tasks 1a, 1b and 1c the Learner Assignment Brief states that the two organisations selected must offer different products (goods/services). Organisation 1 must be located in their local area only and it will have a local or regional market. Organisation 2 could be located in their local area and is likely to have more than one outlet/base. It will have a national and/or global market. A number of candidates incorrectly chose one large and one small business in the same industry. These are incorrect choices as although they are different in size, they are both selling the same type of products. Please ensure that candidates have the correct contrast in business size and product (iSAM page 3).

In task 1b some candidates confused marketing goals with marketing functions. Others used general business aims or goals rather than marketing goals. Please ensure that candidates clearly identify and relate to marketing goals in their report e.g., identifying consumer needs, effective liaison with customers and offering marketable products as shown (specification page 27).

Task 2

For task 2a candidates must analyse the market research being undertaken by one of the organisations. The work presented by some candidates was mostly generic and could have applied to any business. Please ensure that the work is firmly in the context of the business chosen as a lack of relevant examples limits the mark that can be awarded (iSAM page 24).

Task 3

For tasks 3a and 3b some candidates failed to address all 7P's as required. Please ensure candidates consider all 7Ps for one organisation.

For task 3c candidates must assess the contribution made by any three of the 7Ps in helping this organisation achieve its marketing goals through creating an effective marketing mix. This means that after they have completed their tasks on the 7Ps they must select three of these, and to gain the higher marks justify this selection and evaluate the contribution they make to the marketing mix. Please ensure candidates follow this instruction otherwise the marks that can be awarded are limited.

Summary of key points

All candidates should follow the Learner Assignment Brief (iSAM pages 3-7)

- Candidates should use a range of research techniques, create an appendix at the end of the work to show this research, and refer to the appendix throughout their work.
- Candidates should fully understand the command words used in the assessment. A glossary of command words can be found at https://resource.download.wjec.co.uk/vtc/2016-17/16-17_3-18/eng/command-word-glossary.html

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BUSINESS

Level 3 Applied Certificate and Diploma

Summer 2023

UNIT 3: ORGANISATIONAL STRATEGIES AND DECISION MAKING

General Comments

Summer 2023 was the fourth sitting of the Unit 3 examination paper. But it was only the second consecutive summer sitting.

In total, there were more entries this summer than was the case in previous years.

71% of the candidates sat the examination paper in English, up 4% from the summer 2022 sitting. While 28% sat the examination paper in Welsh, down 5% from the summer 2022 sitting.

Bright Eyes Ltd was the business in focus in the examination paper. An independent, high-street opticians that is a fixture of numerous UK towns and cities. Meaning that the nature and scale of the for-profit business should have been familiar to candidates.

The finance route was the slightly most favoured optional route for candidates. 55% of candidates opted for the finance route, compared to the 45% of candidates that opted for the marketing route. Representing a change from previous examination series where the marketing route proved more popular amongst candidates.

Although instances proved fewer and further between, some candidates still completed both the finance route and marketing route. This approach is unwise. To be clear, candidates are only required to complete either the finance route or the marketing route as the optional route.

Candidate performance was broadly consistent with previous examination sittings. Difficulty in forming chains-of-reasoning was a common feature on extended writing questions, which restricted candidates in achieving the higher assessment bands.

Comments on individual questions/sections

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Section A

Q.1-Q.4 [mark-up/external economy of scale/budgeting]
Most candidates answered at least some of the multiple-choice questions well. Q.2 posed a problem for some candidates unable to differentiate between internal and external economies of scale. Equally, Q.3 posed problems for some candidates who did not read the question carefully enough, especially the word 'excluding'. The choice of answers containing three purposes of budgeting in 'planning', 'motivating' and 'communicating' along with 'indexing' which was the correct answer.

Q.5 [mission statement]
Candidates generally performed well in responding to this question. Yet still, some candidates failed to note a second valid point in the form of the purpose of a mission statement. The best responses referenced aim and value in their content.

Q.6 (a) [difference between profit and profitability]
Surprisingly so, few candidates were able to demonstrate complete understanding of the difference between profit and profitability. Candidates understanding of profit was apparent, yet this did not extend to profitability in most instances. Bright Eyes Ltd examples of profit and profitability varied in their relevance.

. (b) [measuring change in profitability]
On balance, this proved a slightly more accessible question than Q.6 (a). However, correctly calculating the change in profitability proved beyond the capability of some candidates. Formula, workings-out and unitised answer is the best approach for this type of question.

(c) [index numbers]
The quality of responses for this question were incredibly varied. Many candidates merely defined what index numbers were, limiting themselves to being awarded a level one mark. Better candidate responses had chains-of-reasoning, partial or full.

Section B

Q.1 (a) (i & ii) [break even and margin of safety]
Most candidates understood the concept of break even, less candidates were able to demonstrate that they understood the connected concept of margin of safety.

(b) [break even]
Some candidates performed well in demonstrating their understanding of the usefulness of break even. Others less so. The difference being the ability to consider both sides of the argument and develop chains-of-reasoning.

(c) [external economies of scale]
Lack of understanding of external economies of scale proved a feature of many candidates' responses. Many candidates wrongly focused on internal economies of scale.

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Q.2 **(a)** [SWOT]
In the main, providing the case study detail was read carefully, candidates performed well in responding to this this question. Those candidates who did not either failed to reference the case study detail on the internal and external factors, or incorrectly referenced internal factors as external factors or vice versa.

(b) [internal economies of scale]
In contrast of the preceding question on external economies of scale in Q.1 (c), candidates performed adequately in responding to this question. Some candidates struggled for consistency in explaining three internal economies of scale Specsavers could benefit from, this business being a direct competitor of Bright Eyes Ltd.

(c) [product life cycle]
Candidates performed well in responding to this short-response question.

(d) [product life cycle]
By extension, candidates performed well in responding to this question. Though difficulty in forming chains-of-reasoning limited some candidates to a low-level mark, despite their ability to recall arguments for and against. Successful contextualisation to product range of glasses was a feature of only the best responses.

Section C – Finance Route

Q.1 **(a)** **(i)** [fixed and flexible budgets]
Candidates performed adequately in responding to this question.

(ii) [fixed and flexible budgets]
An inability of develop chains-of-reasoning to analyse the likely benefits of using fixed budgets rather than flexible budgets meant that the mean mark for this question was 1.8 marks out of a possible 6 marks. Though there was significant standard deviation from the mean mark.

(b) [return on capital employed]
Candidates generally performed well in responding to this question. Formula, workings-out and unitised answer proved to be the best approach for this question.

(c) [financial performance]
There were some good responses to this question by candidates, but not consistently so. The better candidate responses made direct reference to the ROCE, current ratio and acid test ratio data in comparing Bright Eyes Ltd's financial performance between the two years and, if applicable, ideal financial ratios. Chains-of-reasoning was a feature of the better responses, too.

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Q.2 **(a)** [cash flow forecast calculation]
Candidates performed well in responding to this question, although accuracy of integer addition and subtraction eluded some candidates and, in turn, prevented full marks being awarded.

(b) [cash flow problems]
Candidate performance on this question was generally sufficient. A lack of creative thought hampered some candidates, as did an inability to develop chains-of-reasoning.

(c) [cash flow problems responses]
Candidate performance on this question was mixed, for the same reason as detailed in Q.2 (b).

Section D – Marketing Route

Q.1 **(a)** **(i)** [moving average calculation]
Some candidates performed well on this question. Others less so. Accuracy of calculation prevented some candidates from being awarded full marks.

(ii) [trends]
Candidates performed well in responding to this question.

(b) [mystery shopper]
Candidates performed well in responding to this question, but some candidates missed out on full marks by not providing an example relating to mystery shopper at Bright Eyes Ltd.

(c) [Boston matrix]
Candidate performance in responding this question was variable, depending on candidates' ability to form chains-of-reasoning. Most candidates understood the various quadrants of the Boston matrix, though not all could apply this to Bright Eyes Ltd product range of fashion glasses, traditional frames and contact lenses.

Q.2 **(a)** [Delphi method]
Many candidates did not understand the Delphi method at all.

(b) **(i)** [digital marketing]
Not many candidates performed well on this question. Some candidates struggled to identify any features of digital marketing such as email, social media, SEO, SEM, mobile or online display including PPC. Others while able to correctly identify two features of digital marketing struggled to explain the feature of digital marketing correctly. SEO and SEM were frequently confused by some candidates in their responses.

(b) **(ii)** [digital marketing versus traditional marketing]
Candidate performance was adequate in responding to this question. Chains-of-reasoning were needed to be awarded a high-level mark.

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Q.2 (c) [challenges of digital marketing]
Candidate performance was mixed in responding to this question. Some responses were characterised by being unfinished. Suggesting a timing issue.

Summary of key points

Candidates and centres should bear in mind the following points going forward:

1. Candidate handwriting. Some examination scripts were characterised by difficult to read handwriting with letters poorly formed or not formed in a consistent manner. Handwriting deteriorated towards the end of the examination paper for some candidates.

2. Candidates should only complete either 'Section C – Finance Route' or 'Section D Marketing Route' as the optional section, not both optional sections. Centres should relay this message to candidates throughout the course of the academic year and in the run up to sitting the examination.

3. Chains-of-reasoning. Candidates should be encouraged to use connectives in the extended writing response to facilitate chains-of-reasoning.

4. Focus on coaching candidates to use the formula, workings-out, unitised answer approach where possible for calculation questions.

5. Profitability, index numbers, margin of safety, external economies of scale and Delphi method are theoretical topics that need to be revisited by most candidates.

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BUSINESS

Level 3 Applied Certificate and Diploma

Summer 2023

UNIT 5: MARKETS AND CUSTOMERS

General Comments

The majority of the work uploaded this series met the WJEC/CBAC administration requirements. These are:

•A document of administration that includes the authenticated mark record sheet and time sheet (PDF or Word doc)

•A single annotated document of the candidate report with appendices (PDF or Word doc)

There were some issues:

•Some centres failed to use the Learner Assignment Brief (iSAM pages 27-34) as required, and candidates did not set their work out under the task headings as specified. All candidates should use this brief, and the only changes allowed are the choice of business idea for Part A and the selection of an organisation for Part B. (iSAM page 38).

•Some assessor marks were shown by assessment criteria (AC) rather than by task as required.

•Some centres sent a 'clean copy' of the candidate work which did not show the moderator where/why the assessor feels marks should be awarded. Centres are advised to show where assessment criteria (ACs) have been awarded by the assessor as this greatly helps the moderation process and support centre marks.

•To achieve higher marks candidates will have made use of their knowledge, skills and understanding from Units 1-3. Annotation of these synoptic links throughout the work was not always found.

Comments on individual questions/sections

Candidate reports

Many candidates had excellent contextualisation in their reports. All work was word-processed, and communication was good with some use of specialist vocabulary. Some candidates wrote in continuous prose rather than splitting their work into paragraphs which would have made it easier to follow.

There was evidence of some thorough primary and secondary research, and many candidates made good use of appendices to support their report. Some candidates incorrectly placed their research throughout the work rather than at the end. Some candidates placed an appendix at the end of Part A and the results/findings were referenced throughout this section of the report, but no references were found for Part B.

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Part A

Candidates are tasked to carry out background research into a business idea for a sole trader, use the results of this research as appendix information and give a summary of this research at the beginning of the plan. Many appropriate and realistic business ideas were chosen, but many candidates wrote in great detail about their research. This detail is not required.

Please ensure that the report itself briefly introduces the business they are setting up, its product, and its proposed customers then addresses the six tasks on customers and customer service shown on the Learner Assignment Brief (iSAM page 30). The candidate must then apply their work for each task in context to the business and the type of customer it wants to attract.

Part B

Many candidates chose an appropriate global business and carried out primary and/or secondary research into both the UK-based and the overseas operations of their chosen organisation, but some chose an organisation without a substantial presence in the UK in terms of market and location. This is important as the candidate is required to focus on the operations of the chosen business in the UK domestic market, and show knowledge of e.g., how the UK government and other agencies support domestic and global organisations, evaluate the benefits of their global operations, and clearly explain the influence of trade blocs and other organisations on the UK operations of the business.

Summary of key points

Part A: The Learner Assignment Brief states that the plan should be concise, be business-like in presentation, the sections must be in the form of a report, and it should have no more than 12 A4 pages excluding appendices (iSAM page 27).

•The report must contain ALL the work for assessment, and the results of candidate research should be included as appendix information, not in the body of the report. Appendices must contain supporting work only – there should be no need for cross-referencing (iSAM page 28).

•Part B: Check that the global organisation chosen by the candidate is suitable to allow them to obtain better quality and more relevant information to utilise. A synopsis of the operations of this business is required as an introduction only rather than pages of background and history.

•Theory is not required in any part of the work, all work submitted should be in context.

•Candidates should use paragraphs when writing reports to make the information accessible to the reader and proof-read their work to prevent errors in spelling and grammar.

• Candidates should fully understand the command words used in assessment. A glossary of command words can be found at https://resource.download.wjec.co.uk/vtc/2016-17/16-17_3-18/eng/command-word-glossary.html

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