Level 3 Examiners' Report

Business (Legacy Specification)

Level 3

Summer 2025

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Introduction

Our Principal Examiners' report provides valuable feedback on the recent assessment series. It has been written by our Principal Examiners and Principal Moderators after the completion of marking and moderation, and details how candidates have performed in each unit.

This report opens with a summary of candidates' performance, including the assessment objectives/skills/topics/themes being tested, and highlights the characteristics of successful performance and where performance could be improved. It then looks in detail at each unit, pinpointing aspects that proved challenging to some candidates and suggesting some reasons as to why that might be.[1]

The information found in this report provides valuable insight for practitioners to support their teaching and learning activity. We would also encourage practitioners to share this document – in its entirety or in part – with their learners to help with exam preparation, to understand how to avoid pitfalls and to add to their revision toolbox.

Further support

Document	Description	Link
Professional Learning / CPD	WJEC offers an extensive programme of online and face-to-face Professional Learning events. Access interactive feedback, review example candidate responses, gain practical ideas for the classroom and put questions to our dedicated team by registering for one of our events here.	https://www.wjec.co.uk/home/professional-learning/
Past papers	Access the bank of past papers for this qualification, including the most recent assessments. Please note that we do not make past papers available on the public website until 12 months after the examination.	Portal by WJEC or on the WJEC subject page
Grade boundary information	Grade boundaries are the minimum number of marks needed to achieve each grade. For unitised specifications grade boundaries are expressed on a Uniform Mark Scale (UMS). UMS grade boundaries remain the same every year as the range of UMS mark percentages allocated to a particular grade does not change. UMS grade boundaries are published at overall subject and unit level. For linear specifications, a single grade is awarded for the subject, rather than for each unit that contributes towards the overall grade. Grade boundaries are published on results day.	For unitised specifications click here: Results, Grade Boundaries and PRS (wjec.co.uk)

[1] ***Please note that 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.***

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Exam Results Analysis	WJEC provides information to examination centres via the WJEC Portal. This is restricted to centre staff only. Access is granted to centre staff by the Examinations Officer at the centre.	Portal by WJEC
Classroom Resources	Access our extensive range of FREE classroom resources, including blended learning materials, exam walk-throughs and knowledge organisers to support teaching and learning.	https://resources.wjec.co.uk/
Bank of Professional Learning materials	Access our bank of Professional Learning materials from previous events from our secure website and additional pre-recorded materials available in the public domain.	Portal by WJEC or on the WJEC subject page.
Become an examiner with WJEC.	We are always looking to recruit new examiners or moderators. These opportunities can provide you with valuable insight into the assessment process, enhance your skill set, increase your understanding of your subject and inform your teaching.	Become an Examiner | WJEC

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Contents

	Page
Executive summary	5
Unit 3: Organisational Strategies and Decision Making	6
Unit 5: Markets and Customers	9
Supporting you – useful contacts and links	12

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Executive Summary

Entries for Unit 1 and 2 were low with the vast majority being resit candidates.

In Unit 1 candidates were generally able to demonstrate a good selection of knowledge from the content but struggled with applying this when required and developing detailed and analytical responses. However, there were also some large gaps in knowledge with many responses showing no or basic understanding of the set question. Candidates continue to struggle with command words, not identifying the skill being assessed.

In Unit 2 candidates should undertake primary and secondary research for one chosen organisation, and secondary research only for the other chosen organisation. Candidates often presented generic responses that did not apply to their chosen organisations. This will restrict the marks available. In Task 3 many candidates did not address all the 7p's and then failed to assess the contribution made by any three of the 7Ps in helping the organisation achieve its marketing goals through creating an effective marketing mix. Marks were not always allocated appropriately on the mark sheet for each assessment criteria. For example, nine marks were awarded for AC1.2 on some occasions, whereas there are only eight marks available. It was not always apparent exactly how the marks had been split for AC1.1 tasks a, b and c.

Overall candidates struggled with some key issues in the external examinations. Often responses are brief and underdeveloped, even when an extended response is required as indicated by the mark allocation and the lines available to write the answer. As an applied Business qualification, it is paramount that responses are contextualised using the scenarios and data given in the examination, far too many candidates do not do this and hence limit the marks available. When a choice is given to candidates in what questions to answer – notable the marketing or finance route, candidates should consider their best option, often large parts of these sets of questions are blank or very brief.

Candidates should be aware of the marking scheme for the NEA assessment to help them recognise what is expected for individual tasks. Candidates should take more time in presenting their work and distinctly presenting the different tasks in a coherent and clear way. Centres should not deviate from the set tasks and ensure all candidates are clear in what they have to do.

This is the final assessment of this qualification and is no longer available. In Wales, centres will now deliver the new Level 3 Applied Certificate/Extended Certificate in Business. This new qualification is not available to centres in England.

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BUSINESS

Level 3

Summer 2025

UNIT 3: ORGANISATIONAL STRATEGIES AND DECISION MARKING

Overview of the Unit

Summer 2025 was the sixth and final sitting of the unit 3 examination, albeit there will be a resit option for candidates in summer 2026 that wish to exercise this option.

In all, there were 215 entries: 181 English medium ones and 34 Welsh medium ones.

North Wales Beverages Ltd (NWB hence), a beverage wholesaler and distributor, was the business in focus in the examination paper.

Around 78% of candidates opted for the marketing optional route as opposed to the finance optional route. Apart the summer 2023 sitting, where the finance route optional route was marginally favoured, the marketing optional route by far has proven to be the most popular optional route during the lifespan of the Unit 3 examination.

Some candidates continue to complete both the finance and marketing optional routes in error, either partially or fully. Even so, instances of such candidate error have greatly reduced from previous sittings of the examination paper.

Candidate Unit 3 examination performance proved broadly comparable with that of previous sittings.

That being that, not all candidates seem to fully comprehend that an applied business qualification requires application of business knowledge to case data in some responses. The inclusion of a proper noun, usually in the form of the business name, in the question should signal to candidates that their response should be applied to the business in focus.

On a positive note, all examination scripts proved legible to examiners.

Comments on individual questions/sections

Section A

Q.1-Q.4 (organisational strategy / break-even analysis)

All the multiple-choice questions proved accessible to candidates. Given that some 97.7% of candidates attempted the multiple-choice questions. The mean marks awarded to candidates for the multiple-choice questions ranged from a low of 0.6 mark to a high of 1 mark.

Q.5(a) & Q.5(b) (economies of scale including diseconomies of scale)

Neither economies of scale nor diseconomies of scale were economic concepts that were well understood by most candidates, having facility factors in the mid-30s. Too many candidates did not make use of the reference to purchasing and managerial examples in the data in their responses.

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Q.6(a)(i), Q.6(a)(ii), Q.6(a)(iii) & Q.6(b) (index numbers)

Only slightly more than half of the candidates were able to identify the base year and state the missing base year from the teabag prices indexation provided. Fewer than half of the candidates were able to explain one limitation of having a fixed based index number for an extended period. And even less candidates were able to explain how index number-based information could support NWB's finance and marketing functions.

Section B

Q.1(a) & Q.1(b) (liquidity)

The mean mark of the meaning and purpose of liquidity questions was 0.9 mark out of a possible 2 marks. Most candidates could comfortably provide one valid point in their responses, yet providing a second valid point proved more challenging.

Q.2 (SWOT analysis)

This was a well answered question, with a mean mark of 3.5 marks out of a possible 4 marks. Although some candidates failed to grasp that strengths and weaknesses were internal to NWB, while opportunities and threats were found externally in the market. A minority of candidates did not read the provided data. This restricted their ability to apply the provided data in their responses.

Q.3(a), Q.3(b) & Q.3(b) (product lifecycle)

These were reasonably well answered questions. Most candidates understood the different stages of the product lifecycle. The downfall of some responses was a lack of application to NWB's product offering of orange juice. 91.2%, 92.1% and 90.2% were the attempt rates of the candidates for these series of questions.

Q.4 (breakeven analysis)

Many candidates simply did little more than repeat the data from the data provided in their responses. Others did not register that this was an evaluative question. Some candidates did not understand the difference between breakeven output and margin of safety. Too often candidates did little more than state breakeven was the level of output were total revenue equalled total cost. Hence the mean mark of 2.2 out of a possible 6 marks.

Q.5(a), Q.5(b) & Q.5(c) (budgeting)

Most candidates were awarded marks for these series of questions. The questions proved accessible with candidates attempt rates at over 90% for each question.

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Section C – Finance route

Q.1(a)(i), Q.1(a)(ii), Q.1(a)(iii) & Q.1(iv) (financial ratio analysis)

Some candidates were able to correctly calculate the net profit margin and the acid test ratio of Cheshire Café Supplies Plc. Generally, there was more familiarity with the aforementioned financial ratios than that of rate of inventory (stock turnover) and gearing ratio.

Q.1(b) (financial analysis)

Not many candidates proved able to meaningfully assess NWB's financial performance by comparing it to Cheshire Café Plc's. 3.5 marks out of a possible 10 marks was the mean mark for this question. Candidates' knowledge of what net profit margins, acid test ratio, rate of inventory (stock turnover) and gearing measure was insecure effecting in minimal quality assessment. Many candidate responses did not include a concluding judgement.

Q.1(c) (accounting concepts)

This was not a well answered question. A mean mark of 0.5 out of 4 marks signals that most candidates did not know what the accounting concept of prudence is and/or means for accountants constructing annual accounts.

Q.2(a), Q.2(b) & Q.2(c) (investment appraisal)

The calculation aspect of this question was reasonably well answered, as the mean mark of 4 out of 8 marks signals. However, a common error made by candidates was not realising that the present values of year 0s for both investments were negative integers. Moving on, advising NWB which investment to proceed with was reasonably well accomplished, but the justification of which proved limited.

Section D – Marketing route

Q.1(a)(i), Q.1(a)(ii) & Q.1(b) (sales forecasting)

Most candidates understood sales forecasting well. Evaluating the methods that NWB used to carry out sales forecasting proved more challenging for some candidates. Too many candidates were prone to merely repeating the data provided. Again, an inability to provide a concluding judgement was a weakness of most responses to an evaluation question.

Q.2(a) & Q.2(b) (marketing models)

There proved to be a lot of confusion among candidates about the questions relating to Porter's generic marketing strategies. Certainly, candidate knowledge about this marketing model was limited. In error, many candidates referenced Porter's five forces framework or the Ansoff Matrix in their responses. Other candidates skipped answering these two questions – as signalled by the low attempt rates of 54.4% and 50.2%, respectively.

Q.3(a), Q.3(b) & Q.3(c) (digital marketing)

The series of questions on digital marketing were well answered overall. Candidate knowledge of the different features of digital marketing was reasonable. Some candidates confused SEO and SEM.

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UNIT 5: MARKETS AND CUSTOMERS

Overview of the Unit

Part A

Candidates were required to research and set up a business as a sole trader in their local area. Their plan needed to be realistic and concise in the form of a report. They were required to do the following:

Task 1
Show their understanding of the nature and importance of customers to their chosen business idea.

Task 2
Explain how they will focus on these customers in order to establish a market-oriented relationship with them.

Task 3
Analyse how customers' wants, needs and expectations are likely to influence their business activity.

Task 4

Evaluate the importance of offering good customer service in making their business a success.

Task 5
Explain how they plan to develop and then initially market their product (good or service), particularly in terms of their plans concerning pricing and promotions.

Task 6
Evaluate the competition they expect to face in their market.

Part B

Task 1
Explain the influence that **one** international trading bloc or other relevant trade-related international organisation has on your chosen organisation.

Task 2
Select **one** influence (for example, a PESTEL-type influence) on your chosen organisation whilst it is operating in the UK domestic market, and analyse the extent of this influence on its business operations.

Task 3
Evaluate the extent to which your chosen organisation gains from operating globally rather than only domestically.

The majority of the work uploaded this series met the WJEC 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:

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- 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.
- Some centres uploaded as many as 12 documents for one candidate. This creates a very labour intensive process for the moderator. We strongly advise scanning and uploading one PDF document per candidate, including the relevant documentation (marksheets, timesheets, declarations).
- Many centres uploaded PDF documents that were scanned upside down. This may seem trivial, however, collectively this can ensure a lengthy process for the moderator concerned.

Tasks
Comments on tasks/questions relating to candidate performance/meeting assessment criteria

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.

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.

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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.

Task marking
Comments on approaches to internal marking

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.

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.

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Supporting you

Useful contacts and links

Our friendly subject team is on hand to support you between 8.30am and 5.00pm, Monday to Friday.
Tel: 029 2240 4257
Email: business@wjec.co.uk
Qualification webpage: Level 3 Business

See other useful contacts here: Useful Contacts | WJEC

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WJEC Qualifications

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