

Level 3 Certificate Examiners' Report

Business
Level 3
Summer 2024

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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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Executive Summary

Unit 1 examination

There is a lot of new content in the specification, and it is important that candidates have knowledge and understanding of all topic areas. Across the paper candidates showed limited knowledge and understanding of topics 1.7 and 1.8 (ethics and sustainability).

Candidates need to carefully read all questions to make sure they are actually answering the question asked, too many candidates deviated from the set question. Candidates should also apply their answers to the given context when asked to do so. Application is particularly important and will be part of many questions in the examination paper.

Section B was found to be particularly accessible as candidates could select the topic that they felt most confident on. However, for the 10-mark questions the mean mark was relatively low for all 4 questions, suggesting centres need to develop candidates' ability to answer evaluative extended questions.

Time in the classroom should also be given to focus on the requirements of different command words, especially effective evaluation to support candidates to achieve higher marks on the higher-tariff questions.

Unit 2 NEA

Candidates seemed to engage with this new NEA which allows them the choice to select a business idea pertinent to them.

Many candidates need to make sure that they research the business idea in more detail and include more accurate and realistic data to allow them to fully present a well thought out idea for the business. This was most evident in the financial tasks, which were often incomplete or unrealistic.

It is essential that centre assessors follow the mark scheme accurately when awarding marks, many centres awarded marks that did not match the descriptors in the relevant mark bands. When deciding on the mark, it is strongly advised to annotate so that the moderator can get into the mind of the assessor and understand why the mark was given. When no annotation is given the moderator has to start from scratch and this can be difficult to support the centre mark.

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Areas for improvement	Classroom resources	Brief description of resource
Coverage of all content areas	RESOURCE WJEC EDUCATIONAL RESOURCES WEBSITE	Business notes. Comprehensive notes, amplification and suggested student activities of the content. Knowledge organisers for all unit 1 content
Understanding what is required to access higher marks	PAST PAPER MARK SCHEMES ON PORTAL	Use to show candidates how to access higher marks
Understanding requirements of the NEA	WJEC PORTAL NEA EXEMPLARS	Exemplars available from September to help centres assess work

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BUSINESS

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UNIT 1 - BUSINESS SKILLS AND FUNCTIONS

Overview of the Unit

Summer 2024 was the first sitting of this assessment of the new specification. There were 130 entries - 30 English Medium and 100 Welsh Medium. Entries will increase next year as all centres migrate to this specification.

The marks across the paper were awarded by skill with AO1 assessing knowledge of content throughout the specification, AO2 for application of knowledge and understanding to a specific business context and AO3 for analysis and evaluation. The different AOs were assessed throughout the examination. The question wording told candidates if the answer should be theoretical or applied and teachers should explain the importance of good exam technique to prepare them for the assessment.

The paper was divided into two sections. Section A consisted of three compulsory questions which all candidates had to answer. The questions covered topics from throughout the specification. Section B offered candidates a choice of four questions. Candidates had to select one. Each of the questions focused on a different part of the specification – marketing, finance, human resources or operations management. This section enabled candidates to show their in-depth knowledge on one of the specialisms. Each question was equally weighted and included one four-mark question focusing on AO1, one six-mark question focusing on AO2 and a final ten-mark question which involved candidates making a justified recommendation which assesses AO3.

Marketing was the most popular optional question with almost half of all candidates choosing if. Finance was the next most popular, followed by Human Resources. Operations Management was the least preferred optional question.

A few candidates attempted more than one of the optional questions. It is important that future candidates are aware of the paper format and spend their assessment time on just one optional question. Wasting time on a second question risks limiting their answer to the other question.

A different business scenario was included at the start of each question in both sections, which candidates can use to gain application marks for the relevant questions. The scenarios vary to give candidates the opportunity to show their knowledge for a range of different contexts. Teachers should include a range of different business examples during their delivery of the specification, so candidates are familiar with diverse contexts.

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 some of the command words. Some of the answers were generic which prevented candidates from gaining the application AO2 marks.

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Comments on individual questions/sections

Section A

The first question focused on a mobile car servicing and repair business.

Q.1 **(a)** Asked candidates to identify two resources used by Charlie to operate the business. This was an accessible question (with a mean mark of 1.7 out of 2) with a range of examples applied to Charlie's business such as a van, tools or retained profit from the past 15 years of training.

(b) Required candidates to explain one factor that Charlie will consider when locating the new business premises. Most candidates achieved at least one mark for this question (mean mark of 1.4 out of 2) with one mark for identifying the factor and one mark for explaining the factor applied to Charlie's business.

(c) Was less accessible with a mean mark of 0.7 out of 2. Circular economy is a new topic for this specification and few candidates showed a good understanding of the term.

(d) 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 most of the terms/phrases accurately. Break-even was particularly well understood. The least well answered definition was that innovation is a characteristic of a successful entrepreneur.

(e) Candidates showed good knowledge of internal and external stakeholders in this question with a lot of correct examples. It is an identify question, so candidates only needed to give the name of the stakeholder.

(f) Was the first level-based question on the paper and assessed AO1. Candidates had to describe the advantages and disadvantages to a business of changing ownership from a sole trader to a private limited company. Candidates had reasonable knowledge of this topic and most answers were Level 1 or 2. Some candidates compared private limited companies with public limited companies which did not attract any marks as it was not answering the question set. This emphases the importance of carefully reading the question. The mean mark was 2.6 out of 8, the second most challenging question on the paper.

Q.2 was based on Ella's business that sells second-hand products through a website.

(a) Candidates had to identify two internal sources of finance. Some candidates gave examples of external finance such as overdrafts and so did not gain the marks. Owner's capital was a popular correct answer. The mean mark was 0.7 out of 2.

(b) Candidates were asked to calculate the total revenue generated from the 20 revision textbooks sold. Many candidates gave an incorrect answer of £70 which attracted two marks. The candidates calculated the revenue, and then deducted the postage costs to find the profit figure of £70. Candidates lost the final mark as the final declared answer was incorrect. The mean mark was 1.7 out of 3.

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(c) Required candidates to consider the impact of increasing the price of the textbooks on the financial performance of Ella's business. Many candidates achieved two or three marks for this question. There was good knowledge of the impact on the financial performance. To gain three or four marks candidates had to apply the knowledge directly to Ella's business. The best answers were balanced to consider both the positive and negative elements. The mean mark was 2.5 out of 4.

(d) Candidates had to state three ways that business operations affect the environment. Most candidates achieved at least one mark. There was some repetition, for instance air pollution and water pollution are both examples of pollution so could only be rewarded with one mark. The mean mark was 1.5 out of 3.

(e) Was a more challenging question. Candidates demonstrated limited knowledge of ethics and many incorrect answers discussed action that a business may take to become more environmentally friends. Ethics and environmental factors are different topics on the specification and teachers need to highlight this difference. The lack of knowledge affected the marks for both parts of Q.2(e) with a mean mark of 0.8 out of 2 for (i) and 2.6 out of 6 for (ii).

Q.3 focused on Fresh Food Manufacturing plc (FFM) which makes food products that are sold by a national supermarket.

(a) Asked candidates to identify the five stages of the product life cycle diagram. The five stages needed to be in the correct order. Some candidates identified some of the stages but placed them in the incorrect order and so were not awarded the marks. Some candidates gave descriptions of the stages rather than identifying the names of the stage e.g. steady increase rather than growth. Most candidates were able to identify two of three of the stages correctly. The mean mark was 2.5 out of 5.

(b) Asked candidates to demonstrate the impact of an extension strategy on the product life cycle by annotating the diagram. Candidates were required to show the correct trajectory for the mark. Many candidates struggled with this question and a few candidates did not attempt it. The mean mark was 0.4 out of 1 and the lowest attempt rate on the paper at 88.5%.

(c) Candidates had to analyse FFM's decision to use external recruitment to recruit the new employees for the production line. Most candidates had a good knowledge and understanding of the term external recruitment. For three or four marks the analysis was developed with balance (to include both the advantages and disadvantages) of FFM's decision to use external recruitment. The mean mark was 1.8 out of 4.

(d) Required candidates to describe to benefits of research and development (R&D). Most candidates were able to gain at least two marks by either identifying two benefits or developing one benefit with reference to FFM. Answers needed to be in context as indicated by the question wording. Some incorrect answers focused on market research which did not attract any marks. The mean mark was 1.9 out of 4.

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(e) Candidates explained two impacts on FFM of using just-in-time to control its inventory (stock). This question was not very accessible to candidates and was the most challenging question in Section A with a mean mark of 1.2 out of 4. Some candidates had knowledge of just-in-time but gave generic answers that were not applied to FFM. This limited the number of marks that could be awarded.

(f) The final part of question 3, asked candidates to consider the importance to a business of holding the correct levels of stock. Candidates had a good understanding of the importance, and this question was accessible to many with a mean mark of 1.5 out of 2.

Section B

Q.4 was the marketing optional question which focused on a toy manufacturer called Lilac Brick plc. 71 candidates chose this question.

(a) Asked candidates to outline two purposes of market research. Candidates could apply their answer to Lilac Brick plc; however, this was not required as the question assessed AO1 and required a theoretical response. The mean mark was 2.5 out of 4.

(b) Candidates were asked to explain the advantages and disadvantages to Lilac Brick plc of using secondary market research. This was an accessible question with most candidates achieving at least three of the six marks. Answers tended to be balanced with at least two advantages and one disadvantage or two disadvantages and one advantage explained. The mean mark was 3.2 marks.

(c) Asked candidate to make a decision as to whether they would recommend that Lilac Brick plc choose a price skimming or price penetration pricing strategy. Some candidates confused the two strategies and without accurate knowledge of either term they were unable to gain any marks. The best answers gave a balanced evaluation of both options and made a justified recommendation appropriate for the scenario context. The mean mark was 2.8 out of 10.

Q.5 was selected by candidates that selected the Finance option. The scenario was Chad's Construction. 35 candidates choose this question.

(a) Asked candidates to describe two strategies to increase cash flow. There was a reasonable understanding of ways to increase cash inflows and/or reduce cash outflows. This was a theoretical question which assessed AO1. The mean mark was 1.8 out of 4.

(b) Involved candidates completing financial calculations using figures from the Chad's Construction scenario. Candidates who selected question five performed well with many correct answers. The mean mark was 3.9 out of 6.

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(c) Asked candidates to discuss the two sources of finance (bank loan and leasing) which Chad could use to acquire a van for the business. Candidates were required to make a recommendation. Candidates generally showed good knowledge and understanding of bank loans. However, some candidates confused leasing with other sources of finance such as hire purchase or loans. The mean mark was 3.5 out of 10.

Q.6 used the context of Creative Minds Ltd which designs websites. 18 candidates choose this question.

(a) Asked candidates to describe two ways of developing employee's skills. A range of development methods are included in the specification which candidates described in their answers such as training, coaching and secondments. The mean mark was 1.7 out of 4.

(b) Candidates explained the advantages and disadvantages to Creative Minds Ltd of using a laissez-faire style of leadership. Many candidates were awarded a mark in Level 1 or 2 for this question. Some answers lacked balance which is needed for Level 2. The best answers were applied to the context and recognised the creative nature of the employees' roles. The mean mark was 2.3 out of 6.

(c) Asked candidates to discussed two recruitment options (recruiting two full-time designers versus four part-time designers) and recommend which one should be selected. Some candidates did not recognise that both options involved paying the employees for the same number of hours per week. Answers regarding reduced costs could only be credited if it related to the increased induction training for the part-time options as there were four employees to induct rather than two. The mean mark for this question was the lowest on the paper, 2.6 out of 10.

Q.7 focused on the operations topics of the specification. The context was PY Engineering Ltd. 5 candidates choose this question.

(a) Candidates described two methods of production that could be used by a business. Most candidates achieved two marks for this theoretical question which assessed knowledge and understanding of job, batch and flow production. The mean mark was 2 out of 4.

(b) Asked candidates to explain the benefits and limitations to PY Engineering Ltd of investing in new technology. This question was well answered by the candidates who selected it with many answers in Level 2 or 3. The mean mark was 4.4 out of 6.

(c) Involved candidates discussing quality control and quality assurance and recommending which option PY Engineering Ltd should choose. This question was also accessible to those candidates who selected it. Candidates demonstrated knowledge of both methods of managing quality, although some did not apply their knowledge and understanding effectively to PY Engineering Ltd. The mean mark was 4.2 out of 10.

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UNIT 2 BUSINESS CREATION

We would like to thank all centres for their participation and support in this new Level 3 Business qualification. There was some excellent work by candidates, as well as good practice by centres in this opening series. Marking tended to be very generous at times, and the content of this report will aid centres in ensuring improvement as we embark on the second year of this qualification.

Candidates were asked to present a business proposal for a business idea of their choice. They were required to outline the following:

Task 1: Present the business idea, highlighting the products and services it plans to sell, the market they intend to operate in, the scale of the operation/s, the target market, and the resources they would need.

Task 2: Audit and evaluate their own skills and characteristics in the context of the business.

Task 3: Design and undertake a primary and secondary market research method,

Task 4: Create a cash flow forecast and analyse the potential financial sources

Task 5: Design a promotional plan for the business and justify the selection of said promotional activities.

Task 6: The assessor allocated marks here for the presentation of the work, along with the accuracy of referencing.

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

- a document of administration that includes the authenticated mark record sheet and timesheet (PDF or Word doc).
- a single annotated document of the candidate report with appendices (Word or PDF doc).There were some issues i.e.:
- Some centres uploaded multiple documents for one candidate. This creates a labour-intensive process for the moderator. We strongly advise scanning and uploading one PDF document per candidate, including the relevant documentation (marksheets, timesheets and 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.

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Tasks

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

Task 1

(a) Candidates are asked to produce a business proposal to detail the business opportunity that they have identified. This was answered generally well by most centres, however, please take note that in order to reach the higher bands, individuals should address all bullet points in their work.

(b) Some centres made it difficult to identify this part, as they had grouped parts (a) and (b) together. To ensure an easier process for candidates, assessors and moderators, please keep these tasks separate. Here, they should clearly specify the type of ownership they have chosen for their business. Sole trader or partnership were typically chosen by most centres.

Task 2

(a) In this section, candidates were required to explain the entrepreneurial characteristics and skills and transferable business skills needed to make their business proposals successful. They should talk about a wide range of skills in order to access the higher mark bands, and ensure they fully develop their points.

(b) Candidates needed to have conducted an audit of their own entrepreneurial characteristics and skills, supported by appropriate examples. Some centres provided an audit in the body of the work; however, it would be most useful to include this with the appendices. Some centres showed good practice by including the audits in the appendices and explaining so in the body of the work. This was useful to the moderator.

(c) Candidates need to evaluate the impact of these skills and characteristics on the potential success of their business. Good practice by some centres had candidates indicating their weaknesses as well as their strengths, and specifying what they could do to improve these skills. An example of this would be by accessing some free government training for start-ups in Wales on creating profit and loss accounts.

Task 3

(a) Candidates have to design and test a basic market research tool. Most candidates designed a questionnaire. Candidates should have included a blank copy of their research tool together with evidence that the research tool has been tested. Some candidates included the research tool in the appendix while others presented only the results of the research carried out. Many had no evidence of testing the research tool or a copy of the research tool itself. This is vitally important in order to gain access to the higher mark bands.

(b) Candidates needed to select an appropriate sample, and many failed to do so accurately. The best candidates discussed quota or random sampling, and justified why, linking this to the needs of their chosen business.

(c) In order to present the findings of the basic market research carried out, the candidates should include a tally chart type document and a wide selection of appropriate graphs, such as bar graphs and pie charts.

(d) The question requires the candidate to carry out secondary research and present the research within the main body of the answer. The results should be presented in tabular form, and most centres did present it this way.

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(e) The question asks for an analysis of the primary **and** secondary research. The findings of the secondary research were not included in many of the candidate's answers. The analysis was often presented across the work. This slowed down the moderation process and is not good practice.

(f) To gain full marks in this task the candidate needs to review the research carried out using the review criteria listed in the task. The centres that had grouped Task 3 as a whole, managed to miss this part out. It is of paramount importance that the tasks are presented separately, to ensure that candidates are given as much chance as possible to achieve the full mark range.

Task 4

(a) Candidates needed to create a cash flow forecast. At times the figures presented were not realistic. An example of this would be high sales figures, that were unsupported by very low stock purchasing figures - making the venture unrealistic. More scrutiny is needed in this task, as an unrealistic cash flow forecast will hinder the candidate's chances of accessing higher marks for the remainder of Task 4.

(b) Analysis of cash flow forecast requires candidates to analyse every part of the forecast, whilst ensuring evaluation and balance. If certain elements of the forecast are slightly unrealistic, they need to be justified and explained in this section.

(c) Some candidates failed to answer this section correctly. The candidates needed to present an evaluation of sources of finance that may be available to them for their business idea. In order to achieve the highest marks, candidates needed to highlight the positives and negatives of these sources of finance and outline their suitability to their business context.

Task 5

(a) The candidate was asked to plan a promotional activity plan which includes a mixture of advertising, sales promotion and public relations to launch the business proposal. To answer this question, the candidates could create a table containing headings such as: the activity; timing; the cost; the effect of the activity. Most centres did not present the information in an easily readable format, which made the moderation process more laborious. This should be an easy fix for the next series.

(b) This task asks candidates to justify the activities decided upon in their plan. This was answered well generally by most candidates but note this is AO3 and to award marks the response must be evaluative.

(c) Marking was generous in this section. Candidates should include as much detail as possible in their promotional materials and ensure that there are clear links between the two, such as logos, fonts and pictures. Many centres awarded the 3 or 4 marks for the two pieces of material, but the materials were often not error free, highly effective and displayed all design features and principles. Often the two marks for how the two pieces of materials worked together were given with no real evidence to back this up.

Task 6

(a) Task 6 awards marks for the structure and layout of tasks 1 to 5. It is not an additional task. It is of paramount importance that centres understand that this is not a business plan. Some centres failed to understand this and wasted time asking candidates to produce a presentation of their business plan. Assessors must judge how well the candidate has presented and communicated the work (4 marks) and for how well they have referenced the work also (4 marks).

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A good structure to follow would be to keep an organised appendix at the back of the document and make reference to the appendix in question i.e. 'Appendix 3 shows some government statistics that highlight the population figures for Aberdare in 2023'.

Task marking
Comments on approaches to internal marking

- Some tasks were grouped together, making the marking process more complicated for the assessor, and the moderator. Tasks should be separated according to the assessment criteria i.e. Task 1(a) labelled with a clear title by the candidate. Do not change the presentation of the tasks, strictly follow the WJEC candidate pack.
- The unit is marked using performance bands. Each band of the mark scheme contains a descriptor. These descriptors should be read and applied as a whole. Centres are reminded that the descriptor for each mark band describes work at the middle of the band. Quite a few centres awarded marks in certain bands even though the work by the candidate did not meet the descriptors in the bands.
- Some centres had annotated the work, indicating where the candidate had achieved a certain band. This good practice is to be commended, as it supports all stakeholders involved, particularly the external moderator.
- 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 help to support centre assessment.

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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 Applied Certificate/Extended Certificate in Business (wjec.co.uk)

See other useful contacts here: Useful Contacts | WJEC

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