



GCE EXAMINERS' REPORTS

**GCE
BUSINESS
AS/Advanced**

SUMMER 2023

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BUSINESS

General Certificate of Education

Summer 2023

Advanced Subsidiary/Advanced

UNIT 1 - BUSINESS OPPORTUNITIES

General Comments

This examination paper was accessible to almost all candidates as a full range of responses were delivered. Some impressive answers were written, and candidates demonstrated an ability to attain marks across each of the four assessment objectives. It was pleasing to see a number of excellent responses from well prepared candidates who demonstrated their knowledge of the specification content and effective use of a range of skills.

Comments on individual questions/sections

- Q.1 (a)** This was intended to be an accessible opening question. However, only 94.6% of candidates answered this question which illustrated a lack of understanding of the primary, secondary and tertiary sectors. Some were able to provide examples of types of jobs within each industrial sector but were not able to state what is meant by each sector.
- (b)** Nearly all candidates attempted this question with varying degrees of success illustrated by the mean mark of 2.5. Most candidates showed good knowledge of the importance of entrepreneurs to the success of the UK economy which is reflected in the facility factor of 62.7% for this question.
- Q.2 (a)** This question asked for the definition of a seasonal and global market. Many candidates were able to achieve full marks on this question which is illustrated by a mean mark of 0.8 for question (i) and 0.9 for question (ii).
- (b)** This data response question was undertaken competently by the majority of candidates. A high majority of candidates were able to identify the key trends in the data with a mean mark of 2.4.
- Q.3** The responses to this question were generally disappointing, resulting in a low mean mark of 2.8. This resulted in this question having the third lowest facility factor of 47.1%. Many candidates showed some limited understanding of luxury, normal and inferior goods with the use of examples of goods. However, a high percentage of candidates failed to analyse the difference between these goods with a detailed explanation of the relationship between income and demand. Only a small number of candidates referred to positive and negative income elasticity of demand.
- Q.4 (a)** The majority of candidates were able to achieve full marks on this question. The mean mark for the question was 1.5. The exceptions were those candidates who did not include the reference to High & Mighty for the AO2 mark.

- (b) Responses to this question were generally weaker with a low mean mark of 3.1. This resulted in this question having the fourth lowest facility factor. A number of candidates were able to identify the benefits of market segmentation to either Next plc or to Next plc's customers but not to both.
- Q.5** 93.9% of candidates answered this question. The responses to this question were disappointing, resulting in a mean mark of 4.2. Responses were generally weaker due to a lack of detailed understanding of the key features of a social enterprise. Candidates were able to capitalise on the AO2 marks due to the information provided in the question. However, candidates must use this information to explain the key features of a social enterprise and the context in which it operates.
- Q.6** (a) This was an accessible question. The question had a facility factor of 58.2% and the mean mark was 1.2. Those candidates who did not obtain full marks tended to omit the % sign. The error of omitting the % sign was penalised.
- (b) The responses to this question were generally disappointing, resulting in a very low mean mark of 1.3. This resulted in this question having the second lowest facility factor of 43.8%.
- (c) A high majority of candidates were able to evaluate the importance of a business plan resulting in a mean mark of 5.2 for this question. Most candidates were able to provide good analysis of the importance of business plan to the success of a business, but some failed to provide a balanced evaluation of the suggested ways.
- Q.7** A number of candidates struggled in their approach to this question resulting in the lowest facility factor of 43.7% for the question. Several candidates illustrated confusion over the legal structure of a business. Many stated the various legal factors that affect a business e.g., consumer law, discrimination law, health and safety law, employment law. These candidates were awarded zero marks. Poor examination technique was displayed by some candidates through poor timing as some candidates failed to include sufficient detail in the answer.

Summary of key points

- Candidates must ensure that they have all the necessary equipment in preparation for the examination. Black ink pen and a calculator to ensure accuracy when responding to numerical tasks.
- Some scripts were barely legible, and centres should consider scribes and word processing facilities to candidates with handwriting issues.
- Due to emphasis placed at CPD upon attaining marks through the understanding of the assessment objectives, this has been reflected in the examination scripts. The attainment of marks for application to the scenarios given (AO2) has improved but this context must be developed in the explanation.
- To ensure knowledge marks, candidates must revise concepts and learn definitions fully.

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UNIT 2 - BUSINESS FUNCTIONS

General Comments

A full range of responses were delivered in unit 2. Some impressive answers were written, and candidates demonstrated an ability to attain marks across each of the four assessment objectives. Most candidates are conscious of the need to read questions carefully and pay particular attention to command words. Candidates who ignore these command words often waste valuable time in the examination without gaining extra marks.

It appeared that most candidates used the time during the examination effectively and were able to dedicate sufficient time to all questions. Occasionally, candidates missed out a question or provided brief responses, but this seemed to be due to a lack of knowledge rather than an issue with time.

Comments on individual questions/sections

- Q.1 1.1** This was an accessible question. It was the question with the second highest facility factor of 66.8% as many candidates achieved full marks. Those candidates who did not obtain full marks did not provide an accurate definition of multi-channel distribution or failed to give a relevant example for the AO2 mark. The mean mark for this question was 1.3.
- 1.2** Responses to this question were generally weaker due to a lack of focus on the importance of a global brand. The mean mark was 2 with a facility factor of 50.3%. Some candidates failed to answer this question in the context of Costa Coffee which meant that candidates were not awarded the AO2 marks.
- Q.2 2.1** The majority of candidates were able to define job description and person specification. However, candidates illustrated a lack of understanding of job analysis. There was clear confusion between workforce planning and job analysis which resulted in a mean mark of 1.8.
- 2.2** Some candidates repeated their answer to 2.1 in 2.2 outlining the contents of both documents as their importance. Those candidates did not focus on the importance of the job description and person specification to the recruitment process.
- 2.3** The majority of candidates were able to explain the difference between internal and external recruitment resulting in a mean mark of 2.6 for this question and a facility factor of 65%. The better candidates were able to explain the difference with reference to the benefits and drawbacks of each method of recruitment.

- 2.4** 98% of candidates answered this question. The responses to this question were generally good. Those candidates who did not perform as well tended to focus only on the benefits and drawbacks of interviews as a method of selecting the right candidate for a job vacancy without reference to other methods of selecting the right candidate, resulting in a mean mark of 4.3.
- Q.3 3.1** This question asked for a definition of a cash flow forecast. Most candidates were able to provide an accurate definition of a cash flow forecast. However, some candidates failed to include that the cash flow forecast is a prediction of the future cash inflows and outflows.
- 3.2** This was an accessible question. The question had a facility factor of 68.8% as many candidates achieved full marks. Those candidates who did not obtain full marks tended to omit either the - sign or the brackets to express the figures as negative figures. The error of omitting the - sign or brackets as negative figures was penalised.
- 3.3** 95.8% of candidates answered this question and those candidates who possess strong application and evaluative skills received full marks for the question. Unfortunately, some candidates did not make full use of the data provided and focussed on either the qualitative or quantitative data. The better candidates used both sets of data. The mean mark for this question was 3.
- 3.4** 97.5% of candidates answered this question. The responses to this question were generally good. Those candidates who did not perform as well tended to focus only on the benefits and drawbacks of cash flow forecasts but did not apply this in the context of Einon's Ltd which meant that the candidates did not receive the AO2 marks for this question, resulting in a mean mark of 4.6.
- Q.4 4.1** The responses to this question were disappointing, resulting in a low mean mark of 3.7 and the lowest facility factor of 45.9%. Responses were generally weaker due to a lack of knowledge of the Boston matrix. The Boston matrix is an area of the specification which should be addressed in more detail as a significant number of candidates lacked knowledge and understanding. Without the knowledge and understanding, candidates were unable to explain how the Boston matrix could be used by The Waffle House to manage its product portfolio.
- 4.2** This question asked for a definition of workforce performance. Most candidates were able to provide a definition of workforce performance. However, the number of candidates using the formal definition which is 'when a business measures the effectiveness of its workforce' was very limited.
- 4.3** This was an accessible question for those candidates who had learnt the formulas. The question had a facility factor of 50.3% and a mean mark of 1. Those candidates who did not obtain full marks tended to omit 'waffles or units per hour'. The error of omitting 'waffles or units per hour' was penalised.
- 4.4** 90% of candidates answered this question and those candidates who had learnt the formulas received full marks for the question. The mean mark for the question was 1.3. Those candidates who did not obtain full marks tended to omit the % sign. The error of omitting the % sign was penalised.

- 4.5** 94% of candidates answered this question. The responses to this question were generally disappointing, resulting in a mean mark of 3.9 and a low facility factor of 49.3%. Responses were generally weaker due to a lack of understanding of the concept of capacity utilisation. Capacity utilisation is an area of the specification which should be addressed in more detail as a significant number of candidates wrongly stated that working at 100% capacity utilisation would definitely increase sales and profit. With this lack of knowledge and understanding of capacity utilisation, candidates were unable to analyse and evaluate the impact on The Waffle House of operating at 100% capacity utilisation. The application to The Waffle House was also a weakness illustrated by candidates.
- Q.5 5.1** 88.3% of candidates answered this question and the mean mark was 3.8. Those candidates who received full marks were able to apply their understanding of McGregor's Theory X and Theory Y approach to management to The Timpson Group. Those candidates then made a well-reasoned judgement as to why The Timpson Group adopts a Theory Y approach to management with a clear explanation of the concept.
- 5.2** 95% of candidates answered this question with the mean mark being less than half marks, 5.8. Those candidates who structured their answers well performed better generally. However, a significant number of candidates focussed primarily on motivation theories rather than financial and non-financial methods of motivation. Only the strongest candidates considered the benefits and problems associated with financial and non-financial methods of motivation, using the various motivation theories to substantiate their argument.

Summary of key points

- There was evidence that a number of candidates lack numerical skills. Candidates must take a calculator into the examination to avoid difficulties with calculations. In addition, a lack of precision was evident when responding to numerical tasks and candidates would be well advised to show the workings to all their calculations.
- The quality of written communication is a concern. Some scripts were barely legible, and centres should consider scribes and word-processing facilities for candidates with handwriting issues.
- To ensure knowledge marks, candidates must revise and learn definitions and concepts fully. The lack of learning definitions and concepts became evident in the questions on job analysis, the Boston matrix, workforce performance and capacity utilisation.
- Data provided in the examination paper must be read and utilised by candidates as it is provided to help candidates formulate their responses. Candidates must also ensure that they read the questions carefully to offer relevant and meaningful responses. This is particularly true for the longer, evaluative questions.

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UNIT 3: BUSINESS ANALYSIS AND STRATEGY

General Comments

The examination paper was accessible, with candidates using the time effectively to attempt each question. The attempt rate was between 88.9% and 99.7%. Where the attempt rate was lower, it suggested that the question was slightly more challenging.

A full range of responses were provided with some impressive answers written and candidates demonstrated an ability to attain marks across each of the four assessment objectives.

The quality of written communication was very good, with very few scripts or sections of the scripts being ineligible. There were a large number of excellent responses from well prepared candidates who demonstrated excellent levels of knowledge and understanding of a wide range of specification content and effective use of skills including application of knowledge and numeracy. In particular, candidates understood the concept of Decision Tree Analysis and SWOT Analysis. In addition, many candidates were able to illustrate good levels of analysis with an attempt to provide points that were developed with chains of reasoning.

Quantitative skills in terms of calculations were strong in this examination paper, shown within Q.1(b), Q.2(a) and Q.2(b), Q.4(a) and Q.6(b)(i). Unfortunately, comparable with previous years, there are candidates who lack these skills which restricts the marks awarded and their ability to accurately respond to questions requiring quantitative skills.

Comments on individual questions/sections

- Q.1 (a)** Most candidates achieved full marks on this question to show knowledge of what is meant by the concept of a budget variance. The exception were those that could not recognise that budget variance was the difference between budgeted and actual figures. This question had a facility factor of 77.0 and a mean mark of 0.8 out of 1.
- (b) (i)** With a facility factor of 78.6, this was an accessible question to most candidates. These candidates were able to accurately calculate the sales variance and label it as an adverse variance. There were a very few candidates who correctly calculated the variance but failed to correctly label the variance and therefore achieved no marks. The mean mark for this question was 0.8 out of 1.
- (ii)** With a facility factor of 89.3, this was the most accessible question on the examination paper. Nearly all candidates were able to accurately calculate the other expenses variance and label it as a favourable variance.

There were a very few candidates that correctly calculated the variance but failed to correctly label the variance and therefore achieved no marks. The mean mark for this question was 0.9 out of 1.

- (iii) With a facility factor of 78.7, this was an accessible question to most candidates. These candidates were able to accurately calculate the profit variance and label it as an adverse variance. There were very few candidates that correctly calculated the variance but failed to correctly label the variance and therefore achieved no marks. The mean mark for this question was 0.8 out of 1.
 - (c) This question proved to be one of the least accessible questions on the examination paper and a challenge to a large number of candidates. Those candidates that found this question a challenge were unable to demonstrate knowledge or understanding of the advantages and disadvantages of using budget variance analysis. Despite having no AO1 marks, knowledge is essential to be able to apply knowledge and analyse the usefulness of budget variance analysis. However, there were some excellent responses, and those candidates provided a theoretical advantage such as improved financial control and a disadvantage such as the budget set may be inflexible. They then used this to apply it to the context of Tasty Plaice and developed the arguments with chains of reasoning, providing judgements. The mean mark was 2.9 out of 6 and the facility factor was 47.5.
- Q.2**
- (a) (i) This question proved to be one of the most challenging questions on the examination paper, with a facility factor of 40.9 and a mean mark of 0.8 out of 2. Many candidates were able to show knowledge of capital employed by stating that it refers to the money invested into the business. Unfortunately, few candidates were able to show deeper understanding by suggesting that it includes shareholder funds and long-term liabilities.

(ii) With a facility factor of 66.0 and a mean mark of 0.7 out of 1, this was an accessible question. Many candidates were able to accurately calculate the capital employed and because the data was expressed without the currency label, an answer with no £ sign was acceptable.

(iii) With a facility factor of 65.6 and a mean mark of 0.7 out of 1, this was another accessible question. Many candidates were able to accurately calculate the total long-term liabilities and as with the previous question, an answer with no £ sign was acceptable.
 - (b) (i) This was one of the least challenging questions on the examination paper, illustrating that candidates were well prepared for questions relating to liquidity ratios. Most candidates were able to accurately calculate the current ratio for the Walk in Wardrobe Ltd for 2022. Many responses provided an accurate formula which is good practice. There were a few candidates that only achieved one mark because they did not express the answer as a ratio by writing the answer as :1.

(ii) The facility factor on this question was 59.1, which illustrates that this was another question that was accessible, but it did prove to be challenging to a minority of candidates. The question required candidates to calculate the gearing ratio for the Walk in Wardrobe Ltd for 2021. Those candidates that achieved full marks often provided the

correct formula, used the correct data and expressed an accurate answer as a percentage. Unfortunately, a few candidates did not achieve full marks by providing the final answer in an incorrect format, for example; failing to include the % sign or incorrectly round such as 38.77% or 38.7%.

- (c) This was a challenging question with a mean mark of 4.9 out of 10 and a facility factor of 49.3. Nevertheless, it was pleasing to see that most candidates attempted this question, and it was more pleasing to see that the candidates who found Q.2(b)(i) and Q.2 (b)(ii) a challenge were still able to achieve marks on this question by analysing the data from the case study. In the past, candidates may not have attempted this question if they failed to answer the calculation questions. The general standard of answers was good. The majority of candidates were able to identify that the ideal current ratio as being 1.5:1 to 2:1 and the gearing ratio as being no more than 40%, and this was then used to analyse the reasons why the Walk in Wardrobe Ltd. financial performance may have been good or poor, therefore achieving AO2 and AO3 marks. Stronger answers also used both the calculations and all the relevant data to analyse the performance of the business with balance and judgements to support their evaluation. However, some candidates failed to show clear understanding of the data and what the ratios were measuring, therefore achieving limited marks for AO2, AO3 and AO4. Own figure rule (OFR) was used on this question; therefore, if candidates incorrectly calculated the current ratio and/or gearing ratio, then analysis and evaluation around these calculations would have been accepted.

Q.3 This question assessed content from the specification that had not previously been assessed. The question had an attempt rate of 96.7% and a facility factor of 58.1, suggesting that this was an accessible question, but it did present some challenge. The mean mark was 4.6 out of 8. Strong responses demonstrated good levels of knowledge with arguments for and against outsourcing operations presented. Candidates' achieving the highest standard developed their arguments with an explanation of the arguments for and against as well as providing clear judgements that would support their arguments. A minority of candidates achieved lower marks because they were unable to present a sufficient amount of arguments or their argument was one-sided, and the evaluation lacked judgements.

Q.4 (a) This was an accessible quantitative skills question on decision tree analysis with 99.1% of candidates attempting the question. This illustrates how well prepared candidates were. Many correctly calculated the profitability of each of the two remaining options. Some candidates incorrectly calculated the value of either success or failure which resulted in the incorrect profitability of an option. Therefore, OFR was applied, and marks would have been awarded for calculating profitability despite using incorrect data. Candidates that failed to express the final answer with a £ sign would have been deducted one mark. This question had a mean mark of 2.4 out of 4 and a facility factor of 59.9.

- (b) This question was attempted by 98.6% of candidates and the mean mark was 3.6 out of 7. Many candidates were able to use theoretical knowledge to explore the positives and/or negatives of decision tree analysis. The strongest candidates not only outlined the positives and negatives of decision tree analysis but they also developed their arguments by relating points made to relevant data from the decision tree including the probabilities of success and

failure, relevant qualitative data and options that may not have been included. There were 3 marks available for AO2 and a minority of candidates struggled to access bands 2 and 3 for AO2 because the data within the decision tree diagram and the case study were very rarely used together. The weaker candidates' answers tended to just list positive and/or negatives without developing or explaining them in relation to GFK Windows Ltd for better AO2 and AO3 marks.

- (c) This question assessed content from the specification which had not previously been assessed in the unit 3 examination. It proved to be the most challenging question on the examination paper, with a facility factor of 35.9 and a mean mark of 2.2 out of 6. The main issue was that candidates often failed to provide accurate examples of information technology that could be used by businesses to aid decision-making or provided computer software as examples such as spreadsheets or databases, which they could not then show the role played in decision-making. The strongest responses identified at least two examples of information technology such as Electronic Point of Sale and Cookies and then provided a detailed explanation of how they are used to support decision-making and the benefits they may bring to a business when making decisions.

Q.5 This question assessed SWOT analysis, which is another area of content from the specification that had not previously been assessed in the unit 3 examination. Candidates found the concept accessible with 98.3% attempting the question. However, it presented some challenge, with a mean mark of 5.6 out of 10. The majority of candidates were able to identify aspects of the data that could be linked accurately to the elements of SWOT analysis. This allowed candidates to access at least 2 marks for AO2. The strongest candidates used the data to develop arguments to show why each element was a strength, weakness, opportunity or threat and also explained how the business would be affected by each element to achieve at least band 2 or even band 3 across AO2, AO3 and AO4. However, those candidates who found this question a challenge were unable to accurately identify strengths, weaknesses, opportunities and threats or they were unable to develop upon their knowledge of SWOT factors. In a few responses, candidates identified key issues but provided irrelevant points in an attempt to analyse each element of SWOT or simply repeated information from the case study as an attempt to analyse. Therefore, they were often restricted to band 1 for AO3 and AO4.

Q.6 (a) This question assessed knowledge and understanding of investment appraisals. The best responses identified that investment appraisal is used to evaluate investment projects and stated that it is used to measure the potential value of the project to a business. However, with a facility factor of 44.2, it proved to be quite a challenging question with a minority of candidates providing a limited response and a few candidates simply responding with an irrelevant definition. The mean mark was 0.9 out of 2.

- (b) (i) This question which assessed quantitative skills was accessible with a facility factor of 63.0 and a mean mark of 1.9 out of 3. Whilst very few provided a formula, many candidates were able to accurately calculate the payback period for both project 1 and project 2.

There were candidates who made errors when using the data and calculated one correctly and one incorrectly and therefore achieved 2 marks.

- (ii) This question proved to be the second most challenging question on the examination paper and also had one of the lowest attempt rates with 91.1% of candidates attempting to answer the question. The strongest candidates were able to provide an accurate formula and use the relevant data to accurately calculate the average profit per annum before calculating the average rate of return. Unfortunately, a number of candidates used the average revenue per annum as opposed to the average profit per annum to make their calculations and were therefore restricted to 1 mark. The facility factor on this question was 39.6 and it had a mean mark of 1.2 out of 3.
 - (iii) This question required candidates to use the data from Q.6(b)(i) and Q.6(b)(ii) in order to identify the best option for the vehicle rental business based on the payback period and average rate of return. It proved to be one of the least challenging questions with a facility factor of 79.1 and a mean mark of 1.6 out of 2. Most candidates attempted the question even if they did not attempt the previous questions or there were inaccuracies.
- (c) The final question on the examination paper assessed content from the specification that had not previously been assessed and it proved to be a challenge with a facility factor of 43.5 and a mean mark of 3 out of 7. The strongest candidates were able to show good knowledge of investment appraisal methods and the benefits and drawbacks of the different methods to achieve 2 AO1 marks. In addition, these candidates provided an explanation of the benefits and drawbacks as well as making judgements. However, a number of candidates simply listed the benefits and/or drawbacks so could not access band 2 for AO1, AO3 or AO4. In addition, some candidates simply did not know the benefits or drawbacks of payback period, average rate of return or net present value.

Summary of key points

Candidates demonstrated good knowledge and understanding in a number of topic areas including budgeting, outsourcing, decision tree analysis and SWOT analysis. However, candidates found aspects of some of these topics and other topic areas a challenge including the benefits and drawbacks of budget variance analysis, evaluating financial performance, the role of information technology in the decision-making of a business and the benefits and drawbacks of different investment appraisal methods.

Application of knowledge is improving with more candidates attempting to use data from calculations and/or the information in case study material to develop arguments.

Quantitative skills in relation to calculations were good, with Q.1(b)(i), Q.1(b)(ii), Q.1(b)(iii), Q.2(a)(ii), Q.2(a)(iii), Q.2(b)(i), Q.2(b)(ii), Q.4(a) and Q.6(b)(i) proving to be accessible to many candidates. However, as stated in previous reports, quantitative skills also involves using the data from calculations to analyse a business performance or the usefulness of concepts such as budget variance analysis, financial performance or decision tree analysis and this is still an area that needs improving.

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UNIT 4: BUSINESS IN A CHANGING WORLD

General Comments

This examination paper assessed content from a wide range of topic areas from across the AS and A Level specification including decision-making models, glocalisation, international trade, globalisation franchising, political factors, economic factors, legal factors, ethical and environmental factors and technological factors. There were candidates who performed consistently well across all questions demonstrating knowledge and understanding of terminology and concepts from a wide range of topic areas. These candidates were able to write clear and well organised paragraphs to illustrate high levels of knowledge, analysis and evaluation. However, there were examples of ineligible responses which could prevent candidates from achieving higher standards because it may be challenging for examiners to follow the candidate's arguments.

As with the previous series, application of knowledge is improving with more candidates attempting to use the data within the case study to develop arguments or to justify arguments. In particular, the data was used effectively by many candidates for Q.1.1, Q.1.4 and Q.1.5. In addition, centres have ensured that candidates understand the requirements of command words such as 'analyse', 'explain', 'evaluate' and 'consider', enabling them to write responses with the correct structure and therefore achieving higher standards. Unfortunately, there are still candidates that provide limited development and/or responses that are one-sided when a balanced response is required. These candidates are restricted to lower bands for AO3 and AO4.

Finally, the standards achieved in Section B were slightly higher than the previous year, however the mean marks are still around half the marks available.

Comments on individual questions/sections

Section A

In this part of the examination candidates were provided with an extended case study about the operations of McDonald's and provided with extensive data on the development of the business model as well as environmental issues, economic factors, legal factors and the changing market conditions.

The attempt rate for each question for Section A was in the main excellent: Q.1.1 99.9%, Q.1.2 99%, Q.1.4 97.1% and Q.1.5 95.3%. However, candidates found question Q.1.3 less accessible with an attempt rate of 89.5%. Despite this, the facility factor was consistent with the other questions.

Q.1.1 With a facility factor of 61.3 and a mean mark of 3.7 out of 6, this was the most accessible question on Section A. Candidates were required to illustrate their knowledge of glocalisation and the reasons why McDonald's adapts its products and operations to reflect local needs. Most candidates were able to identify that adapting

products and operations to reflect local needs was glocalisation and they were able to identify at least one reason why a business would need to use glocalisation. They were able to apply this knowledge to McDonald's by drawing information from the case study. The best responses identified two reasons why a business would need to adapt its products and operations to reflect local needs and would then provide evidence from the case study to show how McDonald's have done it. These points would then be developed to explain the impact or benefit to McDonald's of adapting its products and operations. Some candidates simply listed information from the case study without showing any knowledge of the reasons why McDonald's uses glocalisation and were therefore restricted to band 1 across the assessment objectives or in some cases, no marks.

Q.1.2 This question assessed candidates' knowledge and understanding of franchising as a form of growth. Candidates that performed well on this question were able to define franchising and identify the benefits and drawbacks of franchising as a form of growth. Therefore, presenting valid points about the level of risk involved to the franchisor and the potential financial impact franchising may have. The best responses provided two arguments for and two arguments against using franchising as a form of growth with developed points and clear explanations about the benefits and drawbacks of franchising. Candidates could use McDonald's to justify points, but it was not a requirement as there were no AO2 marks allocated to the question. Unfortunately, a number of candidates listed information from the case study but failed to show knowledge of franchising or the benefits or drawbacks of using it to grow a business.

The mean mark for this question was 4.4 out of 8 and the facility factor was 54.8.

Q.1.3 As stated previously, this question proved to be the least accessible in terms of attempt rate. However, the mean mark of 4.4 out of 8 was identical to that of question Q.1.2. The question focussed on the impact of different areas of UK legislation on the operations of McDonald's. In order to achieve the highest band for AO1, candidates needed to identify at least two areas of legislation and provide an outline of the features of the legislation in terms of how or who they protect. The best responses also provided good levels of analysis with the impact of each legislation explained and applied to McDonald's. For example, many candidates identified that minimum wage legislation enforces businesses to pay at least the rate of pay outlined in the law and that it increases regularly which leads to increased costs for McDonald's and potentially reduced profits. To apply this, candidates would suggest that McDonald's already pay above minimum wage so this piece of legislation may have minimal impact. Some candidates simply listed areas of legislation which restricted the marks awarded for AO1, AO2 and AO3.

Q.1.4 This question required candidates to provide a balanced argument about the impact of McDonald's corporate social responsibility (CSR) strategy on the business, the environment, and the communities in which it operates. The question proved to be accessible with a mean mark of 7.6 out of 14 and a facility factor of 54.3. Those candidates achieving the highest standards provided valid arguments about the impact on the business, the environment and the community, with positive and negative arguments developed and applied. However, a large number of candidates focussed on the impact on McDonald's only, which restricted their marks to Band 2 for AO2, AO3 and AO4. In addition, a number of candidates simply listed information from the case study but failed to outline or explain the impact on the business or the environment or the community.

For example, some candidates would identify that McDonald's recycles and reuses resources but failed to make valid arguments about how this benefits or hinders McDonald's operations or how it may impact on the environment or the local community in which it operates.

- Q.1.5** The facility factor for this question was 52.4 and the mean mark was 7.3 out of 14. This question required candidates to consider how changes in interest rates, taxation and inflation may affect McDonald's and its stakeholders. Unfortunately, a large number of candidates focussed on the impact on McDonald's only, which restricted their marks to Band 1 for AO1 and AO2 and Band 2 for AO3 and AO4. There were some excellent responses highlighting the impact of changing interest rates, increasing taxation such as corporation tax and the sugar tax as well as the impact of rising inflation. The best candidates provided answers which analysed the positive and negative impact of these factors on both McDonald's and at least one stakeholder. However, there was no need to have a positive and a negative argument for each factor but a balance across the factors. There was evidence that candidates either lost focus on this question and/or did not utilise their time appropriately, with a few limited responses.

Section B

This section of the examination required candidates to select one question from a choice of three options. The first part of the questions required the candidate to apply their answer to the context noted within the question, with 6 marks for AO1 and 4 marks awarded for AO2. The second part of the questions had 4 AO1, 8 AO3 and 8 AO4 marks on offer, the high level of analysis and evaluation marks on offer could have acted as a barrier to the achievement of a high total mark for a minority of candidates.

- Q.2.1** This question proved accessible to many candidates, with a facility factor of 52.7 and a mean mark of 5.3 out of 10. There were some excellent responses in which candidates were able to identify and describe key features of both strategic and operational decisions. However, despite candidates having knowledge and understanding of the different types of decisions made by large businesses, too many candidates were unable to apply the knowledge to the decisions made by a national retail business. Therefore, this restricted the marks awarded for AO2 to 0 or limited and Band 1.
- Q.2.2** This question assessed content from various units but particularly focussing on unit 3. It had a mean mark of 9.3. Excellent answers tended to define quantitative decision-making before analysing in detail the benefits and drawbacks of different quantitative decision-making models such as decision tree analysis or sales forecasting. The best candidates would also present arguments about the value of qualitative decision-making models such as the Delphi Method. A number of candidates provided vague responses or irrelevant or inaccurate arguments relating to the benefits and drawbacks of specific decision-making models. Therefore, these candidates could not access band 2 for AO1, AO3 and AO4.
- Q.3.1** This question focussed on technological factors and in particular, how transport providers may have used new technology to improve their services. The latter part of the question was a key hook in the question which should have steered candidates towards developing their arguments with lines of reasoning relating to customer experience.

Unfortunately, there were candidates that provided responses relating to technology used in manufacturing which were not relevant to the question or failed to develop valid points by outlining how the new technology would improve transport provider services.

A minority of candidates focussed on new technology used by each of the transport providers used in the question which helped them structure their response. However, this was not a requirement and many answers achieved high standards with a response to transport providers in general. The best answers identified a variety of new technology that is now used by transport providers including Apps, online booking, access to Wifi and vehicle tracking which makes booking transport such as taxi services more convenient for customers as well as improving their travel experience with access to the Internet whilst travelling to continue with work or simply social activity whilst travelling.

The facility factor on this question was 51.3 and the mean mark was 5.1. Therefore, it was accessible to the majority of candidates.

Q.3.2 This question proved to be the most challenging of all the essays in Section B, with a mean mark of 8.8 out of 20 and a facility factor of 43.8. The stronger responses would analyse and evaluate both sides of the argument. For example, candidates would raise a number of points in favour and against investing capital into new technology such as improved efficiency, better quality products and services, improved reputation, financial implications, or the impact on existing staff. In addition, some candidates used examples of new technology in different industries such as CAD and CAM in manufacturing and EPOS or self-service in retail. The stronger responses would also then analyse and evaluate the benefits and drawbacks of using these different types of technology.

Weaker responses tended to be one-sided in favour of investing in new technology, listed arguments for and against with little or no analysis or provided many arguments for investing in other areas of business such as marketing and human resources. Whilst investment in other functional areas or aspects of business were accepted as an evaluative argument, it was only accepted as one valid point of analysis. Therefore, candidates may have wasted too much time by writing extensive paragraphs on the importance of other functional areas as opposed to analysing the benefits of investing in new technology.

Q.4.1 With a facility factor of 48.0 and a mean mark of 4.8 out of 10, this was a challenging question. Many of the candidates knew the challenges faced by a business selling products on an international scale such as exchange rate fluctuations and the need to adapt products. However, the question was specific to a UK clothing manufacturer and candidates provided generalised responses and developments that may not have been relevant to the context of the question. Therefore, this restricted the marks awarded for AO2 as candidates may have failed to apply their knowledge. Strong responses identified at least two challenges and linked them to a clothing manufacturer. For example, excellent points centred on the challenge presented in terms of pricing, with exchange rates and even protective measures potentially leading to a less competitive business due to potential price rises. Therefore, host country clothing businesses may have a cost advantage over the UK businesses making it difficult for them to compete on price and attract customers.

Q.4.2 This question proved to be the highest scoring of all 3 essay questions in Section B, with a mean score of 10.6 out of 20. Candidates who clearly understood globalisation were able to create well-structured responses with arguments for and against the statement that globalisation benefits all UK businesses and their stakeholders. Strong candidates focussed their arguments on the benefits of globalisation in terms of widening the market to increase sales, opportunity to reduce costs by sourcing new suppliers or through economies of scale and the drawbacks in terms of the need to adapt products and operations and the impact on local industries and SME's. In addition, stronger answers would analyse the impact on both the business and at least two stakeholders such as the shareholders of a business and its customers or the government. Weaker responses tended to be one-sided, with just benefits or drawbacks identified and analysed which restricted the candidates to band 2 across the assessment objectives or the response focussed on the impact of globalisation on just the business, which restricted the candidates to band 1 for AO1 and band 2 for AO3 and AO4. In addition, a few candidates provided limited responses with listed points or very brief explanations. Therefore, these candidates were restricted to band 1 across the assessment objectives.

Summary of key points

As with the previous examinations in 2019 and 2022, candidates should be advised to carefully consider the mark allocation of each question to allocate sufficient time for each question – a few candidates wrote long responses for Q.1.1, Q.2.1, Q.3.1 or Q.4.1 but then left insufficient time to fully respond to other questions that required longer responses.

In questions that require an analysis or evaluation of the impact of issues and concepts on both the business and its stakeholders, both need to be addressed in the response – too many candidates only assess the impact on the business which restricts the marks awarded across the assessment objectives.

Candidates need to choose the question to answer in Section B very carefully to ensure that they have the relevant knowledge to answer the question to the best of their ability. In addition, candidates should be encouraged to use key terminology from across the specification to help develop arguments.



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