EXAMINERS' REPORTS

LEVEL 3 CERTIFICATE AND DIPLOMA IN BUSINESS

SUMMER 2022

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LEVEL 3 APPLIED CERTIFICATE AND DIPLOMA

Level 3 Business

Summer 2022

UNIT 1: THE ORGANISATION: SURVIVAL AND PROSPERITY

General Comments

This was the fourth sitting of this specification. There were 399 entries - 310 English Medium and 89 Welsh Medium. Almost all candidates answered all questions in Section A; however, some candidates left many questions in Section B blank, suggesting that these candidates were underprepared for this examination. Where continuation pages were used to complete extended response answers, these were generally poorly referenced, making it difficult to mark in some cases. Most teachers and candidates are conscious of the need to read questions carefully and pay particular attention to command words. For instance, candidates should know when a balanced answer is expected (command words and expressions include assess, advise, discuss, to what extent …. and evaluate) and cases where it is not (command words include analyse and explain). Candidates who ignore these command words often waste valuable time in the exam without gaining extra marks. There were many examples of this. There were also many cases of candidates missing important requirements of a question e.g. ignoring terms/phrases in bold or not paying attention to the stakeholder in the question. Furthermore, candidates frequently did not apply their answers to the business scenario when required. Many candidates gave generic answers to the extended response questions, consisting only of theory when they were required to apply their answers fully to the business scenario. These responses could not be awarded marks in the Level 3 mark-band. Another common problem with the extended response questions was that many candidates copied large amounts of narrative from the question stem or from the introduction. If this information wasn't specifically applied to the requirements of the question, no marks were awarded for this.

Comments on individual questions/sections

The questions in this section were based on a business scenario outlined in the introduction to the paper. An ironing business should be a familiar scenario to most candidates although no background knowledge of the operations of this type of business was required.

Section A

Q.1 This question asked candidates to identify a sector that the business could be best associated with. This question proved inaccessible to most candidates. Candidates from some centres incorrectly chose B, suggesting unfamiliarity of the knowledge that the Quinary sector includes domestic services.

Q.2 This asked candidates to state what type of resource equipment is. This question proved accessible to almost all candidates.

Q.3 This asked candidates to identify A Deed of Partnership as a document which would help to resolve arguments in a partnership. Almost all candidates answered this correctly.

Q.4 This question required candidates to identify what type of influence "an increased demand for ironing" is. Almost all candidates answered this correctly.

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Q.5 This question required candidates to classify sources of finance as either internal or external sources. Most candidates correctly classified all four sources. Where a source was entered into two of the boxes, no marks were awarded.

Q.6 **(a)** This part of the question required candidates to identify business objectives. Many candidates answered this correctly.

(b) The majority of candidates who identified the objectives correctly in part (a) were able to explain why they are more appropriate as business objectives rather than business aims. Where candidates explained the characteristics of objectives in part (b) they were awarded up to 2 marks even if they had not identified objectives correctly in part (a).

Q.7 Almost all candidates were able to identify at least two key skills and attributes of a successful entrepreneur.

Q.8 Some candidates did not attempt this question at all. Where candidates did answer this question, most were not awarded more than 2 marks. Candidates frequently referred to the fact that customers will have more disposable income which should lead to an increase in revenue for the business, but only a few candidates explained that an ironing service is a luxury item or the fact that the business itself will have more profits to pursue expansion plans.

Section B

Each of the four questions in Section B developed the business scenario given in the introduction.

Q.1 **(a)** This question asked candidates to state two pieces of information which would be included in Pressed 4 Time's business plan. This proved accessible to most candidates. "Aims and Objectives" were only awarded 1 mark. Where financial statements were stated, the word "forecast" was required for a mark to be awarded.

(b) Many candidates were able to provide a developed explanation for why a business plan should be produced for the new partnership. Some candidates however, incorrectly explained the purpose of a Deed of Partnership.

(c) **(i)&(ii)** Few candidates were able to correctly state the type of organisational resource. Where this was stated correctly, most candidates achieved 2 marks for an explanation of how this resource could be used to grow its customer base.

(d) This is an example of where candidates did not understand the requirements of the command word. Most candidates were able to identify a suitable of source of finance, but the command word "evaluate" should have produced answers which were balanced. Answers often included only the benefits of the source and therefore could only be awarded a maximum of 2 marks.

(e) This question is another example of where many candidates did not understand the requirements of the command word "evaluate". Many candidates only explained the benefits of Julie changing her business ownership from a sole trader to a partnership and therefore could not be awarded marks in the Level 3 mark-band.

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Furthermore, many candidates provided purely theoretical answers and missed the many opportunities to apply theory to the business scenario. Marks were mostly limited to the Level 2 mark-band. A few candidates did not attempt this question.

Q.2 **(a)** Many candidates were able to correctly state at least two functional areas which were applicable to Pressed 4 Time. Some candidates incorrectly stated organisational resources.

(b) Where functional areas had been correctly identified, most candidates were able to explain their role. However, many candidates ignored the bold "and" in the requirements of the second part of the question – "…**and** the contribution they make to the business objectives". In these cases, a maximum of only 2 marks were awarded.

(c) Many candidates did not state "Quality Initiatives". Instead, these candidates gave generic descriptions of approaches such as introducing initiatives to motivate staff. These answers were not awarded any marks. Examples of specific initiatives were required with a developed and applied explanation of how it could be used.

(d) In this question, candidates were required to weigh up the benefits and disadvantages of becoming a franchisor. Again, many candidates didn't address all requirements of the question. The command expression "to what extent", was ignored, limiting most candidates to Level 2 marks and, where evaluation was provided this was sometimes given from a franchisee's viewpoint rather than the franchisor's. Where this did happen, candidates were awarded marks in the Level 1 mark-band if they showed a general understanding of franchising. A few candidates did not attempt this question at all.

Q.3 **(a)** **(i)&(ii)** These questions required candidates to state two attributes desired in new employees and to explain why one would be important to the business. Most candidates were able to access these questions, however, some candidates incorrectly stated skills and qualifications e.g. a clean driving licence and the ability to iron, rather than attributes and therefore also were awarded no marks for either part of the question.

(b) Most candidates were able to state at least two stages of the recruitment process. Some candidates incorrectly stated training/induction training as a stage.

(c) This question was answered poorly by many candidates. Candidates were required to explain one external influence (PESTEL) which would need to be considered when recruiting new employees. Incorrect responses included seeking references and checking application forms and CVs.

(d) **(i)** This question required candidates to state two financial methods which could be used to motivate employees at Pressed 4 Time. Many candidates correctly referred to methods such as job rotation, job enrichment and fringe benefits.

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(d) **(ii)** Very few answers were awarded marks in the Level 3 mark-band. Many candidates demonstrated a basic understanding of how a business could motivate its new employees but there was little understanding of the two-factor theory. Many candidates focussed on 'hygiene', referring to the importance of a clean working environment. These answers were awarded marks in the Level 1 mark-band. Most answers did not distinguish between 'motivators' and 'hygiene factors' correctly and there was very little analysis of the theory or application to the business. Some candidates did not attempt this question at all.

Q.4 **(a)** Many candidates did not interpret the requirements of this question correctly. They incorrectly focussed on the uses of generic software and IT equipment. The question specifically required an evaluation of the usefulness of the Internet by Pressed 4 Time. Where the use of the internet was discussed, many answers focussed too narrowly on the advantages of the internet to advertise the business only. Again, many answers did not provide a balanced answer and did not include relevant application and therefore only a few candidates achieved Level 3 marks. A few candidates did not attempt this question at all.

(b) Many candidates were able to state how Pressed 4 Time could make use of spreadsheets and CRM systems. A few candidates left this question blank.

(c) There was no requirement to apply this answer to Pressed 4 Time, but many candidates did. Many candidates were able to explain one problem of a flat structure but only some were able to state two. Some candidates left this question blank.

(d) Many candidates were able to state at least two criteria that will influence the choice of communication methods and media but only a few could state four. A few candidates incorrectly stated the different ways a business could communicate.

Summary of key points

Section A was found to be more accessible than Section B with marks being gained across most questions. One potential area for concern is highlighted by the general performance on Section B, Question 3(d) – motivation theory (AC 3.3). Teachers may wish to develop this area of the specification for future examination preparation. Other topic areas where there were significant gaps in knowledge was 'Quality Initiatives' (AC2.3), organisational structures (AC2.1) and 'why organisations use the internet' (AC2.5). Centres are requested to remind candidates of the need to read the questions carefully and to ensure that they understand the meaning of the command verbs and what this requires as a response. There was underperformance in all Section B extended response questions. Furthermore, candidates must pay particular attention to words which appear in bold in questions.

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LEVEL 3 APPLIED CERTIFICATE AND DIPLOMA

BUSINESS

Summer 2022

UNIT 2: ACTIVE MARKETING

General Comments

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

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

There were some issues found i.e.:

- Some centres failed to use the controlled assessments found in the Sample Assessment materials document 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.
- Annotation of the synoptic links throughout the work is also highly recommended as the higher mark bands require the candidate to show knowledge, skills and from unit 1 to gain marks in the higher mark bands.
- 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.

Comments on individual questions/sections

Candidate reports

All work was word-processed, and communication was good with some use of specialist vocabulary. Many candidates made good use of appendices to support their report.

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

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

For AC3 tasks 3a and 3b some candidates failed to address all 7P's as required.

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Summary of key points

- Candidates should undertake primary and secondary for **one** chosen organisation, and secondary research only for the other chosen organisation. A range of research techniques should be used.
- 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
- 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.
- Please show the breakdown of marks awarded for each sub-task on the mark record sheet rather than by assessment criteria (AC) i.e. 1a, 1b, 1c (each out of 8 marks); 2a and 2b (each out of 12 marks); 3a, 3b and 3c (each out of 8 marks). Guidance can be found in the Sample Assessment Materials – Internal, pages 22-26.
- 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**.

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LEVEL 3 APPLIED DIPLOMA

BUSINESS

Summer 2022

UNIT 3: ORGANISATIONAL STRATEGIES AND DECISION MAKING

General Comments

Summer 2022 represented the third sitting of the Unit 3 examination paper.

Encouragingly, candidate entries are increasing. Signalling that more and more centres and stakeholders consider the qualification as having utility as a business curriculum offering.

67% of candidates undertook the examination paper in English. Whereby 33% of candidates undertook the examination paper in Welsh.

Racing Lines was the organisational focus of the examination paper. A virtual reality simulator business specialising in motor racing gaming simulations. The nature of the operations of this tech organisation was well understood by most candidates.

The performance output of candidates was variable. Generally, there were more higher grades awarded relative to the winter 2022 sitting of the examination paper. As overall there was better application of theoretical content to organisational context in candidates' written responses. This remains something that candidates need to continue developing through ongoing practice directed by their centres.

By some margin, the questions that proved the most accessible to candidates was 'Section A's Q.3 [internal and external economies of scale]' and 'Section B's Q.2(a) [profit]'. Conversely, the question that proved the least accessible to candidates was 'Section C – Finance Route's Q.2(b) [discounted cash flow and net present value]'.

For some reason, the marketing route continues to prove to be more popular than the finance route amongst candidates from most centres. 68% of candidates opted to undertake the marketing route while 32% opted to undertake the finance route when presented with the choice after completing Sections A and B of the examination paper.

Unfortunately, having not taken notice of the 'Instruction to candidates' on the first page of the examination paper, more than a few candidates completed both the marketing and finance routes of the examination paper in error. The 120 minutes time allocation of the examination paper would not allow for completing both the marketing and finance routes to a good standard. Therefore, candidates should only complete either 'Section C – Finance Route' or 'Section D – Marketing Route'.

Comments on individual questions/sections

Section A

Q.1 – Q.4 **[multiple-choice questions]**

Some candidates did not recall that being able to keep a business running financially is an example of solvency.

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Q.5 [product life cycle analysis]
This question was attempted by all candidates. In fact, there were some excellent responses. But still, candidates need to ensure that their analysis of the usefulness of product life cycle is two-sided to enable awarding of the highest marks.

Q.6 (a) [economies of scale]
Economies of scale was only understood well by a minority of candidates.

(b) [diseconomies of scale]
In a similar vein, diseconomies of scale was not a concept understood well by most candidates. The average mark for question across entries was 2 out of a possible 8 marks.

Section B

Q.1 (a) [SWOT analysis]
Candidates performed strongly on this question. Identifying strengths, weaknesses, opportunities and threats from the introduction did not pose a problem. Occasionally candidates mismatched their examples, however.

(b) [index numbers]
Most candidates struggled with explaining what index numbers show. A relatively straightforward concept.

(c) [breakeven]
Performance in this question was adequate. Some candidates dropped a mark by only providing one valid point where two were called for, to enable the awarding of 2 marks. Repetition characterised some candidates' written responses, besides.

(d) [breakeven analysis]
By extension, performance in this question was adequate.

Q.2 (a) [income statements]
Performance in this question was good. However, not all candidates laid-out the calculations in an appropriate way, leading to errors that could have been avoided with a bit of thought and care.

(b) [gross profit and net profit margins]
This question posed problems to most candidates. Not many candidates could correctly calculate the GPM% or NPM% of Racing Lines' proposed café investment for the first month of trading. Only a minority presented their answers using the formulae, workings-out and answer format**.**

(c) [value of ratio analysis]
This was another question that posed problems to many candidates.

Section C – Finance Route

Q.1 (a) [role of profit]
Performance in this question was adequate.

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(b) (i) [key terms of financial statements]
Performance in this question was adequate. Most candidates were able to correctly explain fixed costs. Semi-variable costs proved more difficult.

(c) (i) [flexible and fixed budgets]
Performance in this question was adequate.

(ii) [budget variance]
On the whole, performance in this question was good, with candidates offering a variety of reasons for the difference between Maria's builder's budgeted cost and actual cost. Raw material inflation, inaccurate quotation and delays being but some suggested reasons for the variance. Some candidates did not consistently fully develop their suggestions missing out on being awarded full marks.

Q.2 (a) [net present value]
Performance in this question was adequate**.**

(b) [discounted cash flow and net present value calculation]
This question posed problems to many.

(c) [net present value]
This was another question that posed problems to many. A number of candidates did not use the calculation table to good effect.

(d) [investment appraisal]
Performance in this question was adequate. Candidates are reminded that quality evaluation requires definition, arguments-for and arguments-against, plus a concluding reasoned judgment. Some candidates were let down by being unable to order their thoughts effectively.

Section D – Marketing Route

Q.1 (a) [Boston Matrix and Ansoff Matrix]
Performance in this question was adequate. Full marks eluded some candidates by not taking sufficient heed of the mark allocation of the question to judge the number of valid points required for full marks. Some candidates mixed up features of the two marketing models.

(b) [other methods of sales forecasting]
Performance was good in this question, especially in terms of explaining and exemplifying mystery shoppers and observations. This was not consistently extended to that of test marketing and panel surveys.

(c) [sampling]
Performance in this question was adequate.

Q.2 (a) [digital marketing features]
Performance was good in this question. Social media, email and PPC being some features of digital marketing put forward by candidates. The use of such features to drive traffic to websites was well understood by many candidates.

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(b) **[digital marketing and traditional marketing]**
Performance in this question was good.

(c) **(i)** **[social media analytics]**
Performance in this question was adequate.

(ii) **[analytics]**
Performance in this question was adequate.

(d) **[digital marketing challenges]**
Performance in this question was good. Indeed, some candidates displayed considerable creativity of thought with reference to the challenges of digital marketing.

Summary of key points

Candidates and centres should bear in mind the following points going forward, in the short-term and long-term, namely:

- All centres should advise candidates to read the 'Instruction to candidates' section at the outset of the examination paper carefully prior to commencing the examination.
- Candidates only need to complete either 'Section C – Finance Route' or 'Section D – Marketing Route'. This message should be relayed by centres to candidates, especially prior to the external examination.
- Candidates should take care laying-out numerical calculations, use of the templates provided is strongly advised.
- It is suggested that centres communicate to candidates to spend circa 24 minutes on 'Section A', circa 48 minutes on 'Section B' and circa 48 minutes on 'Section C – Finance Route' or 'Section D – Marketing Route'.
- Economies of scale, diseconomies of scale, index numbers, and discounted cash flow and net present are theoretical topics that need to be revisited by most candidates.
- Candidates should continue to work on applying theoretical content to organisational context in written responses under the direction of centres.

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LEVEL 3 APPLIED DIPLOMA

BUSINESS

Summer 2022

UNIT 5: MARKETS AND CUSTOMERS

General Comments

Administration

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- Annotation of the synoptic links throughout the work is also highly recommended as the higher mark bands require the candidate to show knowledge, skills and from all units to gain marks in the higher mark bands.

Comments on individual questions/sections

Candidate reports

Many candidates had excellent contextualisation in their reports. All work was word-processed, and communication was good with some use of specialist vocabulary.
Many candidates made good use of appendices to support their report.

Section 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.

Section B

For LO3 many candidates chose an appropriate global business, but some candidates 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.

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Summary of key points

- Part A: The controlled assessment instructions state 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). The report must contain **all** the work for assessment. Appendices must contain supporting work only – there should be no need for cross-referencing.
- Part B: Check that the global organisation chosen by the learner 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 rather than pages of background and history.
- Theory is not required in the work e.g. in Part B a contextualised PESTEL is sufficient.
- 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
- 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**.

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