



GCSE EXAMINERS' REPORTS

BUSINESS STUDIES

SUMMER 2014

Grade Boundaries

Grade boundary information for this subject is available on the WJEC public website at:
<https://www.wjecservices.co.uk/MarkToUMS/default.aspx?l=en>

Online results analysis

WJEC provides information to examination centres via the WJEC secure website. This is restricted to centre staff only. Access is granted to centre staff by the Examinations Officer at the centre.

Annual Statistical Report

The annual Statistical Report (issued in the second half of the Autumn Term) gives overall outcomes of all examinations administered by WJEC.

BUSINESS STUDIES

General Certificate of Secondary Education

Summer 2014

Chief Examiner: D Salter

Chief Moderator: J Price

General Comments

The paper was more accessible than that of the previous year with some excellent results being observed. Even the less able candidates were able to use the skills gained during their studies to produce some highly creditable answers.

Business Studies is a difficult subject for many who start with no previous experiences of the area prior to Year 10. In the time before they are finally examined they need to learn a range of terms and concepts, know how to apply these and appreciate how to analyse and evaluate these in unfamiliar contexts.

The best results are gained by those who are able to show their skills across the assessment objectives. Others are let down by their lack of precise knowledge and understanding of the most frequently used terms; work to address this would improve results.

Also important in producing good answers, particularly in the longer questions, is an ability to read the question set and to provide a balanced business based conclusion. Too often the evaluation questions have one-sided answers or the conclusions are not based on the business evidence.

Outcomes in the quality of written communication were mixed. Over a number of years spelling in relation to both specific and non-specific vocabulary has improved but this year saw a marked deterioration in hand writing. Near illegible scripts are difficult to read so examiners find it hard to follow the developments of arguments particularly in the longer questions.

Comments relating to specific questions are as follows.

- Q.1 A substantial majority selected the correct methods used by businesses to raise finance but there are still some who do not appreciate that the ways businesses raise money are different from those adopted by charities and so on.
- Q.2 Again a significant majority selected the correct responses here but there appeared to be many who did not fully appreciate the roles of trade unions.
- Q.3 Most appreciated the importance of packaging in the food industry. Answers mainly concentrated on maintaining the quality of food or on the attractiveness of the packaging or on the information given to consumers. Some however confused packaging with branding.

- Q.4 This topic has not been tested in recent years but candidates used knowledge gained from Business Studies and from other subject areas to provide valid answers. Acceptable answers included branded software applications. The areas least likely to provide correct responses were financial calculation and customer records. For the latter both databases and spreadsheets were allowed.
- Q.5 The answers to this question show that we have a very much environmentally aware group of students suggesting the use of litter bins and litter pickers to keep the area clean and tidy. Some of the better candidates did appreciate that the question was also about ethical reputations by explaining fair trade and fair pay to workers producing the ingredients for the restaurants.
- Q.6
- (i) Most associated the word “diagram” with “chart” and opted for the correct answer but many opted for break-even chart.
 - (ii) Most appreciated the idea of legal documents and selected deed of partnership.
 - (iii) There was some confusion about the differences between the two styles of leadership but most selected the correct option.
 - (iv) Venture capital was popular and correct for most candidates.
- Q.7
- (a) Similar questions have always been well answered. Most appreciate the value of being your own boss and making decisions in the work place. The best answers realised the nature of profits and income for the person setting up the business. However some concentrated on the enormity of profits to make the entrepreneur very rich or on the idea that the person setting up a business would always be in employment.
 - (b) Most used the diagram to select the benefits of the location in Coed Deri and showed how customers could be attracted by the other stores and the road network and how deliveries could be easily made.
 - (c) Again the diagram was well used to show the disadvantage of the site mainly in relation to the competition with Laura Ashley.
 - (d) Most were able to suggest promotional methods available to Ceri. However, for many there seemed to be a lack of understanding about the nature of promotion. Far too often the suggestions covered other aspects of the marketing mix particularly price but also on product and place. Also, in some cases, the question was not closely read so the suggested methods included advertising media.
 - (e) Most candidates concentrated on the disadvantages faced by the local shopping area. These were generally expressed in terms of the competition from the shopping centre with its lower pricing and better car parking facility. Some also considered the effects of pollution with the extra traffic and litter in the area. Those not going beyond these issues were not able to gain full marks. The better candidates appreciated that there were possible gains for the local shops with regards to the extra people in the area. Some also pointed out the limited effects on the established shops which had their regular customers or might have sold different, perhaps more specialised, products.

- Q.8 (a) This question aimed at the candidate's ability to recognise that Ltd applied to private limited companies. A majority appreciated this but a sizable minority opted for public limited company or even a sole trader.
- (b) This question was generally well answered particularly with regards to computer aided design where the accuracy and the ability to change designs and not having to build prototypes being prominent in answers. Computer aided manufacture was too closely linked with mass production for some whilst the better answers again stressed the accuracy but also considered the linkage between CAM and CAD.
- (c) Either flow or batch production were acceptable as answers but the explanation had to match the type of production. Flow production was easier to explain by many who wrote about the continuous production on the assembly line with workers adding components along the line. Some did not fully appreciate the nature of batch production in which a set number of particular goods are produced before changing the production line to manufacture a different product or model. Some answers did, incorrectly, suggest job production even though they understood this to involve making one off goods in a mass market.
- (d) (i) Most correctly expressed branding in terms of the name or the logo on the product. Some however did not answer the question here but wrote about the purpose of branding.
- (ii) Most answers showed that branding made products unique and more recognisable so that they could be asked for by name.
- (e) Even better candidates were very muddled in their answers to this question. There is a difference between multinationals and businesses which sell their products abroad. A multinational does sell abroad but not all businesses selling abroad are multinationals. The word "sell" was deliberately emboldened in the question to emphasise what was required. Answers which wrote about multinationals were credited where they included the advantages and / or disadvantages of selling abroad but often these had irrelevant detail about e.g. building shops or employing cheap labour; these suggestions were not credited. The best answers considered the benefits to the business of extending the market alongside issues such as transport, language, currency and local needs; there were many such excellent answers.
- Q.9 (a) To gain the marks available candidates had to include the two elements that a cash flow forecast is a prediction - or similar word – and that it includes money in and money out. Most appreciated this full idea but some did not appreciate that it is written in advance of trading. This was also one example of some not appreciating that there is a difference between income or cash and profit.
- (b) Most calculated the correct answers although the turnover for June proved to be more of a problem for some.
- (c) Most realised that the bank needed a cash flow forecast to test the probability of Hugh repaying the loan. Although at this point some believed that Hugh's business was the bank: this was reflected in their answers to later questions.

- (d) This question is testing knowledge of the external environment on business and the consequences of changes in the environment on cash flow. The best answers pointed out the effects that the events had on turnover and / or costs.
- (i) Most candidates selected changes in tax rates as an example of a government action. Others correctly suggested such events as minimum wage and legislation. It was a surprise to find that some believe that the government determines fuel prices and strikes.
 - (ii) Candidates were able to select any other event which could affect cash flow. Their choices generally mentioned the weather or changes in costs such as fuel or advertising and their effects on cash flow. Another government action was also allowable here.
- (e) This was a fairly open ended question where candidates were able to select strategies which businesses could use to improve their cash flow. The best answers suggested three or four ideas and showed how revenue would be increased or costs cut as a result before explaining that their suggestions could have the opposite effects from those intended. The strategies included such ideas as cutting labour costs, increasing or decreasing prices, increasing or decreasing advertising and so on.
- Q.10 (a) (i) There were mixed results with the better candidates adding basic pay to overtime but too many subtracted the latter from the former.
- (ii) There was greater success here with most subtracting £104 from their answers.
- (b) This was a question has often linked with the pay slip or as an element in the calculation of statutory deductions. Many candidates gave the correct answer although there were also a number of inventive guesses.
- (c) This was particularly well answered perhaps because of information gained from their personal lives or from other subjects. Most candidates appreciated that references are an impartial view written by a past employer to show the qualities of an individual and important to the business requesting them in deciding whether someone is the right person for a job. Some confused references with application letters or CVs.
- (d) As with a previous question the reason had to match the recommendation. Most recommended valid means of communication although some misread the question and suggested holding an interview. The reason needed to be precise. Too many wrote about how the recommendation was cheap or fast without explanation or development or comparison with something else.
- (e) Most candidates answered the question correctly. In the past there has been some confusion between franchisee and franchisor but there were few examples for this examination. The best answers considered the advantages of setting up as a franchisor followed by the disadvantages and then a business based reasoned conclusion. Those who did not reach this level wrote one sided answers or produced fairly general answers about franchises or listed the advantages and disadvantages without explanation. Still of some concern were the answers which compared franchises with sole traders; a franchisor or a franchisee can be a sole trader or partnership or limited company.

Controlled Assessment

The vast majority of centres followed the guidelines correctly and produced work that varied across the range of abilities.

A few centres, possibly new to WJEC misunderstood part of the assessment process.

Centres need to follow the guidelines set down by WJEC these are available on the WJEC website under GCSE Business Studies.

Portfolios should be submitted to the moderator in separate folders / document wallets for each candidate. The moderator should be able to easily identify candidates work. It would be an idea to include page numbers on each candidates work and candidate's name in the header or footer if work is being word processed. Some centres submitted work that was a challenge to put in the correct order.

Centres are not allowed to change the title of the set assessment in any way. One centre adapted the title of the marketing assessment and put a heavy focus on ICT and as a result it was felt that students did not fully meet the marking criteria and subsequently failed to achieve the highest mark bands in some of the grading criteria.

Assessments change every year and centres need to be aware of this, and can find all relevant information regarding the topics that are to be assessed on the WJEC website.

It is of utmost importance that centres follow the strict guidelines with regards to the use of the secure area if they choose to process their work by means of ICT. Candidates are not allowed to have access to any electronic research material either stored on the school network or via portable storage devices. This was evidenced by some candidates having images or screenshots of maps included in their three hour write up.

Portfolio Administration

Both the BS2 and BS3 forms need to be signed by both the teacher and the candidate.

Teachers must indicate on the BS3 form what assistance has been given to candidates. It greatly assists the moderation process if centres can explain the differentiation between marks in marking criteria A.

The guidelines clearly state that the assessment should be done in three clear sections, the six week research section, the 200 words guidance section and finally the 3 hour write up.

All three sections should be included in the portfolio sent to the moderator for assessment. It is difficult for moderators to award marks for research if centres have not included any in the final portfolio.

Section 1 The six week Research

A number of centres failed to follow guidelines and either annotated the research to include analysis and evaluation or exceeded the 200 word guidance. WJEC guidance states that candidates are not allowed to annotate, underline or highlight the research. It should be taken into the write up in its raw form.

Where this has occurred centres have been made aware of this. **Centres need to be aware that failure to comply with guidelines may result in centres having their marks adjusted.**

All research should be included in the portfolio sent to the moderator. Moderators need to cross reference the candidates work in relation to the research undertaken.

Some centres failed to supply any research with the assessments and as a result it was difficult to justify the higher level marks awarded for criteria B. Moderators had to contact centres to request research which slowed down the moderation process and made the situation more challenging for teachers as many students were on study leave.

It would be of significant help to the moderation process if centres could submit all teacher guidelines given to candidates to the moderators along with the sample of candidates work. This is particularly useful where centres have undertaken visits to businesses or have invited guest speakers into the school and similar research material is available to all candidates.

Candidates should be encouraged to construct a questionnaire and collect primary market research as well as secondary. One completed questionnaire and a tally chart of results are sufficient to include in the portfolio.

Section 2 The 200 word guidance

Candidates should construct a 200 word guidance document which may also include graphs, charts, photographs, tables and screen shots of relevant research, these can then be used to assist candidates with the structure of their work in the three hour write up.

Centres must limit this to a maximum of 200 words. Centres that exceed this limit will be deemed to have given their candidates an unfair advantage and as a result may have their marks adjusted.

Section 3 The 3 hour write up

If centres are word processing the write up then centre must provide a clean secure area on the ICT system where candidates cannot access any other research material or have access to the internet. Candidate names should be placed on every page in the header or footer of the document along with page numbers. If candidates are hand writing then they need to clearly number the pages.

There is a word limit of 2000 word for the final assessment and I would encourage candidates to adhere to this limit. Marking criteria B mentions the selection of relevant information, it is difficult to award the higher marks to candidates that have not been selective in their write up and significantly exceeded this limit.

Specific comments on the 2014 Assessments

To investigate the marketing strategies adopted by a number of small scale retailers and those of a larger retailer.

Write a report comparing the different marketing strategies used by the businesses investigated, by analysing and evaluating your findings.

The majority of centres chose to undertake the task which asked candidates to identify one large and 2 smaller retailers and compare their marketing strategies.

In this instance centres needed to encourage candidate to choose businesses that specifically deal with retailing. A few centres allowed candidates select businesses that were not retailers, and as a result did not fully answer the requirements of the assessment. In general the research section for this assessment was done to a very high standard. Candidates collected photographs of point of sale areas; this was useful to compare pricing and product position. They also used print screens of internet maps to show location compared to the competition and print screens of television adverts etc.

Some individuals researched 3 retailers in-depth, however when it came to the three hour write up only managed to discuss two.

One or two centres provided physical evidence of different aspects of marketing and included marketing Materials e.g. Pens, pencils, key rings, empty boxes of given products and boutique style high quality carrier bags. I would encourage candidates to take photographs of these products and not include the actual packaging products themselves.

The majority of candidates who attempted this assessment used the 200 word plan wisely; dividing the plan into four clear sections and relating it to the research undertaken. This then enabled them to follow a format throughout the three hour write up.

This assessment was by far the most popular chosen by centres and as a rule was completed by candidates to a high standard and generally marked accurately by teachers.

To investigate ways in which businesses have adopted new forms of ICT and to evaluate the impact on those businesses.

Write a report analysing and evaluating the impact of changes in the use of ICT on two businesses, their customers and suppliers.

A few centres attempted this task, and generally it was well researched and candidates were able to effectively analyse the impact of new forms of ICT on a range of businesses. Candidates undertook a significant amount of research from web based sources and this appeared to be fairly easy to obtain. There were many articles from quality newspapers or online news agencies giving good explanations on the latest products available to businesses.

Candidates also managed to research a range of individual businesses to collect specific research, this tended to be focused mainly on application of ICT regarding point of sale equipment, stock control and automatic reordering.

Many candidates wrote well on the use of an online presence of businesses, such as: website, product information, selling online and ordering online to collect in store. These aspects were generally applied well to the business under investigation.

To investigate the possible differences in the production of goods using job, batch and flow production methods.

Write a report analysing and evaluating the price, quality and output achieved by different production methods.

Only a small number of centres attempted this task.

Generally there was too much emphasis put on the theory of production methods with not enough focus on the application of these to individual businesses.

Candidates were expected to collect research material from the three differing production processes and then compare these processes in different businesses.

Some candidates made a reasonable effort in collecting research, however, it was somewhat clouded by the fact that, for example, candidates used theory from the car industry when the car industry was not one of the chosen businesses. Candidates wrote a significant amount of textbook theory on issues such as quality circles, total quality management, just-in-time production and *Kaizen*.

These concepts were often not linked to the chosen businesses. Although the uses of specialist business terms should be commended, this led to a situation of a lack of application of the theory to the actual businesses under investigation.

To investigate the differences in impact of government legislation on small and large businesses.

Write a report analysing and evaluating how laws imposed by government affect one large and one small business in different ways.

Very few centres attempted this task, of those who did, they focused on general aspects of the theory of legislation such as Minimum Wage, Health and Safety, Taxation, Maternity / Paternity leave, Sex Discrimination or Race Discrimination.

Some candidates choose two or three different pieces of legislation and focused strongly on these across a number of businesses. This approach worked well and gave the candidates scope to apply the knowledge they gained from collecting their market research. They then could develop this to evaluate the effects on those particular businesses.

Some candidates drew on a broader range of legislation and applied this to the businesses under scrutiny. This was an acceptable approach as some candidates chose businesses that were significantly different to each other and as a result allowed them to analyse and evaluate how the different legislation was more relevant to them.

Some businesses provided candidates with literature on company policies such as health and safety, however some candidates interpreted these as actual legislation.

2015 Future Assessments

It should be noted that the four tasks for 2015 are different from those submitted in 2014. Titles are now available on the WJEC website.

I would also like to take this opportunity to thank the moderating team for their hard work, help and support throughout the moderation process. Many of whom have given many years of service and I fully acknowledge that without their help, advice and experience the process would not be possible.



WJEC
245 Western Avenue
Cardiff CF5 2YX
Tel No 029 2026 5000
Fax 029 2057 5994
E-mail: exams@wjec.co.uk
website: www.wjec.co.uk