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Examiners' Report Summer 2008

GCE

GCE Applied Business (8721-9722)

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General Comments

This report is designed to help future teaching and learning. It may come across as a critique of the ability of candidates, but it should not be interpreted as being unduly negative. Judging from the many papers and answers that I have seen, most candidates have indeed worked hard on their studies and the paper is just designed to give candidates the opportunity of demonstrating, within the terms of the Assessment Objectives for this Unit, just how much they have learned. I offer my congratulations to all students, whatever grade they may ultimately achieve.

The structure of the question paper was based on replicating Assessment Objective (AO) and Mark Band (MB) weightings established in previous papers and in line with standard set by Specimen Paper. In this way the requirements of the question paper should be directly comparable with previous years.

It is recommended that in addition to reading and taking any notes or advice from this report that Examiner Reports for previous series are read as they contain lots of general advice that is still relevant and likely to be useful for staff and students in preparation for future papers.

Previous reports have noted that many candidates do not seem to be familiar with the command words being used throughout the paper. I am pleased to report that the improvement in this situation, noted in my report on the January 2008 paper, seems to be continuing. There appeared to be fewer problems with candidates misunderstanding the command words used.

To continue this improvement, and to aid candidates in the future, I would still recommend that:

1) Teachers make good use of examination preparation sessions to introduce students to the command words that they will commonly see within the GCE assessment. For further information please see: Appendix 8, in the Teacher's Guide that accompanies the Edexcel AS GCE and GCE specifications for Applied Business, May 2005.

2) Past papers and Markschemes are used to identify how command words relate to mark allocation and exemplar answers.

Despite improved understanding and use of command words, many of the answers produced by candidates still show that they are missing some of the precise wording and information given in the stem of the questions. As a result, candidates may produce long and well developed answers based on the first topic that they see, or a topic that they are confident to write about, rather than what has actually been asked in the question. Most of these answers are therefore inappropriate, consequently incorrect, and cannot be awarded any marks. This problem may occur simply through misreading, not a problem exclusive to this paper, or it could be that some words become invisible to candidates who want to get down as much as they know about a subject in the heat of the exam room.

To help overcome this problem, please advise candidates to read each question thoroughly before starting to write their answer; then to read back their answer and to check that this meets the wording/requirement of the question – if it does not, they then have an opportunity to correct or re-write an answer.

The tendency for candidates to write out the question as the start to their answer, sometimes their entire answer, is still a common practice. This may help their thought process but will not score any marks unless the question explicitly asks for the answer to be drawn from information given in the question or scenario.

There seems to be a general, unfounded, belief that the inclusion of the phrase 'to make more profit' is required in any and every answer. This is particularly evident with weaker candidates who seem to believe that 'profit' is the answer to everything. Firstly, if the question is actually about 'profit' or requires an answer about 'making more profit', then it will be stated clearly. Secondly, candidates need to know the difference between income and profit, judging by many answers there are a lot of candidates who do not understand the fundamental difference and use the terms interchangeably.

The open nature of the last two items in each question, based on a candidate's own choice of business or area of study, clearly works well for some candidates. However, for weaker candidates it can result in a page of generalisations or no marks at all is they fail to spot the key words that define each question. As in previous years there were a lot of 'politicians' answers' – candidates writing about something that they are familiar and confident about, rather than answering the question. For example, in Question 3e), when asked to write about how their chosen business retains its employees, candidates produced answers based on anything to do with motivation that they happened to be familiar with and confident to write about. Unfortunately, no matter how well written or thorough the answer, unless it related directly to retention specifically no marks could be given.

The 'open' questions also continue to cause problems for candidates who chose inappropriate organisations or examples. It is good advice to candidates to read the question before they choose a business to write about, so that they can consider which of the business that they have studied is most appropriate and which will produce the best answer.

As a general observation, candidates who choose smaller, local businesses tend to produce better answers than candidates who choose large national or international businesses. It seems that studying small/local business tends to give candidates a greater understanding of the 'real life' of the business and provides them with more opportunities for real application in their answers. Whilst large organisations may be high profile and provide a wealth of information on their websites, much of it tends to be aimed at PR or publicity. Although this may provide an impression of the business it is often too general to be of much use when trying to answer questions based on specific issues that affect the business.

The fundamental requirement of the 'open' questions is that they are based on a real business that the candidate has studied or learned about during their course. Thus they are expected to name the business and give a brief outline of its main activities, to provide context for the marking of their answer. It is surprising how many candidates still do not bother to name a business, but just launch straight into an answer. If a business is not named, and cannot be identified by direct naming within the answer, then no marks can be given as the answer could be pure fiction. Please remind candidates that it is most important to name the business about which they are writing.

One final observation about the many answers and papers that I have seen this series is that there seems to have been a marked decline in the readability of candidates' handwriting. It should be stated that no marks are directly dependent on the quality or clarity of handwriting. However, if the marker cannot actually read the answer given then they can give no marks. Our markers are very conscientious and will go to great lengths to try to read or interpret handwriting, and credit candidates according to the content of the answer given. However if an answer is written clearly and can be read easily, there is less chance that marks will be missed through the answer being indecipherable.

The Question Paper

The theme of this paper was based on businesses at and around an airport, *Mercia Airport*. Most questions required candidates to apply their knowledge of business principles to given situations, any specialist terms or industry specific information was clearly explained to candidates before they had to give an answer. Apart from some candidates who seemed to assume that airports and airlines were one and the same business, most candidates had no problems with the scenarios provided.

Comments on individual questions

Question 1

1a) Good start to the paper. Most candidates could give several reasons why *Mercia Airports Ltd.* would have the aim *to 'delight and satisfy all of its customers'*. Most answers referred to travellers as the customers but some candidates also recognised that retailers within the airport would also be customers of the business and tailored their answers to them.

As the first question on the paper it was designed to give candidates a relatively comfortable start, just asking for four reasons to be stated. However, for some reason this question seemed to encourage candidates to write long complex answers - it was almost as if some candidates are trying to define what is meant by 'to delight…'

Perhaps it was the subject matter, or their enthusiasm at the start of the paper. Whatever the reason many answers produced were much fuller than anticipated. When a question asks candidates to 'State four...' markers will be looking for four distinct reasons, rather than a description.

Some answers were based on how the business could make a profit, which suggests a complete misreading of the question.

1b) Most candidates demonstrated that the basic functions of the marketing role seem to be well known, but answers did not always apply this to the situation given in the question. Confusion between 'airport' and 'airline' heightened in this question with lots of candidates giving answers about airline marketing – cheap flights etc, rather than about how the marketing of the airport supports the aim of the business. A good example of where reading the question carefully could have avoided obvious problems. Stronger candidates produced some good answers focussed on marketing the airport to attract new retail customers.

1c) Candidates were given the information that in the Department for Transport report, 'Air Traffic Forecasts for the United Kingdom 2000', holiday flights were forecast to grow at 4.4 per cent per annum between 1998 and 2020. They were then told that *Mercia Airport* had been set an objective by its parent company *Rack Holdings Ltd* to increase its income in line with this forecast growth in holiday flights.

Candidates were asked to i) Give **two** reasons why *Rack Holdings Ltd* has set this objective and ii) Discuss the risk to *Rack Holdings Ltd* in linking an objective for income growth with the forecast growth in holiday flights.

This question proved to be very difficult for most candidates, with few scoring any marks at all. The random nature of the answers given suggest that there was little understanding of the situation described and even less ability to actually apply some business common sense to the situation, to rationalise why the business had been set such an objective. As a consequence many candidates fell back on the 'to make more profit' type of answer, which is not acceptable at this level. Other answers suggested that the airport should 'put up prices' – the price of what was not explained – but this type of answer suggests that candidates were thinking about how the business could meet its objective rather than what was asked i.e. why such an objective had been set.

In itself question c i) was not difficult, just asking for a reason why the business had made a certain decision – why it had been set an objective for growth based on industry forecasts of growth. To answer this, candidates should have considered reasons or advantages to the business for having such an objective, but in many cases the candidates just described what the business had done, rewriting the question, rather than why the objective had been set.

Question 1cii) was equally straightforward, but equally poorly answered. The question was based on the very simple idea of questioning the wisdom of linking objectives to forecasts. Some candidates identified the basic risk that, as such, the forecasts were just predictions which may or may not come true, but few could develop their answers and apply this to reasons why forecast events may not happen.

A general problem was that candidates had not read the question fully or understood that *Mercia Airports Ltd* was the business operating the airport and not in itself an airline. A lot of answers to this question seemed to be based on issues such as fare prices or destinations that would be completely out of control of the airport itself.

One final point is that had candidates just taken a moment to read back their answer, to see how it flowed in response to the question asked, I feel sure that many would have reconsidered what they had written because their first answer would not have made much sense. I understand how difficult it can be to read back answers under the pressure of examination conditions, but it is certainly worth doing and could salvage a zero mark answer and potentially turn it into something that would score marks.

1d) All students on an Applied Business course should know why a business needs to make a profit. However, judging by many of the answers given to this basic question there is a lot of confusion, particularly understanding the fundamental difference between profit and sales, income or turnover. Lots of basic, low level answers but little development or 'outlining' as required by the question. Some answers became overcomplicated, trying to build more into the answer than was actually being asked in the question. Advice – try to keep it simple and just answer what has been asked.

1e) Candidates were asked what would be the options for *Mercia Airports Ltd*, as a private limited company, for raising finance for the building of a new terminal. Some candidates seeing the term 'private limited company' in the stem of the question proceed to give a definition of this, and then compare it with other ways of establishing a business. This was not answering the question asked so could not be given any marks. Some candidates gave overly complicated answers, rather than sticking to the basics. Many gave low-level answers based on general sources of finance, such as 'a loan', not appropriate unless explained. Very few candidates gave answers that considered the size of the project and the scale of finance required.

1f) Question asks candidates to explain the role of the manager responsible for finance in the business that they have chosen. Where a candidate has chosen a large national or multinational business the answers tend to be very generic – suggesting that the candidate has not got to the heart of what a finance manager does in that business. There is also some confusion coming through when candidates have chosen a national retailer, with answers based on the role of the store manager rather than a manager with specific financial responsibilities. It became clear from answers given that candidates who chose smaller, local, independent business tended to produce fuller answers with real application, suggesting that they understood just what the finance manager did in that business. Their answers were less generic and consequently scored higher marks than more general answers based on superficial comments about large organisation.

One final point about the choice of business- when a candidate writes 'McDonalds' do they mean the local franchised branch or the corporate organisation? It is the same when other large organisations with many branches, such as retailers, are named - is it the finance manager for the business or the financial responsibilities of individual store managers that is being written about? Most candidates giving general answers fail to make this clear.

1g) Question gave candidates an example of what is meant by a centralised management policy, then proceeded to ask for examples from candidates own learning. This produced some good answers - if candidates understood what was meant by 'centralised management'. If not, answers tended to be generic descriptions of management per se, with little reference to aspects of centralisation, and consequently nothing about day-to-day effects. Most of the businesses chosen should have provided good material for answers to this question. Some in particular, e.g. franchised businesses, had scope for particularly good descriptions and examples of how centralised management affected branches day-to-day, but having chosen them many candidates did not take advantage of the opportunities presented, just describing what the business did. Some candidates spotted the word 'objectives' in the stem and proceeded to write about objectives rather than the effects of centralised management. Question generated many 'politicians' answers', candidates writing about what they know rather than what was asked. Some candidates struggled to write answers based on examples that were not appropriate as they did not have branches and did not engage in centralised management.

Question 2

The scenario changed from the airport itself to a small business that provides a taxi service for travellers using the airport. Again, candidates were provided with an explanation of any industry specific terms or practices.

2ai) Asked about the cause of high turnover of employees in the taxi business. The fact that not all candidates scored marks for this question shows that although it appeared to be superficially simple, and general knowledge based, it in fact required some consideration and application to the particular issues that are likely to affect employees of taxi firms and the consequent effect on staff turnover. Also, judging by some of the answers, some candidates did not differentiate between 'staff turnover' and 'financial turnover'.

2aii) Asked for personal qualities required in given situation, the recruiting of taxi drivers, was not difficult for most candidates. There were many generic answers showing little application to the situation described. Also, many answers gave skills and qualifications rather than the personal qualities asked for in this question.

2b) Asked to discuss the likely recruiting process for taxi drivers produced a lot of general answers lacking application to the actual job. Answers showed a good knowledge of the generic recruit process from most candidates, but question specified 'for taxi drivers' so an element of application was required for full marks.

2c) Asked to analyse why face-to-face interviews are conducted with potential employees during the selection process, candidates gave lots of good answers in general. Most candidates seem to understand all about face-to-face interviews and gave answers that showed a lot of application to the real-life situation. Some answers were written from the point-of-view of the person being interviewed rather than the employer, a valid response and marked accordingly. Weaker candidates described face-to-face interviews rather than analyse why they are used, and as this did not answer the question asked, consequently scored no marks.

2d) Some very good answers to this question about the use of curriculum vitae (CVs) in the recruitment of staff. Candidates seem to be not only familiar with the content of CV's, but also familiar with how they are used in the recruiting process. In this question many candidates also showed their ability to analyse the situation by presenting arguments for and against the use of CVs, expressing advantages and disadvantages over other documents used in the recruitment process, such as application forms.

2e) The stem of this question provided information and a brief description of *GoSkills* the Sector Skills Council (SSC) for businesses working in the UK passenger

transport sector and its role in developing and promoting its nationally recognised training schemes for the transport sector, including the taxi industry. Based on this given information candidates were asked to analyse why a nationally recognised training scheme will benefit taxi firms.

For most candidates this question produced a range of positive features of training per se, and many focussed this on the consequent benefits for taxi firms. Some answers related to competitive benefits, others on benefits for recruiting and retaining staff. Linking training with the benefits of using a nationally recognised scheme proved more difficult, but stronger candidates identified its advantages for building reputation and reassuring passengers, as well as a way to maintain a high quality service. Some candidates appeared confused the term 'national scheme' as their answers focussed the nationality of drivers, or the international potential for driving taxis. Other candidates gave well argued answers but based on the benefits for the taxi drivers themselves, which was not what was asked in the question.

2f) Candidates were asked to explain **two** common elements that would appear in any job description from a business that they had chosen. This produced some very full answers. Most candidates could give examples of different elements that would be included in a job description, then go on to describe these in detail, more than demonstrating their understanding and ability to apply their knowledge to real job descriptions. Some candidates confused job descriptions with person specifications and, unfortunately, named and described inappropriate features.

2g) In contrast to the job descriptions used in Q2F) this question asked candidates give an example of a person specification for a new member of staff who has face-to-face dealings with customers in the business you have chosen. This proved to be another question that produced a lot of good quality answers. Most candidates could not only list common elements of a person specification, but could also relate them directly to good examples of jobs involving face-to-face contact with members of the public. Candidates seemed clearer about person specifications than they did about job descriptions. One problem that did arise was from candidates that named telephone call centres as their chosen business, as by default, such employees would not have face-to-face dealings with customers. A case of misreading the question.

Question 3

3a) Candidates were given a brief scenario before this question: that *Mercia Airports Ltd* has applied for planning permission to build a second runway, and that this had attracted attention from pressure groups. One pressure group was made up of local residents who are against the runway and another pressure group of local businesses who support the runway. The question asked candidates to explain the arguments of each pressure group.

Lots of good answers. Most candidates could come up with arguments for and against the building of a new runway; more pleasing was the fact that most answers contained business/economic based arguments as well as the more obvious emotional arguments. However, only the stronger candidates accessed the full marks by applying their answers directly to the issues of each pressure group.

3b) Candidates were asked to use **two** needs from Maslow's hierarchy, to demonstrate why protests from pressure groups could demotivate staff working at the airport. There were two particular issues with answers to this question. First is related to subject knowledge. Although it is one of the most prominent theories in management ain general and this Unit in particular, not all candidates appeared to be familiar with Maslow's Hierarchy of Needs. This was evidenced by the number of blank spaces rather than answers to this question. The second issue relates to the technical approach to this question. The question asks candidates to use two of the elements from Maslow's theory, but it was surprising how many candidates did not mention any of Maslow's stages, just launched into writing about demotivation, and consequently missing valuable marks.

3c) Question asked what **four** actions the management of *Mercia Airports Ltd* could take to motivate its staff during protests from pressure groups? This is another question that some candidates did not read fully. Lots of apparently good answers, but many candidates seemed to stop reading the question at the word 'motivate' and did not take on board the need to apply motivation to the situation described i.e. for a workforce faced with protesters. Consequently some answers gave motivation techniques that were not appropriate to the situation described. Lots of generic statements like – job enrichment – without any explanation or application to the given situation or low-level answers about motivation in general.

3d) Part i) asked candidates to describe **one** piece of legislation that is designed to protect the well-being of employees in businesses that operate 24 hours a day. Most candidates had a vague understanding that there was some regulation in force to limit working hours per week or ensure that workers had regular breaks or rest period. However, there was a general lack of precision. For such a high profile and universally applied piece of legislation it was surprising how few candidates could name the legislation correctly. However, some understanding and awareness is better than none at all.

When writing about the consequences for the employer if they break these regulations in 3dii), again, most candidates could come up with a generic consequence such as 'taken to court' or 'they would be fined', only the stronger candidates could put together a cohesive answer that described possible consequences. Some confusion over who would be on the receiving end of the consequences. The question referred to the employer, but some answers referred to employees.

3e) How does this (chosen) business retain its employees? Lots of scope for extended answers here, and most candidates took the opportunity to describe in detail how their chosen business retained it employees. Sometimes the answers were more about motivation than retention, but candidates were credited if within their answer about motivation, any of the techniques described could be applied to staff retention.

3f) The final question on the paper and another that should have been based on candidates own chosen business. To what extent has this business been successful in dealing with a local environmental issue? This question generated a lot of long and emotive answers. Unfortunately, many candidates missed the requirement to write about a *local* issue, and instead chose national or international businesses and based their answer on national or global environmental issues. This made some of the answers quite difficult to mark, because they contained many good examples of national and international initiatives, but little reference to local issues. However, within most of these answers we could find examples of how the chosen business was dealing with an environmental issue that did affect them locally, perhaps in an individual branch, or the environment surrounding an individual branch. In this way candidates did receive credit for good examples and explanation, but more care over reading the detail of the question and actually answering what was asked would have resulted in better marks in this question.

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Unit 2: Investigating Business (6917)

General Comments

The majority of centres assessed this unit within the bounds of tolerance, however there was evidence of some very lenient assessment from a small number of centres.

Some candidates used an existing business or case study of an existing business rather than investigating setting up their own small business; however the majority did make the correct decision. A number of candidates chose businesses that were either too large or in some cases too small for them to meet all the unit criteria

Many candidates were not realistic in their choice of business.

Assessment Criteria

Strand A: Some centres devised assignments that did not fully cover all aspects of this strand in that some centres directed their candidates to provide only a description of a small number of competitors in order to cover the market research and analysis aspect whilst some omitted this aspect. Some centres produced assignments briefs that did not fully cover this theme or restricted answers to mark band 1 or 2.

As part of the market research questionnaires were usually used but in some cases the sample did not reflect the target market for the product/ service in demographic terms. Once the questionnaires were completed, candidates often produced graphs of the results and described the results but did not analyse the outcomes. The research was usually quite good but many candidates did not analyse the data collected in sufficient depth, many did not use it as a basis for their decisions. Work was often in mark band 1.

The work presented for the remaining area of the strand was sometimes generic and not applied to the business being investigated.

The other aspects of strand A were stakeholders, aims and legal aspects. Candidates often gave generic aims and objectives that were not SMART. Stakeholders were covered but again the answers were generic. For legal aspects, candidates usually only covered the ownership of the business and missed the other legal implications for the business, e.g. nurseries, playgroups & the legal requirements for working with children. The work was often basic and the wider legal aspect related to taxation, VAT, consumer legislation and food handling/ sales were rarely covered and so work tended to be in mark band 1. Prices were often given but pricing policy was rarely discussed beyond simple statements of being cheaper than competitors.

Many centres tried to complete the same course work for 6917 & 6918, many centres submitted marketing mixes, segmentation, etc. for this unit although these are not required. This approach did not produce the appropriate evidence for this unit.

In strand B, candidates often gave theoretical answers to “quality”. Quality statements were often “an afterthought/ bolt on” and not linked to other resources. Small businesses were often planning to implements TQM. Human resources and financial resources were often only briefly covered. Candidates tended to list, and in some cases, explain the range of financial resources and their sources but did not justify their choice of finance. Many candidates covered personal loans rather than business ones. Often financial resources were not appropriate to the business. Physical resources were often listed without reference to costing, availability and importance. Candidates often produced pages of downloaded images with some descriptive detail. Premises were often not covered or the use of the candidate's own home was identified. In the later case, there was rarely any payment towards utilities evident in either strand B or C. Strands A and, in particular, B should be used to provide evidence of costs, capacity and sales for the financial documents in strand C. In some centres statements were often general, not related to the business and not justified. The management of resources aspects, i.e. the costs, sources and availability, were not always covered.

For strand C, candidates usually calculated cash flow and breakeven but the monitoring aspects were rarely covered. Candidates could not always explain what they were doing or how they arrived at the figures. Candidates often described the cash flow and breakeven but could not explain how these were used to monitor the performance of their business. Candidates in some centres simply produced a range of financial documents without any explanations. There was little linking back to research in strand A or to costs and amounts, e.g. employees/ hours, of resources in strand B. Many figures were unrealistic. Accuracy was often missing, especially in cash flows. Again work was often limited to mark band 1. However, many candidates did well on this strand. Where candidates demonstrated knowledge and understanding of finance and financial monitoring, this strand was usually done well and appropriately assessed.

In a number of centres, candidates did not explicitly select or describe start up and running costs.

Strand D was often treated as an "add on" and was rarely linked to the business. There was over concentration on generic software, usually Office, with little on specialised software. Where covered, the specialist software was often accounting packages and these were often inappropriate to the size of the business. Some candidates did effectively use Publisher and other DTP packages as specialist. Candidates tended to describe the use of word processing for letters, databases for customer records and spreadsheets for accounts, however specific examples in relation to their own business were often omitted.

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Unit 3: Investigating Marketing (6918)

General

Most of the work was again submitted together with the appropriate forms – Mark Record Sheets ("MRS") and "OPTEMS" although not all were fully signed to indicate authenticity and some of these had to be requested separately. In general, marks on the work conformed to those on the OPTEMS with occasional discrepancies.

Where Centres design their own "front sheets" it is important to ensure that all the relevant information is present ie candidate and Centre name and number, Centre marks, moderator marks, assessor's and candidate's signatures and, where relevant, of internal moderation or internal standardisation

The work submitted again demonstrated similar approaches in content and style from earlier series. Assessment seen was generally consistent with still some evidence of leniency and assessment in much of the work around or just outside the limits of tolerance. There were again a few instances where assessment was found to be harsh.

Annotation of Portfolio Work

The minimum requirement for annotation of portfolios is laid down in the Code of Practice to be identification of where a candidate's evidence of criteria coverage may be found in the work. Many Centres provided this but there were still examples where little or no annotation was evident and moderators were left trying to identify where and how marks had been awarded. The recommendation to annotate by reference to "Mark Band" achieved and "Strand", "Theme" or "Area" covered eg MB1a, MB2b etc is currently still not being followed by some Centres but, however this is done, it is worth emphasising again the importance of clear annotation and internal standardisation for the benefit of candidates as well as for external moderation purposes.

Presentation of Portfolio Work

One major concern still remains the inaccessibility and unsuitable presentation of many of the portfolios with work either tightly packed into plastic wallets (that split on opening), left in ring binders or clipped into plastic folders (this simply makes the process of extracting the work more laborious than should be the case). The preferred format remains loose-leaf or treasury-tagged sheets that can be easily opened and read.

Interpretation of the specification for assignments

There was still evidence of a largely "academic" approach ie candidates producing masses of theory on sampling or pricing without the required "application" to a suitable choice of product or service to be marketed or re-marketed.

A number of assessors are still not assessing against the assessment criteria or are not fully reflecting the omissions or inaccuracies in the candidates' coverage of these criteria in their assessment decisions. Also assessors do not always use the assessment objectives listed against the assessment strand (a –d) to focus their assessment decisions on the candidates' knowledge, ability to apply knowledge, use of methods of obtaining information for analysis or their ability to evaluate and reach reasoned conclusions as appropriately directed. The lenient assessment involving the higher mark bands is often due to the assessor not using the operative verbs in the assessment criteria for these mark bands to identify valid evidence. Consequently, lengthy descriptive and theoretical work is often over rewarded.

The assessment requirement should be met more directly in a practical way demonstrating knowledge and understanding of marketing principles and concepts whilst applying these in context. In the cases of the best work an integrated approach was apparent with the choice of product or service justified by careful research from several sources that, in turn, informed the final choice of marketing mix. Weaker approaches were still found where candidates tried to launch or re-launch a whole range of products or services (sometimes a complete business or brand) and this made for real difficulties when detailed consideration of the "mix" was attempted eg it was difficult to come up with effective pricing when candidates often regurgitated pricing theory to cover a range without arriving at any actual prices.

As with "Investigating Business" in Unit 2, the best approach was when candidates took simple products or services and came up with practical suggestions for a suitable marketing mix that incorporated a clear idea of product, price, promotion and place (distribution) ie the "4P's" (or some variation) linked clearly to the market research. Weaker work underestimated eg the costs of promotion and advertising and made assumptions about budgets that would be unsustainable in reality. This emphasised again the need for clear, simple ideas, costs and prices. In the best cases, candidates were able to produce eg mock-ups of advertising and promotional campaigns as part of the mix and these added to the whole approach.

Assessment Criteria

It is worth remembering that each section of this Unit is directed towards a specific Assessment Objective so that, for instance, (a) requires demonstration of knowledge and understanding (AO1); (b) concerns research and findings (AO3) and so on.

(a) There was a tendency for candidates to over rely here on the use of theory, and to state what they were going to do rather than provide substantiated reasons for their choices. Where candidates had been required to investigate the market, brand, range or some generic product rather than a particular product or service this made for difficulties of analysis. Where an existing product or service is chosen it needs to be made clear what proposed changes are being made to this as well as there being some information about the current mix. Often, the actual product or service itself was not well explained (candidate and assessor assuming it too obvious to require any explanation) and marks were lost as a consequence. Where candidates had been guided to a clear choice, the outcome was usually better. What is still needed is a clear description of the product or service with reasons given for the choices made and for the marketing objectives, segmentation and target market to be clearly explained as well. There is no need to make the (assignment) brief too elaborate, candidates tend to become distracted by other issues such as product design and lose sight of the requirements of the specification as a result. The target market and segment were usually identified and often defined, but weaker candidates did not demonstrate that they fully understood these concepts through their choice of target market. For example one candidate stated that their target market was socio-economic groups A to E covering the ages 13 to 60 in order to sell as much as possible to as many people as possible, which is rather to miss the point of targeting! Some candidates tended to discuss the business aims and objectives of the company rather than explain the marketing objectives that they would set. Better work demonstrated a clearer linkage of the product to the marketing objectives, segmentation and the target market together with some justification for these, thus raising the possibility of marks in Band 3.

(b) This often included copious amounts of market research theory which is unnecessary. The majority of candidates provided evidence of carrying out both primary and secondary research, although some of this could have been better directed in order to identify or justify the target market, size of market, degree of competition, and to inform the choice of the marketing mix. In some cases the range of methods used tended to be limited to a basic questionnaire and a search of the internet. In order to access the higher mark bands a greater range of methods and/or sources are required. The results were presented in chart, graph and table form and what these showed was stated or described. The stronger candidates analysed their results, drew reasoned conclusions from them and extracted information to be used later to support their marketing choices. There was however less evidence of candidates undertaking comprehensive research using a wide range of relevant resources with comprehensive original analysis. One candidate explained why they were not using the various methods of research and ended up using a very limited range of sources that did not meet the requirements of Mark Band 2! In the best work there was again good evidence of suitable research both primary and secondary as the basis for much of the unit coverage. Where candidates had investigated a wider range of sources (including interviews with relevant people and the use of focus groups) and then linked their analysis to the target market and segmentation highlighted in (a) above coverage tended to be fuller. Sometimes primary data was too restricted or inappropriate eg conclusions based on an unsuitable sample size; or a product targeted at 16-20 year olds based on a survey of older adults! Stronger candidates were able to use good research findings to link analysis to the target market identified above or as a basis for a different target market altogether.

(c) The majority of candidates were able to describe the relevant P's of their marketing mix; however this often lacked the detail required for Mark Bands 2 and 3 that could have demonstrated how the product/service was differentiated to appeal to the specific target market; how the promotion and advertising was targeted at the chosen market segment and how these, along with the pricing strategy, contributed to the marketing objectives. Most candidates linked at least one component of their marketing mix to their research, usually the pricing strategy. However, only a small number clearly linked all their marketing mix to their research and even fewer linked it to their segment. Higher marks arose where the "mix" developed through links to research findings (from (b)) especially in relation to the target market/segment identified in (a) above. Much theory was also in evidence with weaker candidates failing to apply this to the chosen mix. The "mix" was too often buried in a mass of discussions about the business or buried in theory eg of "pricing" and it was often difficult to find out eg what actual price(s) would be suggested. One improvement in this area would arise where the reasons and justification for links between the elements of the chosen mix were fully explained. Sometimes, (c) was done in isolation to the (extensive) research findings that could have informed the "4 P's" so much better and more clearly. In many cases candidates had been encouraged to use marketing tools such as the Boston and Ansoff matrices, product life cycle and so on and many applied these to the mix in an attempt at justification. In reality, the nature of the choice of product or service often rendered discussion of these tools largely irrelevant since they would more commonly apply in the case of larger, multi-product businesses.

(d) This is still the least well understood of the four assessment areas. The required evaluation needs to be of the individual components of the suggested mix rather than just of the (nature of) the chosen product or service as was still sometimes the case. In some cases, candidates investigate "external influences" on the marketing mix and better candidates steer this towards an evaluation of their suggestions in (c) but weaker candidates find this approach difficult. "PEST" and "SWOT" - style methods of evaluation were often employed but were not always directed at the marketing mix. The stronger candidates tended to include their justification for their marketing mix along with the supporting evidence when proposing the mix under area 'c'. Better, more specific evaluations arose where candidates used relevant "SWOT" and/or "PEST"- style approaches (and their variations) and applied these to the components of the mix identified in (c). In some cases, evaluation occurred throughout the work and in the weaker cases simple, unjustified statements were much in evidence and the whole was more about the tasks or assignment (and how these could be improved) rather than about the required evidence presented. The comments regarding assessment in the "general issues" above are also relevant here.

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Unit 4: Investigating Electronic Business (6919)

General

To successfully achieve this unit, learners need to demonstrate an appropriate level of understanding and application of knowledge across the full range and scope of the unit outcomes, in particular the unit assessment outcomes/criteria, the specific AO's, and the mark band (MB) distributions (GCE Applied Business Awards Specifications Pages 37 and 41). In as much as learners need to show a clear understanding of the subject and the practical application of the unit requirements from a balanced contribution across the four knowledge/applications Strands, the related AO's and marking criteria bands.

Therefore, in relation to the Unit specifications (p35 and 36) learners should:

- Show knowledge and understanding of a range of business situations and web based concepts.
- Be aware of relevant and up-to-date information from a range of sources in relation to an online presence.
- Use adequate techniques and methods on the collection of information, analysis and design of a business web site.
- Be awareness of the issues, problems or opportunities of website/online presence.
- Be able to prioritise evidence and arguments
- Show judgement in the selection and presentation of findings
- Present additional examples and appropriate materials in support of a conclusions
- Demonstrate the application of techniques and methods in the design and building of a website in an appropriate business context.
- Evaluate the business context and is aware of the issues, problems or opportunities poses by a web presence.

In particular, the work sampled indicated appropriate website being identified by learners with an explanation of the general features and purpose of the sites, and a description of how the sites functions in support of the business achieving its objectives as required for Strand (a) AO1/2 much improved. Further specific business related analysis, with more specific examples should be included to show the linkage between the website and the business objectives. A more detailed evaluation of how a business can use a web presence to meet its objectives is essential for the achievement of MB3.

To ensure the full development across Strand (a), to MB3, an appropriate selection of businesses and websites should present, if possible contrasting site/businesses should be encouraged to support further evaluation. e.g. B2B, B2C or G2C type sites

A single business needs to be selected to explore its strengths and weaknesses in an internet presence for strand (b). The business of choice is important for the depth of analysis, evaluation and the selection of drawbacks possible in moving from MB1 through to MB3. The inclusion of more examples showing the drawbacks to having an internet presence for that business and the provision of recommendations for improvements in the website should be included, especially in relation to the stated business aims and objectives.

The depth of analysis into the factors for creating a website for a business must be considered beyond the generic, including the consideration of ongoing legislation, costs and maintenance/training expenses. In addition, a justification and/or consideration of the business opportunities a website could offer should be considered. Overall the candidate must demonstrate an understanding of the needs/factors for a realistic online presence and justify their choice, as required for Strand (c) AO3.

In the sample, candidate's continue to demonstrated a good understand of the design and build processes for a creating a website for AO1 & A02 in criteria Strand (d). In should be noted; the website must be for an existing or planned business, currently without a site. This strand offers an opportunity for learners to fulfil the requirements of producing a web site. However, the initial plans, outlines for a website and navigation needs to include clear evidence e. g. flow diagrams, site layouts, page sketches and links, navigation structures and detailed content relating to the images, clips, page linkage and content outlines linked to the site under development, to move beyond MB1. The appropriateness for the business of the proposed website, e.g. the described target audience, its ease of use, user interface and consideration of how the site will be seen by users and its value to customers is important (and authenticated) for gaining MB3,

Authentication

For the web site as described/designed for Strand (d) MB2 & MB3, centres should include evidence to confirm originality of leaner work, especially in relation to the website functionality and appropriateness for the business and user. The use of witness statement, tutor comments, observation checklist and signed screen/output documents must be present in the material.

Internal Standardisation

Consistent marking and standardisation within centres was evident however in assessing higher performance, assessors need to consider the depth and scope of material in terms of quality of examples and quality and reasoning of evaluation in the learner's work to award the higher MB3 marks, with the inclusion of authentication statement for strand (d) .

Enhancing Assessment

Centre should ensure, especially in relation to the higher mark bands that clear evidence of analysis of how a business can use a web presence to meet its objectives and an evaluation with examples of how these businesses set objectives are met by a web presence is included for MB3 strand (a).

For strand (b and c) detailed analysis and consideration of legislation, on going costs of maintenance, training and updating expenses should be included with supporting research material. Candidates should be encouraged to explore and evaluate the influences, needs and design considerations for using a website to support a new business in its achievement of objectives with appropriate examples.

For the design and operation of a website Strand (d), candidates should be encouraged to provide a working example of their designed website to achieve higher marks in MB3. Thus authenticated evidence of navigation, examples of images, clips, page linkage and content outlines to support its construction and functionality should be included by tutors.

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Unit 5: Investigating Customer Service (6920)

General

The external moderation process was deemed to be straightforward.

Overall, centres forwarded samples on time and an accurate number of sample portfolios were provided i.e. ten portfolios with the highest and lowest grade included.

Statements of authentication were present in the samples moderated for this series. However, these were often not signed by either the student or the assessor. Centres should ensure authentication statements are fully competed when submitting evidence for external moderation.

Assessment Criteria

Overall, the assessment objectives for this unit were met adequately, through written reports, presentation and a detailed witness statement. However, where only a Power Point presentation and witness statement were submitted as evidence, Candidates only accessed marks in Mark Band one, this was due to lack of detail in the presentation and the witness statements.

Strand A, candidates presented a description/explanation of internal and external customers and their needs and expectations. However, in some cases candidates only focused on one business. Centres should encourage candidates to select contrasting businesses. The needs and expectations of customers were identified however, in some cases customer needs and expectations were very similar or generic as a result of selecting similar organisations i.e. Virgin and Easy Jet. Evidence for how the organisations met customer needs and expectations was weak or not addressed.

Strand B, Strengths and weaknesses of customer service activities were implied in some portfolios. In main the evidence for this particular assessment objective was weak, as candidates focused on strengths and weaknesses of the organisation and not customer service activities. Candidates should be encouraged to elaborate on the strengths and weakness, stating why they felt this was a strength or weakness for each activity this evidence should then be developed further by making suggestions for improvements for identified weaknesses.

Strand C, Attempts were made by candidates to describe/ explain how the chosen business maintains, monitors and improves customer service. In some cases lack of research limited candidates in generating the evidence required for this assessment objective and mark bands. In this moderation series Candidates often concentrated on how customer service was monitored and application of maintaining customer service was often omitted or implied.

Strand D Candidates identified and described UK legislation well. Application of UK legislation to the chosen business was basic however, the choice of business in some cases limited candidates in applying EU legislation. Evidence of working procedures was weak or not addressed by candidates. Candidates should be encouraged to use the research gathered on working practices. Useful information on EU legislation can be found on the following websites.

http://www.dti.gov.uk/ccp/topics.htm

http://www.dti.gov.uk/ccp/topics1/pdf1/bencheu.pdf

http://www.dti.gov.uk/er/emar/wtr.pdf

Annotation

Assessors should be encouraged to annotate achievement of assessment objectives and mark bands against the evidence.

Guidance

Centres should ensure candidates select contrasting businesses as per unit specification; this will enable candidates to generate evidence requirements for the higher mark bands. It is recommended that centres do not select Shopping Malls or Retail Parks as this may limit scope for developing evidence for higher mark bands.

Centres need to encourage candidates to research fully (Primary and secondary) in order to support the evidence requirements for the higher mark bands for each strand. Analysis of primary research should be included as evidence, together with secondary research.

It is recommended that centres encourage candidates to produce written work and then extract the presentation from the written work, this will enable candidates to submit detailed evidence towards the assessment objectives and higher mark bands. Candidates should submit both elements of evidence for this unit. A presentation supported by a detailed witness statement and a written report as this is a requirement of the unit specification.

It is recommended that a school/college is only used to provide evidence for strand A. Centres should encourage candidates to investigate the same organisation for strand B, C, and D.

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Unit 6: Investigating Promotion (6921)

The feedback given below is based on comments from all examiners involved in marking this unit.

The structure of the Investigating Promotions paper is now familiar to centres and students and this has helped to provide some very well developed answers, especially for the questions based on student's own study of specific promotional situations, questions 8 to 10. The structure of the paper will remain the same for January 2009.

The very definite reliance on application to real businesses and real business situations remains the primary focus of this paper. Candidates do need to consider the context of each question and relate their answers to the scenario given. Centres and students are strongly advised to make use of past papers, their detailed mark schemes and past reports on these papers. Full details of the approach and standards expected are provided in these introductory notes and through reference to specific questions below.

There were the usual two case studies where details are given about specific businesses. For this paper, these were the advertising and sponsoring related to the game show Deal or No Deal and the promotion used by *Tolvaddon*, a business offering holiday lets on a farm. There were also three 10-mark questions based on businesses' promotional campaigns, which students have studied during their course. For this paper, these were

(i) billboard advertising; (ii) promotion specifically to mothers; (iii) promotion of a special offer through advertising on packaging.

Candidates responded well to most of the situations they were presented with and very few questions were not attempted. There is clear evidence that candidates are thinking more carefully about the scenarios and tailoring their answers to them, but frequently not fully enough. Three main weaknesses were responsible for the majority of lost marks.

a) Not reading the questions carefully enough.

b) A lack of knowledge of basic facts and terminologies.

c) Not relating the answers to the specific context given.

Specific examples were given in the Summer 2007 report, and examples are shown below in the comments made on the individual questions for this paper.

If candidates need more space they can:

- Continue writing below the lines if there is a blank space provided.
- Continue writing in another part of the booklet where there is space.
- Continue writing on an additional sheet of examination paper and attach this to the booklet.

Whenever answers are continued outside of the space of the lines provided, the candidate must indicate this fact, otherwise this may not be picked up by markers.

Comments on specific questions

Figure 1 – This set the context for the first four questions. The details in this figure were specifically needed for answering questions 1(a) to (c) and 2(b). Candidates should read the details carefully in the scenario and be prepared to use them to justify their answers to subsequent questions.

1(a) – Candidates either understood the question and gained full marks, or did not read it carefully enough and gained no marks. The instruction was to consider how the programme worked. Where candidates failed to gain marks it was usually because they referred to the number of viewers or gave general answers not related to how the programme works, nor to BT as the sponsor.

1(b) – There were some well argued answers here. A significant number of candidates wrote to the lines provided and gave limited answers, even though they were using the right approach. Candidates who gained very low marks or no marks read the question as though it had stopped at '…sponsoring', and not at '…sponsoring this programme'. They then wrote very general answers about sponsoring with no reference to the programme at all.

1(c) – Again there were some very good full answers. Candidates who failed to score any marks had nearly always ignored the part of the question that said 'this kind of programme' and wrote about general reasons why any form of sponsoring might lead to negative publicity, e.g. 'the programme becomes less popular' and 'something bad happens'.

2(a) – Few candidates failed to score well on this question. Where they did this was usually the result of ignoring that the question was about advertising in March, and not about the time of day or the day of the week.

2(b) – Candidates needed to draw on a number of sources for a full answer to this question: the question itself; Table 1; Figure 1. They also need, at this level, to provide distinct drawbacks and explanations of how or why the advertisers will be affected. A significant number of candidates concluded each drawback by saying 'so they won't see the adverts'. More depth is required in the explanations.

3(a) – Candidate could give a fairly general answer to this question, so nearly all candidates scored some marks. For full marks some application to the show, advertisers or the situation of viewer figures was required. Only the better candidates developed their answers in this way.

3(b) – Most candidates could provide a method that would allow the businesses to check if their advertisements had reached their target audience, and could then give some detail of how this would be done. Very few candidates gave any explanation of how this could be done cost-effectively. Some candidates read the question as though it was asking if the advertisements themselves were cost effective.

4(i) – The majority of candidates do not appear to understand the basic roles and responsibilities of Ofcom and the ASA, and generally went for the ASA. There were also a sizable number of candidates who thought that Channel 4 set the restriction.

4(ii) – Very few candidates could provide a full explanation for the limit being set. A significant number of candidates did not see that the limit was being imposed on the amount of advertising 'per hour' and gave answers that related to the length of one advertisement. Answers were then given about allowing other businesses to advertise, and not about preventing broadcasters from swamping programming time with advertisements.

Figure 2 – This set the context for questions 5 to 7, all of which required candidates to check back and use the details provided in the scenario. Most candidates did make good use of Figure 2 to support their answers.

5 (a) – Most candidates now have a reasonable understanding of what ambient advertising is and its main characteristic. They could therefore gain 1 mark, but many just gave one or more characteristics, but did not go on to explain how the helium balloon demonstrated that characteristic.

5(b) – Most candidates could identify the target group for (i), but many did not consider the products and services *Tolvaddon* offered. This made it difficult to develop full answers and the normal mark for this part of the question was 1 or 2 marks only. For part (ii) candidates who looked back at Figure 2, where the target groups were given, as well as the products, tended to score well. Many candidates simply responded to the word 'website' and wrote about people who had computer skills and knowledge, with no specific application to the context of the question. No product was mentioned and no target group that related to *Tolvaddon* identified, so these candidates scored 0 marks.

6(a) – This question was poorly answered, mainly because most candidates did not read the question carefully enough. The majority of candidates answered question 6(b) here, and even when they were faced with apparently the same question on the next page few went back an addressed the mistake.

Most candidates either did not read the phrase 'production requirements' or they did not understand what that entailed. They identified differences in the two papers themselves, black and white/colour, weekly/monthly, free/paid for, North of Cornwall/seven small towns, but they did not then consider how that would affect the way *Tolvaddon* would produce the advertisements.

Where candidates did appreciate that it was production requirements for *Tolvaddon* that were required, there were some well argued differences presented.

6(b) – Most candidates could provide basic reasons why one paper would be better than the other, but only the better candidates went on to apply these to 'this target group', American tourists taking a holiday in Cornwall.

It is very important that candidates read the stem of a question and take this as part of the question itself. Here the stem said 'these newspapers advertisements', which referred to advertisements in the two named Cornish papers. The question then said 'Advise… which newspaper'. This related to the stem, and hence to the two named papers. Some candidates chose national and even international papers as being most effective way of reaching potential customers in America. Good arguments were given, but that was not what the question, in context, had asked.

7(a) – Most candidates gave lack of skills and/or lack of specialist equipment/software as constraints, but few went on to explain why there would be a lack of skills or equipment. Some candidates gave cost as a constraint, but with no explanation. Many of these candidates then gave higher cost as a drawback for (b). The context of the business being 'forced' to use another business to do the website design was not always picked up on.

7(b) – Most candidates could come up with two distinct drawbacks. The context for the whole of question 7 was that *Tolvaddon* would use a specialist website designer, rather than creating the website itself. The drawbacks needed to show this, so basic answers such as ‘it will cost the business money’ or ‘it will have to be updated’ did not score marks. ‘It would be more expensive to use a specialist designer’ and ‘they will have to go back to the designer each time they need an update’ did score marks.

Questions based on own study of examples during the course

As mentioned above there were some very good answers to all of these questions. There were also some very poor answers where the candidate had not taken sufficient note of the requirement stated in the stem and then wrote about the wrong topic. Details are given for each question below.

The basic rules for preparing for, and taking these questions, were given in the last report to centres but they are worth repeating here because not following these is the main reason why candidates failed to gain marks.

1. These questions can be based on any part of the syllabus so it is vital that, as students study this unit, they are building up a very wide range of knowledge about real promotional campaigns, examples of promotional tools and methods being used and actual applied constraints. Without this wide range of material at their finger tips, candidates could find that they are faced with a topic area that they simply cannot provide answers for. For each of the questions in this June series there were some candidates who did not even attempt to answer them.

2. It is vital that candidates select a business, product or promotional campaign that will allow them to answer all of the questions. Candidates should, therefore, read all of the questions before choosing the product.

(c) Generally these questions are written so that it is possible for candidates to get the first part(s) wrong but still gain marks in the later part(s). It is, therefore, important that candidates do attempt all parts of the question, even if they are uncertain about some parts.

(d) Some candidates give very vague details of what the business, product or campaign is. When this is done, it is sometime impossible for examiners to identify which real promotion is being written about. This can result in candidates scoring no marks for the whole of the question. Candidates must provide sufficient information about the business, product or campaign to ensure that it can be identified as being real. Usually this will be done in part (a) but sometimes candidates may have forgotten specific details. Providing full details in parts (b), (c), etc., should allow the examiners to identify the actual business, product or campaign the candidate is referring to.

8 – Very few candidates had any problem in selecting a suitable billboard advertisement but only the best candidates thought carefully about what was being asked for in each part and then provided full details in all parts.

Part (a) required both identification of the product or service and details of the ‘specific’ location of the billboard. The more detail given here about the location, the easier it was to provide a well reasoned answer for part (c). Some candidates gave general answers such as, ‘by a motorway’ or ‘in central London’ which was not specific enough for a mark and provided a very limited basis for development to explain why a specific location was chosen.

Part (b) (i) was poorly answered by most candidates who did not think about why the advertisement was being put on a large billboard. Many candidates gave answers about its location. Where candidates did think about why this was being put on a large billboard there was good reasoning provided.

Answers to part (b) (ii) were significantly better but, again, many candidates ignored the fact that the question related to advertising the chosen product. This often meant that an inappropriate feature was selected, or that an appropriate feature was stated but not analysed in terms of the product.

Most candidates could give basic answers for part (c) and generally high marks were scored for this part. Some candidates explained why location was important with no reference to the actual advertisement and billboard at all.

9 – Most candidates scored well on this question, except for part (d). Some candidates chose products that related to women in general rather than mothers which meant that they scored no marks for parts (a), (b) and (d).

In part (a) a suitable product was chosen by nearly everyone except those choosing products for women in general.

Part (b) was also well answered by most, with good details of the advertisement or promotion. Most referred to television advertisements but there was also a good range of other methods of promotion.

Where good details had been given in part (b) this generally led on to good explanations in part (c). Weaker explanations focused on the medium for the advertisement or promotion rather than on the content and relied upon inaccurate assumptions such as that all mothers will be sitting at home most of the day watching the television.

For part (d) the target audience had to be mothers. There were some well thought out and reasoned answers related to the way in which the promotion had been conducted. This often came from the good detail provided in part (b) or the explanation in part (c). Weaker answers gave general reason, such as mother may not be watching the television or they may not like the product. Generally these were not taking the context of the whole of question 9 into account and did not score marks.

10 – Where candidates thought carefully about the stem they tended to gain good marks for part (b), but many candidates did not think about the fact that the advertising had to be on the packaging.

For part (a) a very high percentage of candidates could provide all the details required and gained full marks. Some candidates put down the name of the product for where it was being sold and lost a mark.

In part (b) many candidates described general advertising for the special offer and not what was on the actual packaging. In some cases it was difficult to work out if the candidates were taking about what was on the packaging or about other general advertising, e.g., ‘bright colours were used which made the offer stand out.’ Some products had been selected in part (a) which had no obvious packaging and very clear details needed to be given to show what the actual packaging was.

There were many potentially valid legal constraints that could have been used for part (c). Some of these were fairly obvious such as the Trade Descriptions Act and the Control of Misleading Advertisements Regulations, but others needed justification before they could be accepted, for example the Data Protection Act if customers were being offered entry to a competition and needed to send off personal details. The legislation also needed to apply to advertisement, not to the product being sold, which meant that the Sale of Goods Act generally did not apply.

For this part candidates did not need to give the name of the Act but many did. Many also gave the basic legal constraint but then referred to the wrong Act.

Guidance for future series

The points listed below include comments made in previous reports and these should be checked for the full details.

1. **The applied approach** – All businesses used in these papers relate to real businesses, either named or with the names changed. Preparation for this paper should, therefore, include as much study of the promotional techniques used by real businesses as possible.

2. **Terminologies** – This paper did not rely heavily of the understanding of particular promotion terminologies, and those that were used were well understood, except for ‘production requirements’. In previous series poor understand of some commonly used terminologies have caused problems and Centres need to continue to ensure that students understand and can apply all basic terminologies.

3. **Reading the question/following instructions** – A huge number of marks are being unnecessarily lost, simply because candidates have not read the question carefully enough. The suggestion remains that students should be given examples of past questions and be asked to re-write them to show exactly what each part is asking for. Alternatively, they could be asked to write a mark scheme for the question, and this could then be compared to the actual mark scheme.

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Unit 7: Investigating Enterprise (6922)

General

As in the previous window, the unit was often leniently assessed and so adjustments had to be made.

A number of centres set up enterprises with large groups. This consequently meant that a large number of participants had minimal roles, e.g. production worker, assistant to the deputy sales manager, etc. This resulted in these candidates having little experience on which to base their work for this unit. The best size enterprises have teams of between 5 – 7 candidates. Some centres, where there was a large candidate entry, adopted an approach of setting up a number of enterprises which competed against each other, adding an additional dimension to the enterprise experience.

This unit had one of the smallest entries. This is probably due to the need to run an enterprise over time which requires substantial work commitment outside lesson time. Where a series of small activities are undertaken this often disadvantaged candidates as the same small number of candidates tended to take on all activities & others did not always contribute.

Portfolios were presented where the candidates did not run the business. This is a practical unit and there must be evidence of the enterprise activities taking place. A theoretical study is not acceptable.

Assessment Criteria

Strand A: The majority of the centres used Young Enterprise as a vehicle for this unit. Some kept detailed records in diaries/ journals and these were the centres that did best on this unit. Some centres failed to enter diaries as part of the evidence. Much of the evidence for candidate involvement comes from the diaries. Diaries also show timelines and made activities clear. They supported the other three strands. Some candidates found it difficult to discuss what they did and tended to use the collective person, i.e. "we". Evidence needed witness statements to support diaries/ commentaries, these were not always present. Witness statements must be for individuals, group witness statements are not acceptable.

Photographic evidence was included in a small number of entries. This proved useful and supported the group presentation, however, the use of photographs must be in line with the centre's policy on photographs and parental consent.

Centre have to ensure that the product/ service of the company involves sufficient activity to enable all candidates to have an active input to enable them to move out of mark band 1. A number of centres used events that had happened in previous years, that were annual events or were too small. The candidates in these centres experienced difficulty in providing evidence of primary research and evidence for other strands. A substantive activity is required. Centres must also ensure that the group size is appropriate.

Witness statements and marks awarded did not always match, e.g. witness statement supported by candidate's self assessment showed little participation in launch but top MB 2 awarded.

Strand B: Some centres produced excellent work for this strand with clear descriptions of roles and responsibilities as well as supported evaluations of team members in these roles. Other centres failed to produce either the descriptions or the evaluations. There was little detail or underlying theory presented in the work from a number of centres making it difficult to move out of mark band 1.

Personal evaluations were often weak, one sided and lacked examples.

There were few fully supported evaluations seen.

Strand C: The witness statements for the presentation were often brief and needed much greater detail. Where clear and detailed witness statements showing substantive contribution were present, centres could move candidates into mark band 3. This did need supporting evidence form candidates showing originality of thought and outstanding contribution to the group report and presentation. Better witness statements used clear evaluative words, e.g. sound, substantial, effective, outstanding, minor, etc. Witness statements must be for individuals and not group based.

One centre stated that it was impossible to identify how much each individual contributed, this approach did not support the candidates and resulted in all candidates receiving low marks for their contribution as no other evidence was available.

Where roles or contribution were minor it was extremely difficult for candidates to move outside mark band 1.

Candidates also should include their own PowerPoint printouts, cue cards, etc. The centre must also ensure that a full copy of the group presentation is sent for moderation to enable individual input to be gauged. The centres should not restrict themselves to the one side of the exemplar witness statement proforma found in the qualification guidance and on the Edexcel website. This is only a guide and centres must ensure that they make full and clear statements about each candidate's input into the company and the presentation. Where the activity/ event was too small candidates could not generate sufficient evidence

Strand D: This strand needs the financial outcomes of the company to be used to enable effective evaluations. This did not always happen. Some centres did not direct candidates to cover this strand as a separate task and relied upon descriptions of activities and the personal evaluations and the evaluations of the other team members to be the evaluation of the company. Evaluation was often limited to making a profit.

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Unit 8: Business Development (6923)

General

Declaration of Assessment Conditions

This Unit has a requirement for assessors to identify those aspects of the work that had been completed under "controlled conditions" (as laid down by the Awarding Body) as well as those activities contributing to the Unit that had been completed outside of these. These sheets were not always presented with the work but future submissions will require them to be made available for moderation. Inclusion of these would have removed the need for such large appendices as were found in some portfolios as well as reducing the inclusion of the volumes of research material done outside of the controlled conditions that did not need to be left within the completed work.

Annotation of Portfolio Work

The minimum requirement for annotation of portfolios is laid down in the Code of Practice to be identification of where a candidate's evidence of criteria coverage may be found in the work. Many Centres provided this but there were still too many examples where little or no annotation was evident and moderators were left trying to identify where and how marks had been awarded. The recommendation to annotate by reference to "Mark Band" achieved and "Strand", "Theme" or "Area" (a - d) covered eg MB1a, MB2b etc is currently still only being followed by around 50% of Centres but it is worth emphasising again the importance of clear annotation for the benefit of candidates and internal standardisation as well as for external moderation purposes.

Presentation of Portfolio Work

In this Unit particularly, notwithstanding the need to produce some of the work under "controlled conditions", it is intended that the final document would be suitably presented to meet the needs of a potential investor but much of the work seen still contained far too many irrelevancies. In future, with further guidance now issued it is to be hoped that portfolios will more closely resemble a business development proposal and plan.

One other concern is still the inaccessibility and unsuitable presentation of many portfolios with work either tightly packed into plastic wallets (that split on opening) left in ring binders or clipped into plastic folders (this simply makes the process of extracting the work more laborious than should be the case).

Most of the work was submitted together with the appropriate forms – Mark Record Sheets ("MRS") and "OPTEMS" (but see note on "declaration of assessment conditions above) although not all were fully signed to indicate authenticity and this had again to be requested separately.

Where centres design their own "front sheets" it is important to ensure that all the relevant information is present ie candidate and centre name and number, centre marks, moderator marks, assessor's and candidate's signatures, signature of internal moderator etc. This was not always the case and delayed the moderation process somewhat as a result.

In general, marks on the work conformed to those on the OPTEMS with occasional discrepancies.

Edexcel GCE Applied Business Unit 8 (6923) is a compulsory tested Unit at A2 for both the single and double award. It is the synoptic unit for the qualification – drawing from other AS and A2 units (see specification for details) and is intended to be submitted only at the end of the (usually two-year) course. Although the completed business development plan has to be produced under “controlled conditions” this is more about ensuring authenticity, avoiding plagiarism, downloaded information and basic copying than about putting candidates under pressure. The initial assessment of this unit is derogated to centres but subject to external moderation ie after internal assessment it is sent to an external moderator in the same way as other portfolio-based units. The intention is that candidates produce as professional-looking a finished document as possible. The amount of time under “controlled conditions” is to be viewed as part of the total delivery time for the Unit and it is essential that the delivery of the unit is carefully planned into the delivery of the whole programme.

There are many sources of information available on the format suitable for a business development plan. There are several examples of these kinds of documents in use such as those provided by the high street banks, ones available on websites, even the Sunday Times produces a “How to write a business plan” guide!

Assessment Criteria

As with all other applied units, the choice of proposal was crucial and a poor decision here led to problems throughout the work. In future, candidates will not be permitted to use a franchise arrangement or simply buy into an existing business in an attempt to overcome some of the necessary work.

(a) The majority of candidates met the requirements for Mark Band 1. Although conclusions were often drawn from the research, these were rarely woven into the justification for the business proposal and its marketing mix. The marketing mix tended not to be detailed, especially the promotional aspect which often only included local newspaper advertising and fliers. Greater originality and comprehensiveness is needed if Mark Band 3 is to be accessed. The tendency to describe and state rather than put a reasoned and justified proposal supported by research evidence limited the marks available at Mark Bands 2 and 3.

Again as in June 07, in many cases, coverage of (a) was reasonably well done although in some instances the work had still just been adapted from 6917 with little enhancement. Whilst 6917 is about the ideas and concepts behind business planning the emphasis here should be on detail and realism; the more these are considered, the better will be the financial details and projection/evaluation required later. As explained above, there was no need to include eg all the questionnaires used or provide such great detail on why/how the research was done – these could have been referenced back to work held in the Centre and this would have slimmed down the final product considerably.

In some cases, the scale and scope of the proposed development plans were simply too ambitious eg ideas requiring the establishment of a “chain” of outlets or those where 30+ staff were to be hired are really beyond what is feasible or likely. Candidates also need to consider alternatives to the idea chosen and explain why these were discarded (this, again, provides some basis for (d) later).

(b) This was often leniently assessed because the assessment decisions did not always take into account the candidates' lack of applied practical detail. For Mark Band 1, candidates are expected to identify the actual physical resources their business will need and their cost. The work seen often lacked research into specific resources and actual costs. For Mark Band 2, there should be some rationale for the list. Candidates failed to pick up marks where they described their recruitment and training at the expense of describing the job roles that would have to be performed and estimating/calculating the number of staff required. A description of relevant employment law covering the rights of their employees is needed along with any other relevant legislation affecting the operation of their business. Service-based ideas (eg small cafes, takeaways and bars) often overlooked the need for meeting food handling and other hygiene regulations or forgot the need for some trained staff. Insurance aspects were also often omitted as were simple management plans on how the concern would run on a day to day basis. Many of the proposed food outlets produced no menu! Better candidates again observed the need for realism and provided some detail on the practicalities of the proposed development and better application of what issues such as “quality” would mean to their businesses rather than just to “regurgitate” theory on TQM and the like. Weaker candidates described the theory relating to quality management, but did not describe how they would appropriately monitor and maintain quality within their business. Had they explained their policy on what to do in the event of a complaint and their policy on refunds/compensation, they would have picked up marks from Mark Band 2. Very few covered the aspect on dealing with complaints well or evaluation and monitoring of stock where appropriate.

(c) Finance proved somewhat less problematical than in the previous series with more candidates producing good financial plans although a large number still showed eg capital expenditure in the profit and loss account and provided balance sheets that did not balance and/or had cash balances that bore little or no resemblance to the cash flow forecast. Where realistic and sound research had been undertaken then the financial aspect (and heart of the plan) was more likely to emerge but in too many instances figures from research had not been followed through and many accounts still contained basic errors and omissions at the lower end of the mark range. These included basic omissions from cash flow forecasts eg sole traders who took no drawings or paid no National Insurance contributions or businesses that had (apparently) no current liabilities eg cash-based concerns that did not use banking facilities and apparently had no need for premises. The stronger candidates were able to provide financial plans that interlinked and gave good explanations of the figures although very few provided for depreciation of fixed assets. Break-even was more problematical with a number of candidates finding it difficult to produce a realistic break-even figure for their venture.

There was still insufficient attention paid to sources of finance ranging from work that made no mention (or use) of the original legacy and those businesses that made no mention of the importance of overdraft facilities to those that borrowed often large sums of money with little collateral and (apparently) made no repayments! By contrast, candidates who were able to use IT to produce forecasts were able to generate Trading & Profit and Loss Accounts and Balance Sheets that worked. Even without this, conventional formats should produce more definitive accounts than some of those seen.

(d) Evaluations and projections were better than in the previous series especially where (c) had been reasonably well done. However, assessment here was still often lenient – candidates being awarded MB3 for little more than broad considerations of what might happen in the future often unrelated to any of the financial predictions made. Again this year and unable to comment upon the figures produced, too many candidates made broad, unqualified, descriptive statements that could have been true for any business proposal. On occasions only one balance sheet was included, rather than a start up and projected (year end) one. Candidates produced a cash flow for the first year but the projections for a further two years and the justification for the receipts and expenses lines with supporting calculations and rationale were not always included. Candidates did not always refer to the closing balances in their cash flow forecasts or give explanations for negative and positive closing balances. There was a tendency for some candidates to incorrectly refer to profit and loss in connection with the cash flow and a number of candidates made no comment on their cash flow projections and no attempt to analyse these.

Stronger candidates were able to provide liquidity and profitability ratios although the analysis of these was often limited. The inclusion of ratio calculations without appropriate analysis and interpretation will only achieve marks from Mark Band 1.

Most candidates discussed "what if" scenarios, but did not always take possible changes and evaluate what impact these would have on the cash flow or break even. Re-working these with the new figures would provide the basis for a fuller sensitivity analysis and their evaluation and, taken together, these would provide more evidence for Mark Band 3 in (c). Some marks from Mark Band 3 were possible for the change in average spend and its impact on the break even.

Where candidates did provide 'what if' scenarios and projected their financial statements for three years, this needed a more balanced consideration based on figures produced in (c) and what implications these would have for business development in line with stated aims and objectives (from (a)).

Fewer candidates seemed able to comment upon how additional finance might be found and what "development" would mean in practical terms such as buying/replacing equipment or developing staff skills. Simply reviewing the original proposal in the light of the figures in (c) would have given the basis for some projection as would consideration as to why the proposal now looked better (or worse) than other business ideas mooted in (a). Even fewer considered changes to the marketing plan that might be needed.

Overall, as with 2007, some sound work was presented but it was still disappointing that much of the work seen appeared to have overlooked the requirement laid down in the given scenario of the need to present the work as a document suitable for a potential financier or investor and many portfolios exceeded 100 pages in length! Perhaps candidates would benefit from seeing more examples of the suggested financial plan formats available from high street banks and online.

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Unit 9: Managing & Developing People (6924)

General

The external moderation process was deemed to be straightforward.

Overall centres forwarded samples on time and an accurate number of sample portfolios were provided i.e. ten portfolios with the highest and lowest grade included.

Statements of authentication were present in the samples moderated for this series. However, these were often not signed by the student or the assessor. Centres should ensure authentication statements are fully completed when submitting evidence for external moderation.

Assessment Criteria

In general it was felt that the lack of research for this unit and the choice of organisation often limited candidates in accessing the higher mark bands.

Strand A

This strand was evidenced well, in terms of motivational strategies and the strengths & weaknesses of motivational techniques. There was some evidence of alternative approaches. Lack of research of conflicts between the individual and the organisation often prevented candidates from accessing higher mark bands. However, clear links were made to recognised theorist.

Strand B

The choice of activity often limited candidates in fully developing evidence requirements for higher mark bands. The assessment evidence requirements for this strand consists of an evaluation of a group activity, focused on planning an event or developing and implementing a new system or procedure.

The meeting element of this strand was often limited in the evidence submitted. Candidates are required to submit a report on one meeting related to the activity. Reason for holding the meeting and advantages and disadvantages were often generic and not applied to the team activity. Evidence for mark band three requires the learner to suggest alternative methods of the planned outcome this was often limited.

The team-working element of this strand was well referenced to a team or motivational theorist. However there was limited application of benefits and drawbacks of team working. There was limited evidence of individual's objectives and needs are different from those of a team.

The second element of this strand focuses on leadership styles, although there was detailed theory included in most portfolios. There was insufficient application and evaluation of management style in relation to the team activity. Alternative leadership styles were addressed but the evidence was often fragmented as three or four alternative leadership styles were suggested.

Strand C

For this strand, Candidates tended to submit evidence of generic training offered by the chosen organisation for example Health and Safety or induction training. In some cases the evidence was focused on training that the learner had participated in. Both approaches provided limited scope for development and evaluation towards the higher mark bands. In many cases Candidates included research for this strand but failed to use the results to support analysis and evaluation requirements in the higher mark bands.

Strand D

For this strand, Candidates are required to produce a personal development plan. One of the key issues of the personal development plan was lack of research for higher and further education routes and career routes.

Evidence of common formats for skills audit was well presented, however Candidates should be encouraged to use the different formats to develop their own skills audit.

Centre Guidance

Strand A & C

Relevant primary and secondary research should be carried out to match the evidence requirements of each strand and mark band for strand A. The results of the research should then be used to form the basis of analysis and evaluation required in the higher mark bands. Candidates should be encouraged to select appropriate organisations and refer to the performance descriptors on page 187 of the speciation.

Strand C

Clear evidence of researching a training programme for one individual should be included as evidence. The results should then be used a basis for analysis and evaluation. It is also important to research training outcomes from the individual's perspective as well as the organisational perspective

Candidates should be encouraged to use the same organisation to investigate motivation strategies and training for strand A and C

Strand B

Evidence of one meeting should be included as an appendix. Evidence of submitted for the meeting should be applied to the team activity. Centres should encourage Candidates to select a team activity focused on planning an event or developing and implementing a new system or procedure.

Strand D

Research for personal development should include further/higher education and career routes. Candidates should be encouraged to use and include the research, to develop the analysis and evaluation requirements for the higher mark bands.

Evidence of common formats for skills audit should be researched, this should include study skills audit and work related skills audit. Both skills audits should then be used to develop the Candidate's own skills audit as well as analysis and evaluation requirements for higher mark bands.

Annotation of evidence achievement by assessor(s) was limited. Centres sampled in this series were found to be slightly lenient in the assessment of strand D and C .

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Unit 10: Marketing Decisions (6925)

This is the fourth series for the Marketing Decisions paper. Full details of the approach and standards expected are provided in these introductory notes and through reference to specific questions below. The feedback is based on comments from all examiners involved in marking this unit.

The structure of the paper should now be familiar to both centres and students, as should the emphasis on context, application and decision making. There will be no changes to the structure of the paper for January 2009. Centres and students are, therefore, strongly advised to make use of past papers, their detailed mark schemes and past reports on these papers.

Many candidates still write to the lines provided and are clearly losing potential marks because they do not develop their answer fully. Where this is happening candidates should take one of the following approaches if they find that the lines do not provide enough space for the answer they want to give:

- Continue writing below the lines if there is a blank space provided.
- Continue writing in another part of the booklet where there is space. This June 2008 booklet had three spare pages at the back
- Continue writing on an additional sheet of examination paper and attach this to the booklet.

Whenever answers are continued outside of the space of the lines provided, the candidate must indicate this fact, otherwise this may not be picked up my markers.

The Question Paper

As always the first 70 marks on the paper related to a single scenario, *Sony Computer Entertainment Inc (SCEI)*. Figure 1 provided a large amount of information all of which could be, and was, used to support answers to the first six questions. Candidates related well to the scenario.

The two 10 mark questions based on business's marketing campaigns which students have studied during their course related to (i) the sampling used for a street survey and (ii) a product in the dog section of the Boston Matrix. A significant number of candidates did not relate well to these topics, and there was generally a lack of detail provided in the answers to them.

Overall candidate are thinking more carefully about what the questions are asking them and the context in which the questions have been placed, but frequently marks are lost because one, or both, of these requirements are not met. The perennial problems with candidates' approaches to the paper continue and it is worth listing them again.

- Not reading the questions carefully enough.
- Not following instructions.

- A lack of basic knowledge of basic facts and terminologies.
- Not relating the answers to the specific context given.
- Not analysing data carefully enough.

Specific examples were given in the Summer 2007 report, and examples are shown below in the comments made on the individual questions for this paper.

Comments on specific questions

1(a) – Most candidates had little difficulty with the strengths and weaknesses, although there are some who muddle up the internal and external causes. A typical error was in the way the delay of the launch was expressed. With SCEI as the cause of the delay, which it was, that is weakness that allowed the competitors to enter the market unopposed. If it is expressed as the competition launching first that is external and a threat, not a weakness.

The element candidates found most difficult to provide a valid answer for was the opportunities. This needed to be expressed as something external that SCEI could use to its benefit in the future. The common approach was to identify a strength, but then be unable to say why this presented SCEI with an opportunity to do something additional in the market.

1(b) – Few candidates could develop well argued answers to gain full marks. The majority of candidates could identify a feature of 'social'. Fewer could then apply this to SCEI. A sizable minority did not know what the team meant and some candidates simply spoke about the importance of PEST, often focusing on the technological element.

2(a) - This was a question where candidates could fairly easily score high marks if they understood the basic term and followed the instructions in the question. Unfortunately only the best candidates could meet those requirements.

Most candidates did know that skimming involved setting prices high, although there were still some candidates who confused skimming with penetration pricing and competitor pricing. Other candidates only considered the setting of prices at a high level and did not see this as an entry strategy that would be followed at some later stage with a lowering of prices. The reason why prices would fall also had to be explained.

The question specifically asked candidates to discuss the characteristics of the market shown in Figure 1 that would support skimming. Most candidates did identify characteristics to support their arguments, although this was generally only done for why the price could be set at a high level. Some candidates wrote about skimming in generally terms with no reference to the information in Figure 1.

2(b) – This was generally well answered by most candidates, except those who did not read the word 'not' and explained why *Microsoft* had lowered the price.

3(a) – Most candidates scored 1 mark for this question and generally got one element incorrect. There was a tendency to try to remember the sequences of labelling on a typical product life cycle rather than look at what was actually happening on the graph. A significant minority of candidates, for example, gave 2005/2006 as decline when there was no evidence of that on the graph. Other candidates gave maturity as the answer to 1998/99 simply because they knew it came before saturation and they had put that for the final part.

3(b) - Candidates who started with a clear feature(s) from Figure 2 scored well because this nearly always lead to valid explanations of why the decision was successful. Some candidates did not refer to Figure 2 at all and struggled to gain any marks. Most candidates wrote to the lines available and for many with large writing that limited the development possible in their answers.

3(c) – Where candidates understood the term 'extension strategy' they gained two or three marks fairly easily, although some did not then refer to Figure 2 to support their reasoning. Some candidates did not understand the term and that was also reflected in their answers to part (d). Some thought that the extension strategy was delaying the launch so that SCEI could get the parts it needed.

3(d) - Most candidates identified appropriate features in Figure 1 and with that the actual extension strategy itself. Once that was done they could also explain why it would be a success. Both the development of the PS3 and the move into the USA and European markets were valid extension strategies, but the reasoning for success had to come from details in Figure 1.

4(a) – The basic difference between strategic and tactical is now generally understood but the application to the given scenario was still poor. Most candidates could identify a feature of strategic marketing decisions, that it is long run, involves the whole business or for the business itself this involves a major change it what it has been doing. What very few candidates then did was to answer the actual question set – Why was the decision to develop its markets in the USA and Europe a long term decision? Why would it affect the whole business? Why, considering what SCEI was doing before it expanded into these markets, was this a major decision for the business?

4(b) - This should not have caused candidates any real problems but many did not read the question carefully enough and did not respond to what they were asked.

The question asked for two likely 'changes' to the mix that would be needed when entering the two new markets. The starting point should, therefore, have been to consider what marketing mix was likely to have been used in Japan. Answers such as 'SCEI will need to promote the product so that customers will be aware of it' would not be a change from what they must have already been doing in Japan. On the other hand, "SCEI will need to advertise in different languages" is an acceptable answer because it involves a clear change.

For additional marks candidates needed to go on to explain why the changes would be needed, even if this was fairly obvious, e.g. - "In the USA they speak English as the main language and if the advertisements were left in Japanese very few people would understand them." The answers were not challenging, but not reading and responding to the question as it was set meant that the majority of candidates scored below what they were capable of.

5(a) - Some candidates do not know what 'secondary' means, with questionnaires, interviews and focus groups all being recommended. Those who did know often had a limited understanding of what information (data) the named source would provide. This made it difficult to justify the source in terms of how it would help SCEI understand the UK market. There were also a significant number of candidates who identified an appropriate source but gave details of information that would not be found there, for example, the National Census and which households had which type of console.

5(b) - Understanding of types of sampling remains a major problem for the majority of candidates. This was also evidenced in the answers to 7(b).

A common error here was assuming that quota sampling simply targeted one group and excluding the others, rather than what it actually does, which is to apportion quota and sample each on the basis of that apportioning. The candidates who did understand the basic structure of quota sampling could generally then identify age as the vital basis involved here. Some, not applying their answers to the context, chose income, gender, etc. without explaining that these would need to be divisions considered after age.

The need to explain why this would help to ensure the most cost effective marketing of the game was picked up by only the very best candidates.

6(a) - There were very well argued reasons given here, and a good proportion of candidates scored full marks. There were three main reasons why some candidates did not score well:

- They listed reasons rather than explaining why the point they had given would actual cause the prices to be different. For example simply stating that it was due to the cost of transport, without explaining the different distances involved.
- They stated that the currencies were different, despite the fact that both prices were given in pounds sterling.
- They wrote about the wrong country arguing the case for prices being different in Japan, and even China.

6(b) - This question acted as a good differentiator and it was pleasing to see how many candidates developed their answers and dealt with all four of the elements required, different timings, different prices, benefits and drawbacks.

Candidates who did not do well lost marks by:

- writing too little
- not reading the question carefully enough
- only considering benefits or only considering different times
- arguing points that did not actually explain the differences.

The main result of not reading the question carefully enough was shown most clearly by candidates who wrote about the benefits and drawbacks of SCEI selling in difference countries, for example the benefits of larger world market share, and not selling at different times and with different prices.

Questions based on examples from candidates' own study during the course

Because each of these questions carry 10 marks it is worth repeating the main points made in previous reports:

(a) These questions can be on any part of the syllabus so it is vital that as students study this unit they are building up knowledge and understanding of a very wide range of real marketing campaigns that demonstrate specific marketing decisions. Without this wide range of material to use candidates could find that they are faced with a topic area that they simply cannot provide answers for.

(b) For these questions it is vital that candidates select a business, product or marketing campaign that will allow them to answer all of the questions. Candidates should, therefore, read all of the questions before choosing the product or situation.

(c) Often these questions are written so that it is possible for candidates to get the first part(s) wrong, but still gain marks in the later part(s). It is, therefore, important that candidates do attempt all parts of the question, even if they are uncertain about some parts.

(d) Some candidates give very vague details of what the business, product or campaign is. When this is done it is sometimes impossible for examiners to identify which real campaign is being written about. Candidates must provide sufficient information about the business, product or campaign to ensure that it can be identified as being real. Usually this will be done in part (a) but all additional details in the other parts help to ensure that the actual campaign is identified.

Q7 This question required good understanding of how and why a particular street survey had been carried out. In too many cases candidates either did not know the full details of the survey or did not provide enough detail to gain good marks.

7(a) – Most candidates had no problem with stating the location although candidates who gave no details of the business or the product could not be given a mark. There were also some candidates who did not name a town or city, usually giving a county instead.

7(b) – As in previous papers there remains a generally poor understanding of types of sampling and what each type involves. There was also, for this question, a generally poor understanding of what type of sampling had actually been used. Candidates could name a type of sampling but when they described how the survey had actually been conducted it was clear that the stated type of sampling was not what had actually been used.

This question could be answered by considering how the survey had been conducted or why a particular type of sampling had been used. Only the best candidates were able to provide full answers.

7(c) – Candidates who read the question carefully tended to score well. Some candidates did not think about what the question had asked and wrote about how, or why, the business improved it services without any reference to the data collected at all. Others wrote about the benefits of the survey, such as knowing who to promote their products to, from the point of view of the business and not the customers.

Q8 Many candidates do not fully understand what the Boston Matrix is designed to show. There is a common misunderstanding of the term 'market growth'. This is frequently interpreted as growth of the chosen product in the market. Market growth is where the whole market for a particular type of product is expanding. Market growth for dogs will be fairly static or even declining.

8(a) - Many products chosen were fairly dubious choices for a dog position because of good growth in the whole market, as with new technologies in the communications industry. Some candidates actually argued for a different position in part (b) describing a star, cash cow or problem child. In most cases it was clear that candidates had not thought about what was happening in the market as a whole.

8(b) This part required an explanation of why there was both low market share and low market growth. Most candidates did explain the cause of the low market share but very few gave any explanation at all of the low market growth.

8(c) - Candidates could gain marks here even if the actually product chosen was in the problem child section of the matrix. Most candidates did provide a suitable marketing action with a basic explanation, but only the best candidates gave developed answers. Some candidates gave more than one marketing action, often with no explanation. Even where explanations were given there was little development because candidates wasted time and space on writing the other actions.

Guidance for future series

1. **The applied approach** – All businesses used in these papers relate to real businesses, either named or with the names changed. Preparation for this paper should therefore include as much study of marketing decisions being made by real businesses as possible.

2. **Terminologies** – For many candidates a huge number of marks are being lost simply because they do not know what the basic marketing terminologies mean. Here that was evidenced with opportunity in SWOT, extension strategies, the Boston Matrix and types of sampling. Centres need to devise methods of ensuring that basic knowledge and understanding is there.

3. **Reading the question/following instructions** – Again, a huge number of marks are being unnecessarily lost, simply because candidates have not read the question carefully enough. The suggestion here is that students should be give examples of past question and be asked to re-write them to show exactly what each part is asking for. Alternatively, they could be asked to write a mark scheme for the question, and this could then be compared to the actual mark scheme.

4. **Writing full answers** – Where candidates need additional space to write their answers they should use blank spaces in the booklet provided, or use additional sheets. Whilst writing out part of the question may help some candidates focus on what the question is about, the space lost when this is done must be compensated for by continuing the answers beyond the space provided by the answer lines provided.

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Unit 11: Impact of Finance on Business Decisions (6926)

General

Most Centres again submitted portfolios on time. Administration was generally good. Statements of authentication were present in most of the samples moderated for this series. However, these were not always signed by both the candidate and the assessor. Centres should ensure authentication statements are fully completed when submitting evidence for external moderation.

The work submitted again demonstrated similar approaches in content and style from earlier series. Assessment seen was generally consistent with some evidence of leniency and assessment of much of the work around or just outside the limits of tolerance.

Annotation of Portfolio Work

Annotation of the work, though clear and appropriate in many cases, still varied from indicating fully where criteria had been met, to being very limited with little more than the final mark given. Annotation is best indicated via the Mark Band achieved and the area of the spec met so, e.g. MB1a indicates area (a) has met Mark Band 1, rather than trying to annotate via the Assessment Objectives (AO's) as these are spread throughout the Unit's strands or themes. In general, the marks on the work conformed to those on the OPTEMS.

There was some evidence of standardisation where more than one assessor was involved in judging candidates' work.

General Comments

From the work seen it would appear that this Unit still either tends to be well understood and clearly addressed or the candidates hardly grasp the issues of business financing at all. In the latter case, moderation was more problematic and it was again sometimes difficult to understand the assessment decisions made. On the whole, as indicated above, assessment tended to be accurate where the Unit was well understood but on the lenient side when this was not the case.

Assessment Criteria

Again, as with all other Units from this specification, where the assessment criteria have been understood and addressed efficiently the approach is more likely to be successful. This Unit allows for the inclusion of simulated material and where this has been well devised candidates find it easier to access the higher Mark Bands. Clear tutor guidance again appeared to be a key factor with respect to some of the potentially complex aspects of this Unit.

(a) A suitable choice of business enhanced the candidates' ability to distinguish between short and long term finance options. Results were highly dependent on the choice of organisation for investigation. There was some excellent work when appropriate and comprehensive information was available from a well selected business, often a SME rather than the much larger concerns. Many candidates again selected the published accounts of plc's (although not all used all the available financial information) and others selected business where financial information was not so readily available. The portfolios moderated suggested that candidates who used actual financial information produced the better quality of work, especially where differences and trends within these figures were explored over time. Classification into internal and external sources and long-term versus short-term is a suitable basis for analysis but was not always understood or used. Better candidates' work addressed issues of risk and return in relation to the choice of finance.

(b) Where a clear understanding of working capital and financial ratios was demonstrated and candidates were able to apply these in context then an understanding of the nature and implications of the form of ownership of the chosen business became more apparent. Candidates' work was sometimes more focused than in (a) and financial information seemed more readily available. It helped if, at the outset, candidates were able to clearly demonstrate an understanding of "working capital" and then apply this in context. In the weaker work there was often much evidence of copied diagrams of working capital and lots of theory on working capital management but little application to the organisation.

(c) As in previous series, better candidates demonstrated awareness of different appraisal techniques and were able to reach reasoned conclusions based on application of these. At the lower end, candidates struggled to show much understanding of these techniques at all and thus had great difficulties in making use of them.

There was less evidence that Centres extracted and used the Teacher's Guide illustrative material for this theme. Although there is no penalty for this approach, other than the penalty of using some information that is out-of-date, it should not continue to be used in future years. Reasons for this include: the Teacher's Guide is in the public domain (on the Edexcel website) and contains analytical and other comments that are readily available to students, thus potentially negating the work as their own the quality of a simulated or fictionalised company that is used determines candidates' ability to access marks in the MB3 range, and the simulations used are not as fully developed as they could be, and contain dated information (eg, the interest rates). Accepting the comment made in the guidance to the unit that strand (d) can be assessed through the use of fictionalised or simulated material (which certainly applies to strand (c), it may be more appropriate for candidates to apply their knowledge to real financial information from a real company. Centres are therefore again requested to create (for (c)), their own simulation, which could of course use the Teachers' Guide as a foundation. If a simulation must be used for (d), it should be based on real company financial and other (eg market) information that has been fictionalised.

Centres that used their own simulation for theme (c) usually again wrote an appropriate scenario that gave candidates the opportunity to use the three main methods of investment appraisal. Sensitivity analysis is a suitable area for consideration but, again, was not always presented, and evidence of conflicts and problems was limited. Stronger pieces of work calculated and analysed IRR as well as DCF/NPV with payback often used as well.

(d) This remains a difficult strand with stronger candidates showing an understanding of debt/equity issues of financing rather than looking at it from a personal investment standpoint. Candidates, in weaker cases, had not been encouraged to consider a business for the investment of surplus cash but used bank/building society accounts versus share investment for an amount of money they may have had, making full ratio analysis limited. It can be approached from the point of view of either a private individual investor, or a corporate investor but should consider business investment rather than savings schemes or personal investment as was sometimes the case. The stronger coursework again tended to group and consider ratios under appropriate headings (profitability, liquidity, efficiency and investment), which appeared to aid candidates in analysing figures and drawing conclusions.

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Unit 12: International Dimensions of Business (6927)

To successfully achieve this unit, learners need to demonstrate an appropriate level of understanding and application of knowledge across the full range and scope of the unit outcomes, in particular the unit assessment outcomes/criteria, the specific AO's, and the mark band (MB) distributions (Applied Business Awards Specifications Pages 109 to 114). In as much as learners need to show a clear understanding of the subject and the practical application of the unit requirements from a balanced contribution across the four knowledge/applications Strands, the related AO's and marking criteria bands.

Therefore, in relation to the Unit specifications (p109 and 110) learners should:

- Explain the impact and opportunities created for businesses in international context.
- Present relevant and up-to-date information, from a range of sources, on the factors influencing the establishment of an international presence.
- Perform an investigation into the chosen (international) businesses.
- Identify the advantages and disadvantages in the growth potential for a business supported by international organisations (WTO etc).
- Prioritise evidence and show judgement in the selection and presentation of findings
- Present exemplar material appropriate to support their conclusions
- Explain the strengths and weaknesses in all aspects of creating/developing a presence as offered to a business within an international context.
- Examine the opportunities and challenged offered by global business
- Explore and present conclusions and outcomes, reflecting the positive and negative aspects for Host countries, international organisations and businesses operating in an international environment.

In particular, two businesses identified for strand (a), the businesses should be contrasting nature and spread of international/global coverage (EU and Global is suggested in the unit specification) this should provide adequate variety for comparison/variations in the way they address there business objectives for an international presences. Two organisations in the same sector offer a good opportunity to contrast on their international scale/spread, examples being offered to date are airlines, retailers, transportation and ferry services. It should be noted, that the appropriateness of the business selected is significant for the potential achievement of the higher band.

The depth of research material on the factors that influence a business in creating an international presented is critical in terms of the volume, quality, appropriateness and examples for MB2/3 performance. It would be of value to encourage candidates to select the chosen business for strand (b) from those used in strand (a), this would provide a base for material research, and be supplemental to that collected for stand (a). Evidence of independent research into the influencing factors were present, however, the depth of research is critical in terms of the volume, quality and appropriateness of material evidence and examples gathered and used to support their arguments

The key impact factors that an International Organisation (IO) can have on a business were covered, although IOs were covered generically using a limited range and in some cases not fully related to the business of choice, this may be appropriate for MB1/2 (c), however for higher MB2 and MB3 candidates need to show the relevance and linkage between the IOs and the business used.. It should be noted that for this strand the IO is an external organisation set up to support/promote trade, not the organisation in question itself.

Candidates demonstrated a general understand of the issues relating to the growth in Global/Multi National Corporations (MNC), in terms of GDP and consumer impact, further consideration of the wider socio-economic and environmental aspects on the Host country could have been included, to underpin a critical appraisal and potential justification for MNC activity as require for MB3.

Authentication

Centres should include evidence to confirm originality of leaner work, the counter signature of the Assessment Marking Forms by tutors is critical in this process. Where appropriate witness statement, tutor comments, observation checklist could be used to support the authenticity of presented material.

Standardisation

Consistent marking and standardisation within centres was evident however in assessing higher performance, assessors need to consider the depth and scope of material in terms of quality of examples and quality and reasoning of evaluation in the learner's work to award the higher MB3 marks.

Enhancing Assessment

It would be of value to encourage candidates to select the chosen business for strand (b) from those used in strand (a), this would provide a base for material research, and be supplemental to that collected for stand (a).

Centres should ensure, when assessing especially in relation to the higher mark bands across all stands that clear evidence of explanation, critique and analysis of how/why the two businesses would consider and/or have a global activity, with good examples to support the MB2/MB3 marks.

For Strand (c) more detailed analysis and consideration of a wider range of influences, from a business perspective, under the influences offered by the International Organisations (IOs). The choice of IOs should be relevant to the business under consideration as well as generic. The awarding of the MB3 marks is critically linked to candidate articulation of the selection, evaluation and the relevance of the selected exemplars.

Strand (d), candidates should consider looking beyond the financial and consumer/customer impact, to the wider socio-economic, suppliers, distribution and environmental aspects on the Host country.

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Unit 13: Organising an Event (6928)

General

Many centres did not set/ organise suitable events. A number were too small, had too many pre-arranged or school arranged activities and did not leave sufficient work for the candidates to plan and deliver the event. Examples of inappropriate activities seen included a small birthday party for the child of a tutor, running a lunch time tuck shop, small demonstrations, e.g. cookery to other group members.

Where suitable size events happened then the approach was generally good although some candidates failed to actually describe their role in the event.

In some centres the planned events did not happen. This caused problems as candidates could not access marks in mark band c and many of the marks in mark band d.

Witness statements &/or photographs to confirm that the event was held and the participation of the candidates are vital to this unit and these were often missing.

Photographs proved useful and supported the evidence of the group work, however, the use of photographs must be in line with the centre's policy on photographs and parental consent.

Most centres adopted a group work approach to the planning and delivery. A very small number submitted group reports and these were not acceptable as each candidate must individually address the assessment criteria.

Many candidates performed less well on this unit compared to other units due to lack of participation in planning and organising the event. Where there was an active role undertaken candidates tended to score high marks. In other centres candidates tended to like the practical nature of the event and performed very well.

"Telling the story" rather than addressing the criteria is a problem with this unit.

Assessment Criteria

Strand A: Feasibility research was often limited, especially where the event was an annual one or where the event was not the required "substantial event". Primary research was usually questionnaires about choices of event or interviews with staff who had run the event in the previous year.

Results were not usually analysed. Secondary research was usually research into travel costs or costs of physical resources. There was little prioritisation or reasoned conclusions. Where centres divided groups up into smaller groups working on research and feasibility on various events but then did "other" events, problems were caused as candidates had not covered feasibility for the chosen event.

Strand b: Constraints were usually present however risk assessment was often poor. Many candidates simply referred to the completion of their centre's risk assessment documentation by staff. These did not demonstrate knowledge or understanding of risk assessment. There was often no prioritisation, ranking or rating of risks to probability of happening and severity of outcome. Insurance needs again tended to be covered under the statement that the centre's insurance covered all risks, again, this does not demonstrate the candidate's knowledge and understanding. Some candidates did explain different types of insurance and apply them to the event. Planning tools were often missing or included and not explained. Candidates displayed a lack of understanding of CPA, Gantt charts, etc. The link between planning tools, constraints and Contingency planning was often missing and generally not understood.

Strand C: As stated above: Witness statements &/or photographs to confirm that the event was held and the participation of the candidates are vital to this unit and these were often missing. Candidates often failed to fully explain their input or simply referred to "we". The better answers gave detailed accounts of the candidate's contribution through all stages of planning and holding the event.

Where clear and detailed witness statements showing significant sustained participation were present, centres could move candidates into mark band 3.

Strand d: Evaluation was often poor. Few candidates referred back to original aims and objectives. A small number of centres collected feedback questionnaires from participants and used these effectively. There was increasing evidence of use of exit questionnaires for evaluation.

Good examples of activities included Fashion Shows, Indulgence evenings, an Irish centre's trip to Edinburgh, an English Centre's trip to Dublin, another to Thailand, etc.

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Unit 14: External Influences on Business (6929)

General

To successfully achieve this unit, learners need to demonstrate an appropriate level of understanding and application of knowledge across the full range and scope of the unit outcomes, in particular the unit assessment outcomes/criteria, the specific AOs, and the mark band (MB) distributions (Applied Business Awards Specifications Pages 131 to 134). In as much as learners need to show a clear understanding of the subject and the practical application of the unit requirements from a balanced contribution across the four knowledge/applications Strands, the related AOs and marking criteria bands.

Therefore, in relation to the Unit specifications (p131 and 132) learners should:

- Provide clear coverage of the four issues influences on a business, with suitable exemplar material to support the discussion.
- Include relevant and up-to-date information, from a suitable range of sources and examples with appropriate materials presented in support of the final issue conclusions
- Use appropriate techniques and methods on the collection of information and analysis, showing awareness of the selection and relevance of information, issues, problems or opportunities.
- Explain the positive and negative aspects of the key issues on a business.
- Show judgement in the selection and appropriate presentation of the findings in a suitable format.
- Evaluate the business external issues, the business influences and the wider organisational context, thus beings aware of the issues, problems and/or opportunities

The work sampled indicated a more consistent approach towards adoption of the suggested formats from previous reports Namely, a statement, similar that which a company chair would present in the annual published accounts, a scripted presentation of the full issues etc, or a press release/house magazine format, supported by the detailed researched and explained material that covers the individual external issue that the company may/is facing over the next years.

It should be noted that the unit has four prescribes issues to address and each strands focuses specifically on an individual AOs and performance descriptors, therefore each strand is repeatedly addressed for each individual influence (four) against each AO.

The business selected is important for the candidates to research and explore the external impacts associated with that business, coupled with need for depth of researched material across all four influence areas, are critical for strand (D).

Candidates demonstrated a generally good understand of the overall external factors (stand a)), with substantial amount of research data generated in some cases, however, this material needs to be filtered, evaluated and used as appropriate to the business and influence under discussion, thus enhancing the overall quality of the report as required for MB2/3 in strands (b), (C) and (d).

Authentication

Centres should include evidence to confirm originality of learner work, the counter signature of the Assessment Marking Forms by tutors is critical in this process.

Standardisation

Consistent marking and standardisation within centres was evident however in assessing higher performance, assessors need to consider the depth and scope of material in terms of quality of examples and quality and reasoning of evaluation in the learner's work to award the higher MB3 marks.

Enhancing Assessment

An appropriate report must be produced, although no specific chair report structure is suggested, it would be advisable for candidates to present their findings in a form, similar that which are outlined above. In addition candidates should be encouraged to select a business which is of sufficient size, structure and product and/or service range to allow all four influences to be examined to an appropriate depth.

Centres should encourage fuller/wider consideration of the range, value, up to date and appropriateness of the information being used and being applied across each of the influence, to ensure equality of treatment as to the depth of knowledge, research and evaluation. It was evident from the sample, technological and to some extent the environment influences were covered to a lesser extent or explored from a theoretical/generic perspective within strand (a) and thus not fully relevant and/or applied in strand (b).

The business selected is important for the candidates to research and explore the external impacts associated with and relevant to that business, beyond the theoretical and business generic. This depth of researched material across all four influence areas is critical for strand (D). Candidates should avoid providing historical descriptions of the company of choice unless it is relevant to the influence being discussed.

Substantial amount of research data is being generated, the referencing of it e form the body of the report should be clear and precise for each influence. The researched material needs to be codified, filtered and evaluated for appropriateness (covering AO2 and AO3) to the business of choice and each of the influences under discussion, this will enhance the quality of the documentation and ensure fuller consideration of the range, value, up to date and appropriateness of the information presented for each influence, especially for MB3.

For stand (d) clear explanation and evaluation of the influences is required, with an appropriate justification and judgemental statement made about each of the influence impacts, set in the wider selected business context and beyond basic descriptive/generic statements about the four influences..

Grade Boundaries Summer 2008

6916	Total	A	B	C	D	E
Raw Mark	90	60	53	46	40	34
UMS	100	80	70	60	50	40

6917	Total	A	B	C	D	E
Raw Mark	60	49	43	37	31	25
UMS	100	80	70	60	50	40

6918	Total	A	B	C	D	E
Raw Mark	60	48	42	36	30	25
UMS	100	80	70	60	50	40

6919	Total	A	B	C	D	E
Raw Mark	60	49	43	38	33	28
UMS	100	80	70	60	50	40

6920	Total	A	B	C	D	E
Raw Mark	60	48	42	36	30	24
UMS	100	80	70	60	50	40

6921	Total	A	B	C	D	E
Raw Mark	90	60	53	46	39	33
UMS	100	80	70	60	50	40

6922	Total	A	B	C	D	E
Raw Mark	60	49	43	37	31	26
UMS	100	80	70	60	50	40

6923	Total	A	B	C	D	E
Raw Mark	90	74	65	56	47	39
UMS	100	80	70	60	50	40

6924	Total	A	B	C	D	E
Raw Mark	60	48	42	36	30	25
UMS	100	80	70	60	50	40

6925	Total	A	B	C	D	E
Raw Mark	90	55	50	45	40	35
UMS	100	80	70	60	50	40

6926	Total	A	B	C	D	E
Raw Mark	60	49	43	37	31	25
UMS	100	80	70	60	50	40

6927	Total	A	B	C	D	E
Raw Mark	60	49	43	37	31	25
UMS	100	80	70	60	50	40

6928	Total	A	B	C	D	E
Raw Mark	60	50	44	38	32	27
UMS	100	80	70	60	50	40

6929	Total	A	B	C	D	E
Raw Mark	60	49	43	37	32	27
UMS	100	80	70	60	50	40

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