

Principal Examiner Feedback

January 2013

GCE Applied Business (6916)
Paper 01

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Publications Code UA034173

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General Comments

Following the style and format established in previous series, this question paper had the same Assessment Objective (AO) and Mark Band (MB) weightings. It was the sixth assessment for 6916 to be based on the revised specification Issue 2 – May 2009 which introduced the assessment of the quality of written communication (QWC) in papers for this unit.

Questions which carry marks for QWC were indicated by an asterisk (*) shown next to questions 2b and 3a and a statement on the front of the question paper. The structure of the paper also matched the sample assessment material issued June 2009, which included exemplars for the extended writing questions that are now an integral part of the assessment for this unit.

Examiner reports are a valuable resource for helping prepare candidates for external assessment. In addition to reading and taking any notes or advice from this report, it is recommended that Examiner Reports for previous series are read also, 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.

My own observations, supported by reports from all examiners who worked on this paper, will sometimes repeat problems or advice that has been raised in previous reports. However, any repetition is because these issues continue to reappear in papers and have not been resolved or even show signs of improvement. Based on the work seen from candidates in January 2013, the main issues are as follows:

Learners still need to be reminded that this is a written paper, within an Applied Business qualification, so it is essential that candidates are able to communicate their answers in the written form – this means making sure that examiners can actually read the handwriting. From reports, my own marking experience and from samples sent to me for 'review' I can confirm that the handwriting of many candidates is extremely poor. Despite the fact that candidates are expected to demonstrate a reasonable level of QWC in this paper, lettering is often formed badly, words spelt incorrectly (even words which are copied from questions or a given scenario), answers are scribbled quickly and consequently difficult to read. Many candidates seem to assume that it is acceptable, and no disadvantage, to produce handwriting that is hard for others to read – however this could lead to difficulties when progressing to higher education or entering the workplace where communicating in the written form is still used widely.

All examiners will make an effort to decipher poor handwriting, but there is a danger that candidates may miss vital marks if the handwriting is so bad that it cannot be read. The danger of producing answers in poor handwriting is that it is sometimes impossible to mark some answers, and marks may be lost as there is no way of reading the knowledge or application that they may contain.

The problem could be exacerbated by a tendency to rush at the paper and write as fast as possible, with the inevitable deterioration. Please reassure candidates that there should be sufficient time for them to complete the paper without the need to rush. As part of the production process the paper is sat and completed by reviewers who make sure that the paper can be completed within the time allowed, 1½ hours. Candidates need to remember that despite the widespread use of keyboards, screens and electronic communication, there is still a requirement for clear and legible hand writing in the workplace. In addition, it is important to inform candidates that QWC carries marks in this paper, marks that will be lost if the handwriting is indecipherable. Please see the revised Issue 2 specification dated May 2009 for full details.

Another issue that was apparent in this paper was the tendency for some candidates to provide generic, theoretical answers rather than apply their answer to the given scenario or the situation described in the question. As a result, some answers may have been accurate in terms of general business practice, but were totally inappropriate for the given situation, and consequently missed-out on marks. It is good practice in examinations to read back the answer to confirm that a) it is actually answering the question asked, and b), that the answer actually makes sense in the context of the question or scenario given.

As noted in previous reports, some candidates seem to treat this paper as a general knowledge quiz, and assume that general answers, peppered with a few business terms, concluding with ‘...to maximise profit’, will suffice for an answer. Please inform candidates that the insertion of the word ‘profit’ into every answer is not the way to gain additional marks, and although important, profit is not always the answer. In fact it would be useful if candidates were clear what is meant by ‘profit’ in a business context – some candidates seem to use the terms ‘profit’ and ‘sales’ interchangeably, assuming that an increase in sales will inevitably mean an increase in profit.

Understanding of basic business terms remains low. This was particularly evident in the answers to question 1aii) where many candidates stated that ‘public limited companies are owned/run by the government...’ and that limited companies – both private and public – had ‘unlimited liability’.

Candidates should also be told that just stringing together a few meaningless business terms such as ‘...this will increase...profit, turnover, sales, employees, savings, motivation...’ is not an acceptable answer, and markers will not pick out the correct answer or appropriate word on behalf of candidates in some kind of multiple choice exercise. Candidates also need to be reminded that this is an AS level examination and most answers are expected to show some development and application. This means that unless specifically asked for, simplistic answers at the level of single words such as ‘easier’, ‘cheaper’, ‘quicker’, ‘faster’, etc. are not really acceptable and unlikely to score any marks.

Many candidates were again wasting time and potential marks by not following the requirements specified in the question. If a question asks for ‘one way’ or ‘one example’ e.g. question 1e – ‘Describe one non-profit objective...’ marks will only be available for one way/example – no matter how many other ways or examples the candidate crams into their answer. Again, this means that markers are put in a position of having to choose which examples to mark from a long list

provided by the candidate, inevitably some correct and some incorrect. Answers should not be a multiple choice for markers.

The difference between 'how' and 'why' needs to be explained to some candidates. This is an Applied Business unit and questions 1c, 1d, 1f, 2b, 2e, 3a, 3b and 3c all asked 'How...' providing candidates with the opportunity to demonstrate their ability to apply their knowledge to the given business situation. Many candidates missed marks by giving reasons 'why' such and such a thing occurred, rather than answering 'how' a business responds.

Most of these issues can be overcome to some degree by preparing candidates' exam technique, which is very important.

For the majority of candidates, questions for which they choose their own business worked continue to work well. As in previous papers, candidates who choose smaller, local businesses tend to produce better answers than candidates who choose large national or international 'famous name' businesses. It was also obvious, from the depth and quality of answers, where a candidate had work experience - the answers were much more applied, and somehow 'in the business' rather than just based on theory. However, there were still many instances where the business chosen was inappropriate, candidates just writing what they know about the subject of the question with no application to named business ignoring the context that a 'chosen business' should provide, and just basing answers on the subject of the question. As a result, some answers were not appropriate to the chosen business. Some choices based on personal interest (sport) rather than business studies, again, making it difficult to produce answers which were correct in the context of the question asked.

This report is designed to help future teaching and learning, and I hope that it does not come across as 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 theme of this paper is based on various business activities that affect Daren Gates as he manages the Digisilver Margate, a cinema multiplex that is part of the Digisilver Group plc. Despite the focus on one type of business in one sector, none of the questions needed specialist subject knowledge, and the subject does not appear to have caused any problems for candidates.

Comments on individual questions

1ai. A relatively straightforward start to the paper with candidates being asked for reasons why the manager would aim to sell tickets for every screening of every film. Most candidates gave basic answers drawn from the given scenario, which was acceptable for the two marks.

Some candidates just repeated the stem of the question by way of an answer i.e. 'Daren aims to sell tickets for every screening. Why...? Because he wants to sell tickets for every screening...' this form of circular, repetitive answer did not score any marks, and is the type of answer that could be avoided if candidates had practiced on past papers and been given sufficient training or advice on examination technique. On the same point, many candidates tried to overwrite their answer for this question, taking additional space on the paper; the fact that there were two lines on the paper should indicate to candidates that only short answers were required.

1aii. Focus of question was on what makes a public limited company and a private limited company different to a private limited company. It clearly split the candidates who had been taught properly about business formation from those who had little teaching.

Many candidates thought a plc was government owned and that its shares were free to the public. Some candidates gave 'knee jerk' answer based on differences between limited companies and sole traders; their answer may have been factually correct, but this was not what was being asked. Reading back the answer may have highlighted this type of error to the candidate, who could then have changed their answer.

Many candidates gave 'mirror' answers e.g. '...plc shares are sold on the stock exchange, shares in private companies are not...'; this not only filled up too much space on the paper, but could only score one mark for the information about public limited companies.

1b. Question asked why the Digisilver business would set an objective to become the leading cinema group in the UK. Generally answered well, with many candidates suggesting that increasing market share and reputation would lead to increased customers and sales/profit. However, candidates often made the assumption that as the business grew, profits would increase automatically rather than considering the potential for increased profits.

Some candidates did not seem to be clear about the difference between aims and objectives, using the terms interchangeably.

1c. There was plenty of scope in this question for candidates to write about how different functions, sales and cleaning, contribute to a successful business. The question generated some extensive, full and detailed answers. There was a tendency for weaker candidates to just rewrite the stem of the question e.g. sales staff sell/cleaners clean, which limited the marks they could score.

A surprising number of candidates did not explain the role of the sales staff or the cleaning staff, before starting to talk about their contribution to the success of the business, missing some marks for knowledge of business functions. Some of the answers tackled the question from the negative perspective i.e. 'if the cleaning staff don't ...or if the sales staff don't...' to try to show contribution to the success, this was a viable if more complex way of gaining marks.

1d. For this question, candidates were asked to analyse how a flat organisational structure, with twenty staff reporting to the Daren the manager, could affect the ability to manage the business. Judging by many of the answers, organisation structure is a part of the specification that is well known to candidates. The question could have been answered in a positive way i.e. the plus points of a flat organisational structure or a negative way i.e. problems that it could cause for Daren. Some candidates just described what is meant by a flat organisational structure, simply repeating the information given in the stem of the question, which did not score any marks.

1e. For this question, candidates were simply asked to describe one non-profit objective set by their chosen business. There was a great deal of misunderstanding among many candidates that charities are non-profit businesses, and then proceeded to form their answer by describing the charity and its aims, wasting marks.

Some answers did give an example of what the candidate believes is a non-profit objective – and then proceeded to outline how the given objective will increase profits for the business; this is a clear example of candidates not reading back their answer to make sure that it actually answers the question asked. Answers based on large retailers, relating to customer services and staff motivation tended to fall into this category.

Too many candidates gave reasons why the objective has been set, rather than describing as required; again, not answering the question. Some of the better answers were related to businesses that were not retail – such as schools or smaller local organisations, with objectives related to environmental issues such as recycling. Some candidates, seeing the word 'objective' just described the acronym SMART, which was not an acceptable answer to this question.

1f. This question asked candidates to describe how the operation of their chosen business is influenced by the way it is financed. This question was not well understood. Very few candidates actually provided details of how the business was financed, and without this basic information it was difficult to then go on and describe how this influenced the operation of the business.

There were lots of answers about 'finance' as a noun, describing how the business spends its money, and some answers were about the finance function, not the way to answer this question. Some candidates just went down the route of ownership, explaining unlimited liability and the advantages/disadvantages of being a sole trader, etc. Before a candidate could score any marks for describing how the operation of the named business was influenced by the way it is financed, they needed to state how the business was financed.

Reading the question thoroughly, and working through it systematically, would have led to the right type of answer.

2a. Candidates should know the difference between a job description and a person specification, and whilst one accepts that there may be overlap in practice, there is a clear distinction in the specification for this unit, and it was that we were looking for here. This question is specifically about job descriptions, and marks could only be awarded for headings that would be included in a job description.

Unfortunately, many candidates based their answer on a person specification, scoring no marks. A lot of candidates simply described what they imagined the job would entail – rather than giving headings for a job description.

It was also surprising how many candidates only gave three 'headings' – not counting/not reading back what they had written to check that they had answered the question.

Some candidates do not appear to know what a 'heading' is – writing a whole page of narrative for the answer; an example of where practice with past papers and some basic training in answering examination questions, would have helped.

2b. The first extended answer question on the paper, which also included marks for QWC. Pleased to report that candidates do not appear to have any trouble answering this style of question, most providing a full page answer, differentiating well, showing the full range of levels. Candidates were asked to consider how Daren, the manager, would deal with issues of discrimination and equal opportunities during the recruitment and selection process.

Most candidates seem to be able to write lots about discrimination/anti-discrimination in general, which got them into the middle of the mark band.

To get into higher marks the answer needed to start to make realistic or practical suggestions for avoiding the risk of discrimination when recruiting.

In addition to more general points, stronger candidates started to highlight the fact that the assistant manager will need to be able to communicate with customers in the English language. Interestingly, a number of candidates have picked up on the changing population profile in the UK and suggest that a speaker of Eastern European languages might be useful for the cinema as many of its customer may not have English as their first language – this too will lifted the answer into higher marks.

To reach the top marks, the answer needed to be a 'fluent discussion', as there are marks in this question for QWC; additionally, the answer would have had to be more developed, with reasoned examples of how discrimination and equal opportunities could be handled when recruiting. In practice, there a degree of misunderstanding of equal opportunities legislation, with some candidates talking about treating everyone the same rather than providing equal opportunities to the candidates.

2c. The focus of this question was induction training, and induction training alone. There were four marks available for an outline of what should be included in induction training. Many answers described training in general, identifying on-the-job, off-the-job, in-house, etc. which was not asked and earned no marks. Other candidates went beyond induction training and started to list areas of skills training that could be carried out for employees who are well established in a job. There was also a significant number of candidates who used the words 'induction training' but were clearly writing about and describing aptitude testing, confusing induction training with interview and selection techniques.

2d. Candidates were asked to outline two reasons for recruiting new staff for their chosen business. Pleased to report that most candidates did not seem to have had much trouble coming up with the reasons and a basic outline. Stronger candidates produced answers where the outline has additional points to make, scoring higher marks.

Lots of good answers, candidates have a good idea why their chosen business needs to recruit new staff, and can outline the reasons thoroughly. There were

some misconceptions, e.g. if they had made staff redundant they would need new staff to do their jobs.

Candidates who had obviously worked or had part-time jobs provided better responses, giving examples of temporary work at the post office or at a supermarket over the Christmas period or part-time work at a fast food outlet, looking at these staff returning to college or university or being transferred to a restaurant local to their educational establishment, etc. They were able to draw on this experience rather than memorise and repeat back theoretical examples from a textbook.

2e. How are appraisal interviews carried out in this (chosen) business? A very open question, asking how appraisal interviews are carried out in the business named by the candidate. Some answers concentrated on the form of the interview process e.g. '...it is face-to-face between employee and manager...', which was acceptable, so long as it is in the context of appraisal and there was some understanding of appraisal shown within the answer.

A high percentage of candidates did not refer to appraisal interviews, but just describing other techniques used for motivating staff, such as incentives, or gave examples of interviews in other circumstances, such as recruitment or exit. The marking team reported that although there were a lot of good answers in general, a significant number of candidates appeared to know nothing about appraisal, just picking up on the word 'praise' within 'appraisal', and describing how managers 'praise their staff for doing something well...', no marks for this approach.

3a. This was the second extended answer/QWC question. Most candidates have recognised the situation described: how Daren, the manager, could motivate cleaning staff so that they always completed the preparation of screening rooms within a 45 minute deadline, and could put forward a range of suggestions for ways to motivate the staff. At the lower end of the marks, the answers tended to be a bit random, just listing out motivation techniques which may or may not be appropriate to the situation described.

Better answers started to recognise the potential problems associated with motivating people to work faster, and the motivation techniques suggested were more relevant to the given situation. To get into the higher mark levels, the answer had to assess the situation fully, and suggest realistic example of ways to motivate a team to work faster without compromising quality. The answer at this level also needed to be fluent and well constructed as there are QWC marks applied to this question.

Lots of good/thoughtful answers with ideas for ways of motivating cleaning staff – very pleased to see that many of the answers were underpinned with a motivational theory, used to justify the suggestions being made, overall very well answered.

3b. Given a scenario which described plans for two 'all nighter' film shows, candidates were asked how legislation designed to protect the well-being of employees could affect this plan. Most candidates recognised that the length of the planned film shows would exceed the maximum working hours permitted under the Working Time Regulations, and how this could affect the plans in general – but few gave answers with any detail. Whilst most candidates had a general idea about legislation, few, if any named the legislation accurately. Some candidates gave answers which were completely wrong for the situation,

such as Equal Rights/Opportunities/Wages etc. Most candidates could express some knowledge of the maximum number of hours that employees can work without breaks etc. but few could actually apply their knowledge to the situation described in the question – a good example of just learning facts but not understanding how they are applied to real situations

3c. Candidates were given a scenario where, as part of their employment package, employees who work late in the evening are provided with a taxi to take them home after work. Candidates were then asked to analyse how this practice was related to Maslow's Hierarchy of Needs. Pleased to report that candidates seem to know Maslow's theory well, and most seem attuned to the benefits of a taxi home late at night.

Some candidates just stating the basic facts, but stronger candidates developed the link between the taxi home and Maslow, often using more than one part of the Maslow Hierarchy to make their point, which raised the level of their answer and the marks scored; answered well in general.

3d. This very straightforward question asked candidates to outline the influence of one stakeholder on the (chosen) business. Whatever the chosen business, most candidates gave 'customers' as the stakeholder; from there it was easy to build up marks by listing out how the business caters to the needs of the customers. Answers that gave other stakeholders were not as straightforward, but most candidates scored well on this question.

For some candidates there was a mix up between 'stakeholder' and 'shareholder'. A problem sometimes arose when candidates did not demonstrate the actual influence of the stakeholder but relied on bland statement such as 'the customer buys the products' rather than '...the business tries to establish customer's wants and needs so they want to buy products' type answer. This affected marks of some candidates. Some answers gave no stakeholder, just giving information about the business itself, which was not sufficient for any marks.

3e. This question asked candidates to examine the effect of competition law on the (chosen) business, and was based on point 1.4.2 in the specification, which names 'competition law' as a piece of knowledge that learners should cover in this Unit. It is a topic that has not been asked before in the external assessment, but it is our duty to cover the full extent of the specification at some point in its life. However, this did not make it an easy question for many candidates.

If candidates had been taught this part of the specification, and had chosen a business that is likely to be affected by competition law, then they were likely to have produced an answer that scored well. However, if they had not covered this part of the specification, and the choice of business has been inappropriate, they struggled to produce an answer that was correct within the terms of the question as set. In practice, many of the answers were about competition between the named business and its competitors – therefore not about competition law.

Some answers went off into discussion of equal opportunities or discrimination, something the candidate know about, rather than try to answer about competition law. Some candidates related their answer to 'copyright law' which is a good try but again did not score any marks. One of two answers seen had *'Help I've not been taught this!* But candidates who had an awareness of reports in the business news, such as those who that had studied large business

that dominated a market, were able to pick up marks because they had a good knowledge basis about monopoly status and the effect of killing off competition and reducing consumer choice.

One or two candidates were also able to pick up marks as they understood a little of competition law being to ensure choice and anti-monopoly practices as well as price collusion. Answers from stronger candidates who had chosen their business example well, and who know about competition law, could develop an answer based on this, and so this question became a very good discriminator between grades.

Grade Boundaries

Grade boundaries for this, and all other papers, can be found on the website on this link:

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Order Code UA034173 January 2013

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