

Examiners' Report/
Principal Examiner Feedback

Summer 2013

GCE Applied Business (6916)

Edexcel and BTEC Qualifications

Edexcel and BTEC qualifications come from Pearson, the UK's largest awarding body. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information visit our qualifications websites at www.edexcel.com or www.btec.co.uk. Alternatively, you can get in touch with us using the details on our contact us page at www.edexcel.com/contactus.

Pearson: helping people progress, everywhere

Pearson aspires to be the world's leading learning company. Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your students at: www.pearson.com/uk

Summer 2013

Publications Code UA035315

All the material in this publication is copyright

© Pearson Education Ltd 2013

GCE Applied Business (6916) June 2013

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 seventh 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 2a and 3c 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. In every other way the requirements of the question paper should be directly comparable with previous series.

Examiner reports are a valuable resource for helping prepare students 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 students in June 2013 the main issues are as follows:

Handwriting. At risk of repeating much of what I have reported in previous series, the handwriting produced by many students seems to continue to deteriorate. Students need to be reminded that this is a written paper, within an Applied Business qualification, so it is essential that students are able to communicate their answers in the written form – this means making sure, that examiners can actually read the handwriting. This series there was an increased number of papers sent to me for 'review' because markers could not decipher the handwriting. Despite the fact that students 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. The issue of poor handwriting does not appear to concern the students themselves, or there would be some attempt to improve matters. There is an apparent assumption amongst some students that it is acceptable, and no disadvantage, to produce handwriting that is hard for others to read – they will be in for a harsh realisation when they try to progress to higher education or enter 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 students 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 the paper and write as fast as possible to get it over, with the inevitable deterioration in handwriting. Please reassure students 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. Students 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 students 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.

Generic answers. Another issue that was apparent in this paper was the tendency for some students to give generic statements about the topic of a given question, 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. Questions which were treated in this way included 1c) and 1g), with students explaining what an objective or an aim was, but not relating this to the scenario 1c) or a business that they had studied, 1e). It is good practice for students to read back their 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 students 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 students 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 students were clear what is meant by 'profit' in a business context – some students seem to use the terms 'profit' and 'sales' interchangeably, assuming that an increase in sales will inevitably mean an increase in profit.

Lack of basic knowledge. Understanding of basic, but widely used, business terms remains low. This was particularly evident in the answers to question 1e) where, judging by the answers given, many students did not know the difference between the private sector and the public sector.

Students 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 students in some kind of multiple choice exercise. Students 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.

Choice of organisation for ‘business you have studied’ questions – 1f, 1g, 2d, 2e, 3d, 3e.

These questions are designed to give the student an opportunity to demonstrate what they have learned about real businesses during their course of study. Some students just give generic answers, but for most students these questions work well. However, through this series, a new development has been identified by the marking team – the use of fantasy or made-up businesses which are being used by a growing number of students. Some examples are easy to spot, where students ‘choose’ and use a business that was the basis of a previous examination paper. Markers saw a number of cases where students ‘chose’ and therefore claimed to have studied, the Digisilver Group (January 2013), Grillaz Burgers (June 2012), Berg Printers Ltd (January 2011) – whilst this demonstrates that students may have practices, using past papers, and memorised the names of these exemplar businesses, it would be impossible for them to have studied these businesses as they were created for the purposes of the examination. Answers based on these created businesses could, at best, be generic and therefore severely limiting in the marks which could be given for an answer. A similar use of ‘fantasy’ businesses was a trend for some students to make up a business based on their own name e.g. Angie’s Café/Bill’s Café/Clara’s Café/Dave’s Cafe etc. with the result that the consequent answer is generic at best, and often totally irrelevant to the question asked as the ‘business’ named is rarely able to support a developed answer.

There were other instances where the business chosen was inappropriate, students 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, these answers were not appropriate to the chosen business. Some choices based on personal interest (football clubs) rather than business studies, again, making it difficult to produce answers which were correct in the context of the question asked.

On a more positive note, students who choose smaller, local businesses tend to produce better answers than students who choose large national or international 'famous name' businesses. It was also obvious, from the depth and quality of answers, where a student had work experience - the answers were much more applied, and somehow 'in the business' rather than just based on theory.

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 students have indeed worked hard on their studies and the paper is just designed to give students 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 Della Street PAs, an employment agency based in central Manchester. Students were given information which explained that Della Street had opened Della Street PAs two years ago, that she provides her clients with a reliable and professional service for clients. She has run the business as a sole trader, and as the business has grown, her accountant has advised her to change the business into a private limited company. 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 students.

Comments on individual questions

1a. Immediately following the scenario which described the business and its current situation, this question simply asked for two reasons why *Della Street PAs* should become a private limited company. It is disappointing to report that many students could not answer this basic question correctly. As a result there were lots of confused half answers, students just throwing in words about not losing personal possessions – with no context (Why? How?), general statements about gaining 'profit' from investors/shareholders, even the suggestion that the government will put money into the business – just random statements that have tenuous link to business studies. This is a clear example of a question that could be answered easily, and correctly, if the student had a basic understanding of one of the fundamentals of this unit, section 1.1 in the Specification, which covers the ownership of different types of business formation.

1b. Asked students to describe changes in the way Della Street PAs will operate if it becomes a private limited company. Too many students did not read the question properly and only thought about the 'financial side' as opposed to the operational side of running the business. Students did not seem to read the question thoroughly, and consequently were not writing about how the operation of the business will change, listing ways that a private limited company differs from being a sole trader i.e. repeating answers to 1a. The advice here is that students should read through a question fully, before just starting to write about the first thing they see – then check back to make sure the answer actually meets the stated requirements of the question. Also, students need to identify the command words; here it was 'describe' which means that the answer should be more than just a basic statement.

1c. Here, students were given more information about the Della Street PAs, and asked to outline why seeking to retain all of her current clients during periods of economic difficulty would be an appropriate objective for the business. Judging by their answers, some students did not understand the term 'clients' as their answers seemed to be based on employees. Other students chose to define what is meant by an objective and went to great lengths to explain SMART – this is not what was asked and could not be given any marks, no matter how well written. As in 1a and 1b, a thorough read through of the question, combined with basic knowledge of business terminology would have helped students score better marks.

1d. Again, misreading caused problems for some students who did not understand the term 'clients'; a number of students spotted the word 'supplies' (verb) but interpreted it as 'suppliers' (noun), consequently coming up with a totally inappropriate answer. Familiarity with common business terminology and careful reading of the question is the way to overcome these problems.

1e. Told that some clients of Della Street PAs are organisations in the public sector, students were simply asked to explain two differences in the way that private sector and public sector organisations operate. Again, lack of basic business knowledge tended to let down many students. Many students confused 'public sector' and 'public limited companies', compounded by a widely held belief that public limited companies are owned/controlled by the government, and although the NHS was used as an example of an organisation in the public sector, an equal number of students stated that Tesco was also in the public sector. Whilst there was a general knowledge, for many students, that the public sector is funded/run by government/taxpayers, but role of private sector remained unclear beyond 'to make a profit'. Students could have scored higher marks with this question if they had a better grounding in basic knowledge of the subject. Also, the marks of some students were limited because they just gave 'mirror' answers for their two differences e.g. 'the public sector is funded by the government – the private sector is not', hardly an explanation, but a problem that could be reduced by practicing on past papers and comparing answers with the published Mark Schemes.

1f. This question asked students to analyse the working relationship between supervisors and the staff they supervise in a business of their own choice. The question produced a lot of good responses on the job role of the supervisor but very little on the job role of the employee. Marks were lost because students did not address the 'working relationship' part of the question, simply describing generic job roles. Some students seemed confused as to what was required by the question, either launching into motivation theory, typical using either McGregor or Taylor or talking about business structure, either hierarchical or centralised/decentralised often getting bogged down in channels of communication. Others thought the question was about appraisal and talked about how supervisors appraised staff, covering the theory of appraisal. Practice with past papers would have helped students get to grips with the format of these types of question.

1g. Students were asked to explain one of the main aims of the business that they had chosen. This simple question produced a lot of generic answers, with many students giving promotional slogans rather than business aims (this is, after all, a business paper). Having given an aim, students then struggled to develop or explain the aim, merely repeating the aim using different words. A few included answers which mentioned the aim and then went off into describing objectives rather than the aim. Some answers digressed into motivational aspects of staff and 'how' the aim was going to be achieved rather than explaining the aim and reasoning of the business for the aim itself. If a student just made up or gave generic aims, they struggled to gain further marks. Students who selected a suitable business with an appropriate aim often scored full marks as they were able to demonstrate their understanding/knowledge of the topic being examined. It became obvious that many students have not actually studied any businesses in any detail but just pluck a name of a business from the air, usually a supermarket and make up information they think or hope fits the question. Examples of this level of aim being, ASDA to break America, McDonalds to become the biggest fast food chain in the world or Tesco to become the biggest supermarket in the UK. These questions which offer the student the opportunity to build on what they have studied are the foundation for this paper and it is disappointing to see that some students have given little thought to their studies of real businesses.

2a. The first extended answer question on the paper, which also included marks for QWC. Pleased to report that students 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. Students were given information which explained that as Della Street PAs has continued to grow, the business now needs to employ a database administrator. Students were asked to discuss the different ways that Della could identify all the skills of each applicant, as part of the recruitment and selection process,

Many students just described the recruitment process rather than focusing on the question which is only about identifying skills, lots of low level answers, some just mention aptitude tests without any further explanation or description, certainly no discussion, except for the strongest students. Students were not reading question – they read the scenario, then just started writing what they know about the recruitment process, rather than answering the actual question. The question was not about the recruitment process per se, just one aspect of recruitment. Most students seem to be able to write lots about recruitment, and then run out of time/space before they get to the skills testing etc. Students often had the basic idea but used incorrect business terminology that confused their answer, e.g. organising training for the applicant rather than a role play, or inviting them for an induction day rather than a trial/selection day. Others talked about giving on-the-job training to test for skills, etc. Often they talked about the job description listing the skills rather than the person specification or suggesting a psychometric test when they really meant an aptitude test. When the correct terminology was used it was often just the word without any development. Very few made any comparison of the methods discussed. Like many of the other questions in this paper, a lack of basic knowledge limited marks, but students who knew their subject did well.

2b. A simple question, asking for examples of two areas of discrimination legislation, with the exception of discrimination between male and female applicants, which was excluded in the stem of this question. Despite this exclusion, it was disappointing to see how many students did give male/female discrimination as an example. In addition, some students mentioned Minimum Wage and Employment Rights – having not read the question properly.

2c. Asked students to examine why clients of Della Street PAs might need staff on a temporary basis. Lots of good answers, often listing reasons, but not developing answer. Some students missed the words ‘...clients of ’ and based their answer on why Della might need temp staff – missing the point of the question, so no marks. The main reasons suggested were maternity/paternity, holiday cover and long-term sickness but these were often not developed beyond cover being needed until they return. When given a question with ‘examine’ as the command word, and an indication of 6 marks, students could score much higher marks by developing their answers.

2d. Based on a business that they had studied, students had to outline one situation when this business would need to interview an existing member of staff. Most students scored at least 1 mark by giving a situation where an internal interview could take place – but many then drifted off into other areas of management, motivation etc which had nothing to do with interviews, so missed marks as they did not outline the situation that they had given. However, the whole area of interviews seems to be well known to most students, which is good.

2e. For this question, students were asked to describe one area of training, other than induction, that this business provides for its employees. Another question that was answered well, students seem to have a fund of knowledge when it comes to training – and by directing them away from induction training drew directly on knowledge that has not been tested in previous papers. Some students clearly 'made up' training within the business and others had studied the training opportunities. Apprenticeship type answers did come up which presented difficulties as this is an 'on-going' type of training within the working environment but it was possible to give some marks as additional aspects such as 'college' were often included. This is an example of a question where students who had part-time jobs did very well, as they could write directly about their own experience of training in the workplace.

3a. Candidates were told that Della's new database administrator is called Tony, that she is pleased with his standard of work and wishes to keep him as an employee. The question asked students to explain one method Della could use to retain Tony in her employment. Many good answers, but often the students would go-off on a tangent about general motivation - rather than focusing on retention. Some students gave a list of motivational ideas – question only asks for one. Some answers had a lack of realism in the 'fringe benefits' that could be offered to retain Tony. Other answers demonstrated that the scenario of Della was not fully understood or assimilated and there were constant comments about 'other staff and teams of working colleagues' to help Tony. Students need to read the question and the information about the business, which is provided as they work through the paper.

3b. Students were told that Della is a great believer in McGregor's Theory Y of motivation, then asked to analyse how this affects the way Della manages the placement of people who are registered with her. Questions based on theorists always present problems for some students, but most seemed to know enough about McGregor to score a couple of marks. Some, who knew the theory, had difficulty applying it to Della and her business. This question was a good discriminator and a lot of guesswork was present. Some students clearly had learnt about McGregor's X & Y Theory and others brought in Mayo/Maslow and even Herzberg knowledge to try to answer in a more general way on management forgetting the question was about the 'placement of people' who were registered with here. Those that understood the theory were able to see the advantages of Della knowing her registered people well so they were well placed and full marks could be obtained. Many had zero marks though for not reading the question or relating to Della's management of her own workers.

3c. This was the second extended answer/QWC question. Discuss the external issues that have an impact on Della Street PAs. Unfortunately this question produced mostly low level answers, students listing out a few external issues – the environment, the economy etc. - but do not apply them to Della's business, an indication of basic knowledge but little application to the situation given in the question. Such answers will score marks in the lower levels, but to make the most of the 12 marks on offer, students really must know their subject and be able to write an answer that gives some discussion of different external issues and how they might impact on the business.

3d. Students were asked to examine the opportunities for internal promotion in a chosen business that they had studied. For some students there was confusion with 'promotion' in a marketing sense. Others, gave lots of generic promotion opportunities, but they were not applied to a chosen business, some answers drifting from internal opportunities to the process of internal recruitment; promotion taken to mean internal vacancies in general, not linked in students' minds with succeeding/doing well and being promoted based on merit. A lot of students just talked about the advantages/disadvantages of internal promotion, linking it to motivation of staff. Many could describe opportunities, e.g. to supervisor, manager the area/regional manager but sometimes with little application or development. Others just repeated their answer to 2d and talked about people, leaving, retiring or being dismissed, etc, opening up opportunities. Students who chose large organisations with hierarchical structures and used this to explain the opportunities tended to score well. Others who used their school as an example also tended to score well, talking about head of year, head of department, etc. The choice of an appropriate business is key in this type of question.

3e. Outline the holiday entitlement for employees in this business, a straightforward question to end the paper. Most students showed good knowledge of holiday entitlement, but some merged maternity/paternity leave into holidays. There was also a presumption that sick leave is the same as holiday entitlement. Students with part-time work often scored full marks with detailed descriptions.

Grade Boundaries

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

<http://www.edexcel.com/iwant to/Pages/grade-boundaries.aspx>

Pearson Education Limited. Registered company number 872828
with its registered office at Edinburgh Gate, Harlow, Essex CM20 2JE

Ofqual



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

