Examiners' Report January 2009

GCE

GCE Applied Business (8721/9721/8722/9722)

Edexcel Limited. Registered in England and Wales No. 4496750
Registered Office: One90 High Holborn, London WC1V 7BH

A PEARSON COMPANY

Edexcel is one of the leading examining and awarding bodies in the UK and throughout the world. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers.

Through a network of UK and overseas offices, Edexcel's centres receive the support they need to help them deliver their education and training programmes to learners.

For further information, please call our GCE line on 0844 576 0025, our GCSE team on 0844 576 0027, or visit our website at www.edexcel.com.

If you have any subject specific questions about the content of this Examiners' Report that require the help of a subject specialist, you may find our Ask The Expert email service helpful.

Ask The Expert can be accessed online at the following link:

http://www.edexcel.com/Aboutus/contact-us/

January 2009

Publications Code UA020783

Contents

Principal Examiner's Report January 2009

Unit 1: Investigating People at Work (6916)

General Comments

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 series.

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 candidates in preparation for future papers.

My own general observations about this paper are as follows:

That candidate's understanding of command words seems to be improving, resulting in more answers that meet the requirements of the questions. This is likely to be a result of using past papers for analysis and practice, which helps prepare candidates better, combined with the efforts of the question paper evaluation committee (QPEC) to improve the communication and accessibility of questions. However, there are still a lot of candidates who, judging by answers given, do not appear to know or understand some of the basic terminology used in business and featured in the specification for Unit 1: Investigating People in Business. An understanding of the content, and familiarity with the use of business language and terminology in the Unit, is a basic requirement for success in the assessment of this Unit, and for moving on to further study or into the workplace. Finally, my examiner's report that there appeared to be a marked deterioration in the handwriting of many candidates, compared with previous examination series. As this is a written paper it is vital that candidates are able to communicate their answers in the written form – this means making sure that examiners can actually read the handwriting. Although all examiners will make every effort to decipher handwriting, there is a danger that candidates may miss vital marks if the handwriting is so bad that it cannot be read. Candidates need to remember that despite the widespread use of keyboards, screens and electronic communication, there is still a requirement for hand writing in the workplace.

To help candidates make the most of this external assessment in the future I would recommend that:

1) Teachers make good use of examination preparation sessions to introduce candidates 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 mark schemes 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, 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 continues 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.

Candidates also need to be reminded that this is an AS level examination and 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.

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 if 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. Unfortunately, no matter how well written or thorough the answer, unless it relates directly to what has been asked 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 'famous name' 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.

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 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 was based on businesses, broadly in the health care market, located in the High Street of the small town of Siding. None of the questions need specialist subject knowledge, and the subject does not appear to have caused any problems for candidates. 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.

Centres are to note that for the June 2009 series there will be a minor change in the way marks are allocated across questions. In June there will be two questions requiring extended answers from candidates. These will be worth 10 to 12 marks.

Centres have been advised of these changes and samples of questions requiring extended answers are available on the Edexcel website:
http://www.edexcel.com/quals/gce/gce-leg/business/apllied/Pages/default.aspx

Comments on individual questions

Question 1

Q1a) Question required basic knowledge of features of ownership of a sole trade business and a partnership. This proved to be a good start to the paper for most candidates, many answering quite well. However, for some candidates there was a muddling of private sector and plc ownership, probably caused as a result of misreading the information provided.

Q1bi) Question gave two of the aims of a High Street chain of pharmacies: to survive and to increase market share. It asked how the business could achieve these aims. Candidates suggested many good ways of ensuring survival – probably helped by the high profile news stories in the media about the steps being taken by retailers in their efforts to survive the trading conditions at the end of 2008. Any answers that related directly to the survival tactics being used by firms such as Woolworth (although ultimately it failed to survive) were rewarded with marks, as this demonstrated not only knowledge but also good application to real life events. In contrast, there was a lower understanding of ways of increasing market share. Many answers simply repeated the answers given in the first part of the question, presuming that survival and increasing market share were one and the same thing. Some answers were based on selling shares – a complete misunderstanding of the situation. Stronger candidates had few problems and gave realistic and practical suggestions.

Q1bii) Introduced an aim of the *Siding Health Centre*, featured in the scenario, and asked candidates for an objective that the manager could set for the administration team to achieve the given aim. This produced lots of general answers that could have related to any team in any business, not always applied to the administration team, as required. This is a situation where careful reading of the question and then actually answering what was required would have benefited candidates.

Q1biii) A short and specific question asked why objectives are important in managing the *Siding Health Centre*. This required direct application of basic knowledge to the Siding Health centre, but many candidates just gave a simple definition of an objective rather than answering 'why important…?' Another example of the importance of reading the question carefully before answering – they are not always what they appear to be about on a quick reading.

Q1c) Candidates were told that responsibility for all administration tasks was to be moved from the doctors and given to the practice manager and her team. They were then asked how this would help meet the aim of the *Siding Health Centre*. Most candidates could give general answers that were basically correct, but showing little real application to the situation described. For weaker candidates there was a lot of repetition and rewriting of the question and information provided rather than giving a real answer.

Q1d) Question asked for five features of a hierarchical structure as used by large organisations like the *Shoosh* chain of high street chemist shops described at the start of the paper. This was a fairly straightforward question, answered by most candidates with a bulleted list. Some 'features' were expressed as negatives, which was fine – if correct. Some 'features' were presented in a narrative form, which was also fine. However, many candidates relied on general knowledge or just describing what they imagine might happen in a business, rather than giving five clear 'features' as required.

Q1e) Was a wide-open question about management responsibilities, which generated answers about all kinds of managers in all kinds of organisations. Inevitably there were lots of long, general answers. Candidates who related their answers directly to the business that they had chosen and named inevitably produced better answers that earned them higher marks. As a general observation better answers came from candidates who chose small business that they had studied in detail, where the management responsibilities were clear and understood by the candidate. Answers based on large businesses like major supermarkets tended to be very general, sometime just guesses, as management responsibilities are likely to be more remote from the casual visitor.

Q1f) Another very open question, asking candidates to analyse one non-profit objective that had been set for a business that they had studied. This question generated confused answers, possibly based on a misunderstanding of the term 'non-profit objective'. The confusion for some candidates was between 'non-profit objective' and 'not-for-profit organisation'. As a result a lot of answers described the activities of charities. Also, a lot of answers simply tried to describe what might be meant by the term, rather than answering the question posed. Candidates who did give a clear non-profit objective usually went on to produce a good answer scoring full marks.

Question 2

Q2a) This question was preceded by detailed information about one of the businesses mentioned in the initial scenario – a physiotherapy business run by Amrit Singh as a sole trader. The business was about to recruit a new employee. The question then asked for an analysis of how the two personal qualities of being a good communicator and being well presented would contribute to the success of the business. Candidates showed good understanding of the positive attributes of these two personal qualities, but only the strongest candidates made a distinction between the personal qualities and the continued success of the business. This is an example of the majority of candidates having basic knowledge, but only a few being able to apply this knowledge to a given, real-life, situation.

Q2b) Candidates were presented with a draft recruitment advertisement and asked to identify potential legal problems with the wording. This question generated long and detailed answers, which suggests that this is a subject that candidates really know about and are interested in, judging by opinions expressed. Some candidates gave answers in the form of a bulleted list which was a good way of making their answer clear.

Q2c) A real application question, based on the problems likely to occur if one person attempts to interview every applicant for a job personally. This produced good answers, most candidates being able to identify potential problems. However, a lot of candidates answered the question based on problems for the applicant, the interviewee, rather than the person doing the interviews, which was the real basis of the question – a problem caused by misreading the question.

Q2d) Asking how regular appraisal interviews help improve the efficiency of the *Siding Health Centre* proved to be quite a tough question for a lot of candidates. As a result, we saw a lot of long and detailed definitions of appraisal, but candidates missed the requirement to relate and apply this to the named business. Consequently only a few candidates scored marks for explaining how appraisal interviews will help the business.

Q2e) Candidates were informed that the *Shoosh* business conducted recruitment through a dedicated page on its website. The question asked for the benefits of this form of recruitment for the business. There were lots of answers about the technological features of websites and the Internet, but candidates found it hard to convert their knowledge of technology into benefits for the business. Lots of benefits for applicants were given, missing the point of the question. Many weaker candidates just threw in words like ‘it’s quicker’ or ‘it’s cheaper’ without any reference point or comparison – this was very disappointing and certainly not answers of the level expected from AS candidates.

Q2f) An ‘open’ question based on explaining how a business of the candidates’ own choice uses induction training. Most candidates showed a good understanding of the concept of induction training – many answers appeared to be drawn from candidate’s own experiences, which is good practice for this type of question and shows real application of knowledge. Answers based on small/local businesses seemed to be more detailed and less general than when the candidate had chosen a large organisation.

Q2g) A question about another aspect of training – how increased training could develop as a result of training its employees. Again, lots of good application and real-life examples that produced good answers.

Question 3

Q3a) For this question candidates had to discuss how the partners at the Siding Health Centre could motivate its administration team without increasing wages. Many good answers and examples of motivation, but others just gave a list of motivation techniques, without any explanation of how they would actually motivate the team. Some answers displayed a lack of reality, suggesting motivators such as cars which would be totally inappropriate for low-paid administration staff as described in the scenario. Candidates need to be able to judge that their answer actually applies, is appropriate, for the given situation rather than just provide a theoretical answer.

Q3b) Was about the effects on employees if they are offered a huge incentive, only to fail to achieve it. Most candidates understood the situation and the problems this could cause. As a result they went on to give good answers based on a wide range of affects on employees, seeing some positive as well as the obvious negative effects that were likely to occur.

Q3c) This question was based on analysing the ethical issues surrounding ‘switch selling’ – shop staff offering customers a cheaper alternative to the product that they have asked for. Despite the current emphasis on business ethics in the commercial world, this question was answered very poorly. There was a lot of misunderstanding of the term ‘ethical’ and consequent confusion in answers given. A lot of candidates thought that it referred to ‘ethnic’ issues, and based their answers on this. Others could make personal comments on this method of selling, but made no connection with business ethics. In general, answers to this question highlighted a particular weakness in this area of the specification. Section 1.4, bullet point 2 clearly states that ‘social and ethical issues, such as ethical behaviour…’ is something that candidates must cover in their learning for this Unit, and as such this is a legitimate area that must be tested.

Q3d) Asked candidates to give one example of how a business that they have chosen is affected by the Trade Descriptions Act. Although this act is not named explicitly in the Unit specification, ‘legal constraints and issues, including…consumer protection…’ is clearly stated in section 1.4, bullet point 3, and the Trade Descriptions Act is considered to be a high-profile piece of consumer protection legislation. Despite this, most answers given appeared to be just guesswork, based loosely on anything remotely connected with the word ‘trade’. As a consequence we saw answers about trade unions, Sunday trading, fair trade, international trading etc. Answers given to this question showed a disappointingly low level of knowledge of consumer protection legislation. My advice to help remedy this situation is to focus candidates' learning on the recently introduced **Unfair Trading Regulations**. These Regulations aim to harmonise consumer protection throughout the EU, and have effectively replaced the Trade Descriptions Act and the Consumer Protection Act (although there are elements of both Acts which have still been retained by the British Government). You will find that the Unfair Trading Regulations are more general, easier to understand and consequently should be easier to learn about than more specific Acts of Parliament. Information about the Unfair Trading Regulations can be found on the Department for Business Enterprise & Regulatory Reform (BERR) website, The Trading Standards website and most local Trading Standards offices should also have information.

Q3e) This final question asked about the use and application of a named motivational theory to a business chosen by candidates. This produced wider ranging answers and showed that most candidates had a good level of knowledge of at least one of the main theories. Some candidates missed marks by not naming a theory on which they had based their answer.

Principal Moderator's Report January 2009

Unit 2: Investigating Business (6917)

General Comments

As in the previous windows, the unit was often leniently assessed and so adjustments had to be made. Similar issues to those found in the previous series were again found in this window.

There were a number of candidates re-submitting work to improve their marks in this window.

Many centres have developed approaches to this unit learnt from previous submissions, reports and training. Many centres sent questions into the Ask the Expert Service and by doing so avoided some common pitfalls such as size of business, appropriateness of choice of business, etc. There was an increase in the proportion of candidates covering most of the content of this unit but this was not accompanied by an increase in knowledge and understanding demonstrated through the portfolios, i.e. many centres developed a "tick box" approach to the unit.

Areas of the Specification

All candidates investigated setting up a new business.

Few centres included assignment briefs and thus it is difficult to comment on the ways in which candidates were directed to cover the unit.

Strand A: 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. Work was often in mark band 1. Candidates had often decided upon the product/service, its price, etc. Before carrying out the market research and continued with these despite the outcomes of the research. Very few candidates made any use of the research they carried out.

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. The work was often basic and the wider legal aspects related to e.g. 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. Where pricing strategies were covered, the answers were theoretical.

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 implement TQM. Human resources and financial resources were often only briefly covered. Answers to Human Resources tended to be theoretical, covering recruitment and selection, training and motivation. Candidates rarely covered opening hours, sales capacity, etc. Wage rates, where given, tended to be minimum wages but candidates did not calculate total wage bills or carry through such figures to strand C.

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 latter 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.

For strand C, candidates usually calculated cash flow and breakeven but the monitoring aspects were rarely covered. Cash flows are best when they cover a twelve month period, four month cash flows are inadequate, especially where the candidate is investigating its use for monitoring business performance. 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, raw materials, etc. of resources in strand B. 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 a concentration on generic software, usually Office, with accounting packages or Publisher being the specialized software. Where the specialist software was accounting packages these were often inappropriate to the size of the business. Some candidates did effectively use Publisher and other DTP packages as specialist. Other candidates looked at specialist hair salon booking software.

Candidates tended to describe the use of word processing for letters, databases for customer records and spreadsheets for accounts. There were examples in relation to their own business in a number of portfolios.

Greater emphasis on the use of the software to improve business efficiency is needed.

Comments on Administrative Procedures

Administration was generally good. Many centres sent portfolios in prior to Christmas and before the moderation window opened. The majority of the remaining centres sent their samples to arrive, on time, at the opening of the moderation window.
A number of centres made entries and then withdrew the candidates.
The majority of centres did use the Edexcel Mark Record Sheets. 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 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 by the Mark Band achieved and the strand of the assessment evidence grid met so, e.g. MB1a indicates area (a) has met Mark Band 1, rather than trying to annotate via the Assessment Objectives (AOs) as these are spread throughout the Unit's strands. 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, however, in many cases this was little more than a signature.

Principal Moderator's Report January 2009

Unit 3: Investigating Marketing (6918)

General Comments

There was a tendency in some cases to link this unit with 6917 (and sometimes other Units) and attempt to cover both sets of criteria at once. This can produce some confusion with regard to what is required for this marketing unit. There was still some evidence of rather "academic" approaches e.g. 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.

Centre assessors are still not always assessing against the relevant 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) (each strand relates to a single assessment objective in this unit and each must therefore be addressed) 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. 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 sometimes over rewarded.

The assessment requirements can 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 real difficulties when detailed consideration of the "mix" was attempted e.g. 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 mentioned in previous reports, the best approach found (as with 6917 – Investigating Business) 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) i.e. the "4P's" (or some variation) linked clearly to the market research. Weaker work underestimated e.g. 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 e.g. mock-ups of advertising and promotional campaigns as part of the mix and these added to the whole approach.

Areas of the Specification

Again, it is worth remembering (as noted above) 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 still 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 continue to be required to investigate the market, brand, range or some generic product rather than a particular product or service this makes for difficulties of analysis. Sometimes, candidates simply appear to be investigating the existing marketing strategy of a well-known business rather than proposing a mix for a new or existing product (or service) as required. 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. 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 continues too often to include 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. 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 e.g. conclusions based on an unsuitable sample size; or products targeted at teenagers based on a survey of older adults. Stronger candidates were again 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) Most candidates were again 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 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 e.g. of "pricing" and it was often difficult to find out e.g. 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. Again, 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) The final strand continues to be 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.

Comments on Administrative Procedures

Work was again mostly received on time together with the appropriate forms – Mark Record Sheets ("MRS") and "OPTEMS" with most fully signed to indicate authenticity. In general, marks on the work conformed to those on the OPTEMS with occasional discrepancies.

Again, if centres design their own "front sheets" it is important to ensure that all the relevant information is present i.e. 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 slightly harsh.

Annotation of Portfolio Work

The minimum requirement for annotation of portfolios is outlined in the specification 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

Although less in evidence, there still remains the issue of inaccessibility and unsuitable presentation of some 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.

Principal Moderator's Report January 2009

Unit 4: Investigating Electronic Business (6919)

General Comments

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 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 website.
- 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.

Work sampled indicated a much improved selection of appropriate websites, with a sound explanation of the features and purpose of the sites, with a more detailed analysis of the site's functionality in support of the business achieving its objectives (for AO1/2) being included. Generally more specific and realistic examples were included to show the linkage between the website and the business objectives, however, the level of evaluation on how a business can use a web presence to meet its objectives was still limited for MB3.

To ensure the full development across Strand (a) and (b) to MB3, the business of choice is important for the depth of analysis, evaluation and the selection of drawbacks, in addition contrasting site/businesses should be encouraged.

A single business needs to be selected to explore its strengths and weaknesses in an internet presence for strand (b). More specific details on the drawbacks to having an internet presence relevant should be included, with recommendations for the specific site/presence in relation to the stated business aims and objectives set.

The depth of analysis into the factors for the business were mostly generic, more consideration of longer term legislation, costs and maintenance/training expenses should be included. Justification and/or consideration of the business opportunities a website could offer and the longer term needs/factors for a realistic online presence be introduced to supplement their choice and recommendations, as required for Strand (c) AO3.

Candidate's continue to show a good understand of the design and build processes for creating a website for AO1 & A02 in Strand (d). Though the use of initial plans and outlines for a website are well developed, candidates need 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 for MB2/3. The business purpose of the 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 for gaining MB3 and should be confirmed by some tutor statements.

Authentication

Strand (d) MB2 & MB3, centres should include evidence to confirm originality of learner 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 should present in the material.

Standardisation

Consistent marking and internal 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

In relation to Strand (a), for higher mark band, 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 should be included.

For strand (b and c) detailed analysis and consideration of factors should be included. Candidates should be encouraged to explore and evaluate the influences on using a website and include 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. Therefore, authenticated evidence/statements to support its construction and functionality should be included by tutors.

Principal Moderator's Report January 2009

Unit 5: Investigating Customer Service (6920)

General Comments

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, there were instances where the marks on the OPTEMS did not reflect the marks on the Mark Record Sheet.

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. Asda & Tesco. 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. Candidates should be encouraged to reflect recent changes in the Consumer Protection Legislation. 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 where possible.

Evidence for UK and EU legislation should reflect the changes in Consumer Protection Legislation.

Grade boundaries

At the E/U boundary, candidates demonstrated basic knowledge and understanding of key customer service concepts. At this grade boundary, candidates presented limited evidence of application, analysis and evaluation. For strand A, candidates showed a basic understanding of different types of customers and their needs and expectations for two organisations. Research for this strand was limited or implied. For strand B, basic/limited application of knowledge and understanding was demonstrated for strengths, weaknesses and recommendations of customer service activities. Strand C, evidence of research was implied/limited at this grade boundary. For strand D at this grade boundary, evidence of Legislation was limited in particular, EU legislation. Legislation links to the organisation's product/service was limited.

At the A/B boundary, candidates were able to demonstrate in depth knowledge and understanding of key customer service concepts. Evidence was supported by good research, clear application, analysis and evaluation. For strand A candidates demonstrated good knowledge and understanding of different types of customers and their needs and expectations for two organisations. Analysis and evaluation was effective for this strand. For Strand B strengths and weaknesses of customer service activities were analysed and evidenced, suggestions for improvements were recommended based on research. For Strand C candidates evidenced relevant up to date research to demonstrate how customer service is monitored and maintained within the organisation. For Strand D at this grade boundary, candidates were able to apply and evaluate UK customer service legislation effectively. Evaluation of EU legislation was limited.

Principal Examiner's Report January 2009

Unit 6: Investigating Promotion (6921)

General Comments

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

This was the 7th series for the Investigating Promotions paper and the basic structure and applied nature of the paper should be familiar to all centres. For the June 2009 series there will be a minor change in the way marks are allocated across questions. In June there will be two questions requiring extended answers from candidates. These will be worth 10 to 12 marks. This will not affect the questions based on candidates own study of businesses. These will continue to be worth 10 marks each, and will be subdivided into 3 or 4 parts.

Centres have been advised of these changes and samples of questions requiring extended answers are available on the Edexcel website:
http://www.edexcel.com/quals/gce/gce-leg/business/apllied/Pages/default.aspx
This is not a major departure from the current paper where two of the questions were worth 8 marks.

The January 2009 paper had the required two scenarios. The first referred to a small plumbing business and the owner's approach to promoting his business. The second was based on actual details of how *Argos* uses catalogues and other promotional methods to approach its customers. Both scenarios were well understood by candidates and allowed them to use their own understanding of the businesses to enhance their answers. Generally candidates' application to the types of business used was good, but the actual reading of the questions, and hence the actual application required to answer some of the questions, was not good.

As always questions 8 to 10 required an understanding of how specific real businesses actually carry out their promotions. Most candidates could give basic details and some generalised explanations, but very few candidates could demonstrate that they had studied the chosen businesses in depth – hence a lack of detail, and few candidates scoring full marks.

The perennial weaknesses remain but of those that have been highlighted in all of the previous reports to centres this series seems to have brought one to the fore. That is not reading, and responding to, each word in the question.

Comments on individual questions

Question 1

Q1a) This required reference to Figure 1 and nearly all candidates did try to do this. The occasional candidate choose television or radio (assuming that Echo meant something related to audio). The majority of candidates gave the correct answer. The most common reasons for giving an incorrect answer were not understanding what a telephone directory is (so this was given as a non-print media) or not reading the details in Figure 1 carefully enough.

Where Figure 1 was not read carefully some candidates interpreted the use of telephone directories as meaning that Stan was ringing up potential customers to promote his business. Where candidates made this mistaken assumption they often gave a similar invalid interpretation in part (b).

Q1b) Where candidates understood the nature of telephone directories they tended to give well reasoned answers based on free supply to customers, access in the home, relative low cost and traditional use of directories in emergency situations. Candidates did need to relate this media to Stan's business for full marks and that was only done by the best candidates.

The main reason for candidates failing to gain any marks was that they confused telephone directories being used to promote the business with the telephone being used to promote the business. The latter was not indicated in Figure 1 as a method being used by Stan.

Question 2

Q02a) Many candidates scored full marks for this question, with the best candidates using the information they had been given in the stem and the fact that the cards were credit card size. There were also some general answers about the size and the need for balancing visibility and portability. Only the better candidates clearly linked the size back to Stan's business.

Q2b) This question required candidates to consider where the cards had been placed. There were two acceptable approaches. First, that DIY stores had been chosen and second, that the cards had been placed, with up to 30 other cards, by the exit.

Weaker candidates gave general answers that could have applied to any store and some continued to write about the size of the cards. Most candidates, however, did apply their answers to these being DIY stores and related that to the nature of Stan's business.

Generally answers were not well developed by many candidates so that only basic marks could be awarded. Where candidates did develop their answers there was some very good reasoning provided which was well applied to the location of the cards and to Stan's business.

Question 3

Q3a) Most candidates scored at least 2 marks here, and many scored the full 3 marks. The general principle of the sex discrimination legislation was well understood although some candidates did not name the Act. There were some candidates who did not refer to any legislation and did not seem to know that this would be illegal. Others simply stated that it would be against the Act, but provided no additional details about why, or the possible effect on Stan's business. Candidates needed to consider the difference between being asked to 'state' why and 'describe' why.

Q3b) This should have been a straight forward question to answer but a significant minority of candidates threw marks away by not reading the question carefully enough. Typical errors included; not 'stating' a cost, but saying that the cost would be high or low; ignoring that these had to be requirements for Stan and not for the newspaper; assuming that the South Wales Echo would limit how much space Stan's advertisement would be allowed on the page.

Most candidates could give a valid cost. The limitations and production requirements for Stan caused more problems. Candidates who thought about the context for the question, that of advertising for skilled plumbers, generally provided valid answers on the lines of the limitation of who will see the newspaper and the need to provide suitable copy.

Question 4

Q4a) Many candidates scored full marks for this question. Those who did not, either misread the question, or did not read the details in Figure 2 carefully enough. The types of media had to have been referred to in Figure 2. Some candidates gave television as an answer, presumably because they had seen television advertisements for *Argos*, but that was not a form of promotion mentioned in Figure 2.

The types of media needed to be distinct and cover the major types listed in the specification. Candidates were rewarded if they gave examples of the media and then elaborated in part (ii), but they were not rewarded for giving more than one example of the same media, e.g., print.

Q4b) This question required careful application to *Argos* and its target population. Weaker candidates did not identify any specific target and also ignored the word 'national'. Essentially they were answering the question 'Why advertise on television?'

Candidates who started by considering who *Argos* was targeting with its promotions tended to give well developed and reasoned answers. Figure 2 provided a number of different targets, each of which had good reasons for why national television would be appropriate. These included where *Argos* sells its products, where it has its store, the very wide range of products its sells and the number of households which have catalogues. Candidates identifying these potential targets and then supporting that with reference to the information given in Figure 2 gave well reasoned and developed answers.

Question 5

Q5a) Many candidates found this question challenging. It required careful appraisal of what the two brochures were offering. A significant number of candidates did not understand the meaning of 'a cut down sample of the range of products for sale' and interpreted this as meaning that these were 'sale' items rather than items 'for sale'. They also seemed to interpret the term 'cut down' as meaning cutting prices. Candidates who understood the actual nature of this brochure gave good reasoning as to why *Argos* produced this 72 page leaflet when a 1,780 page catalogue was also available.

For the second brochure candidates should have focused on the fact that these were for a specific market or that they were new products. Where that was recognised candidates gave well reasoned answers. Some candidates did not bother considering both brochures and some candidates wrote about the two leaflets, even though the question specifically identified 1 and 2 as the listed promotions that should be considered.

Q5b) This specifically asked candidates to consider the nature of the product and that should have been the starting point for the answer. Some candidates did not identify what the nature of the product was, and some did not even identify the product. The question also required candidates to give their justifications in terms of when the leaflet was made available, in August.

Candidates could argue the case for this being the height of summer or approaching autumn and the need to clear stock. There were some well reasoned answers but the better ones came from the need to de-stock, which matched the fact that the leaflet was showing reductions in prices.

Question 6

Q6a) Where candidates understood the term 'value for money' they looked for references in Figure 2 and gave good explanations. However, some candidates did not understand this term and found it difficult to relate any of the information in Figure 2 to what value for money might mean.

This did require candidates to go back to the promotions given in Figure 2, and not to their general knowledge of *Argos*. Some candidates used comparisons with the prices offered by other businesses to justify the value for money, but that was not indicated on Figure 2.

Q6b) Nearly all candidates were able to select features that provided customers with convenience but only the better candidates gave developed reasoning as to why the feature(s) would provide convenience. The question also asked candidates to consider 'ways' and some candidates only dealt with one way. There were many to choose from.

The question also required candidates to relate their answers to how the catalogues were used, or to a feature of the catalogues. Some candidates referred to features of the leaflets or brochures and these were not acceptable features for this question.

Question 7

Q7) This was poorly answered by many candidates because they did not read the question carefully enough. This asked for them to 'analyse the success.' The first step should, therefore, have been to identify the success. There were a number of clear indications of *Argos's* success, for example, the number of stores, customers, orders, households with catalogues, number and range of products offered.

The question also asked candidates to analyse the success in the context of using the catalogues as a method of promotion. Only the best candidates related their answers to the use of the catalogues for promotion.

The question also asked for analysis and generally candidates only considered positive points with no consideration of any negatives and no questioning of the extent to which the catalogues had contributed to the success of the business.

Questions based on own study of examples during the course

The correct choice of business, product or promotional campaign is vital for providing good answers to these three final questions. Basic rules for preparing for and answering these questions were given in the summer 2008 report to centres and those should be checked.

In this series, not reading the questions carefully enough was a major problem for a significant number of candidates.

Question 8

Q8) Nearly all candidates could identify a free sample being used as a sales promotion but the choice of the free sample seemed to have been made without reading all parts of the question. More thought about the nature of free samples might have helped candidates to gain high marks, especially in part (c).

Part (a) required sufficient detail about the product to make it absolutely clear what product was being used as the free sample. This could have been a tester, a sample of the product being sold, or a sample of some other products (as with magazines) designed to attract customers to a different product.

Part (b) was answered well by candidates who read the question carefully and good descriptions of the process were provided showing how customers were offered the samples. Some candidates explained ‘why’ rather than ‘how’, despite the fact that that was what was being asked for in part (c).

Part (c) asked candidates to explain why a free sample would be effective for this particular product. The starting point for the answer should, therefore, have been to identify something about the nature of the product. Too many answers were general and could have applied to any free sample, for example, that it was free and that that would attract customers.

Candidates who considered the nature of the product gave well reasoned answers although only the best candidates developed their answers in sufficient depth to gain all 6 marks.

Question 9

Q9) Most candidates were comfortable with the topic and could score on all parts, but only the better candidates gave developed answers for parts (c) and (d).

In part (a) candidates needed to give the name of the business and a clear description of the type of goods or services it provided. That was done by all but a very few candidates.

Part (b) should have been very straight forward and only required general answers. Where candidates failed to gain marks this was mainly because they did not seem to know what setup and running costs meant in this context.

Part (c) was generally well answered although weaker candidates tended to ‘state’ rather than ‘describe’. It was important to choose a method that would help to answer part (d) and it was clear that some candidates had not thought about that. As with all of the three last questions, it is vital that candidates read all parts before choosing the business and product.

Part (d) related to the website referred to in part (a) and the non-web based medium given in part (c). The question also required comparison of the two methods as effective ways of reaching the business's target audience. In order to consider the effectiveness it was first necessary to identify the target audience. Many candidates did not do this and simply compared a website against, say, television, in general terms, with no reference to the business, the product or the target population. Weaker candidates also tended to state details of the two methods, but did not compare them.

Question 10

Q10) Generally this was poorly answered because candidates did not have actual examples of how businesses advertise in countries outside of the UK. This meant that marks for part (b) were often very low.

For part (a) details needed to be provided for the business, the product being advertised and the EU country in which it was being advertised. Some candidates failed to identify the product. Some candidates gave a country, such as the US, which is not in the EU.

Part (b) required candidates to show how the business 'had adapted' its advertising and not what it might need to do if it was going to advertise in another EU country. Many candidates clearly did not know how the product was actually advertised in the other country and therefore gave general answers about what might need to be done.

The correct approach, taken by the best candidates, was to identify the way the product was advertised in the UK, state how it was changed when being advertised in, say, France, and then state why this change needed to be made. There were some very good answers where candidates had done this.

There were also some answers where the product had been changed, but no mention was made of how the advertising had been adapted.

Part (c) required only a general answer and most candidates could gain 1 mark for taking the line of the business being better known. Some candidates did not understand the term 'image' and simply wrote about making more profits.

Issues 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** – Candidates need to know all of the terms given in the specification and common terms that relate to the real world of promotion. There were terms used in this paper that candidates did not fully understand, which resulted in them answering questions incorrectly and losing marks. Examples included, telephone directories, credit card size, production requirement, cut down sample, national television, and value for money.

3. **Reading the question/following instructions** – A huge number of marks are still being unnecessarily lost, simply because candidates have not read the question carefully enough. The suggestion remains that candidates 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.

4. **Questions requiring extended answers** – There will be two questions with 10 to 12 marks in the summer series. Candidates should be shown how to develop their answers so that they can provide depth and detail for these questions, and for questions in general.

Please also note the comments made about online marking in previous reports and the comments made about writing only to the space provided on the paper itself. Centres need to ensure that their candidates are not being disadvantaged simply because of the layout of the paper. Additional work outside of the specified area on the paper, or on additional sheets, is totally acceptable, but, when this is done, it is vital that the candidates indicate somewhere on their answer to a specific question that they are using additional paper or completing the answer somewhere else in the actual booklet. Preferably, they also indicate where the rest of the answer is.

Principal Moderator's Report January 2009

Unit 7: Investigating Enterprise (6922)

General Comments

Similar issues to those found in the previous series were again found in this window, detail is given below.

There were a number of candidates re-submitting work to improve their marks in this window.

Many centres have developed approaches to this unit learnt from previous submissions, reports and training. Many centres sent questions into the Ask the Expert Service and by doing so avoided some common pitfalls such as group size, allocation of roles, appropriateness of choice of enterprise, etc.

Many centres did not include appropriate witness statements for strand C.

In some cases, centres tried to combine 6922 and 6928, organising a company to run an event. This is not a successful strategy for both units as the evidence requirements are diverse.

Centres must ensure that if they do this unit then the company must be set up, run and then wound up. It is a practical activity and is not to be based around theoretical businesses.

Areas of the Specification

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.

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 make activities clear. They support 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.

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.

The centre has 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 set up companies to run events or trips, these were often events/trips that had happened in previous years, which were annual events/trips or were too small. The candidates in these centres experienced difficulty in providing evidence of primary research and evidence for other strands. A substantive business activity is required. Centres must also ensure that the group size is appropriate.

Candidates are required to undertake a self evaluation in this strand. These were often unsubstantiated or, in many cases, were simply a description of what they did and did not evaluate performance.

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.

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 does need supporting evidence from candidates showing originality of thought and outstanding contribution to the group report and presentation. In most portfolios, where there is a strong witness statement identifying strong and sustained contribution to the running of the company, the group activity and the group presentation by the candidate there was usually sufficient candidate evidence to support the allocation of higher marks.

Where roles or contribution was 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 candidate input into the company and the presentation. Where the activity/event was too small candidates could not generate sufficient evidence.

Where a company report is produced as well as the individual portfolios, this must be sent with the sample.

Centre assessors must ensure that they tie their witness statements to the descriptions used in the mark bands. There were occasions where assessors noted strong contribution to the group presentation but the candidate evidence and the marks awarded did not reflect higher mark bands.

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.

Comments on Administrative Procedures

Administration was generally good. Many centres sent portfolios in prior to Christmas and before the moderation window opened. The majority of the remaining centres sent their samples to arrive, on time, at the opening of the moderation window.

A number of centres made entries and then withdrew the candidates. This unit had a small entry mainly due to the extended time required for running the enterprise. There were a number of candidates re-submitting work to improve their marks in this window.

The majority of centres did use the Edexcel Mark Record Sheets. 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 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 by the Mark Band achieved and the strand of the assessment evidence grid met so, e.g. MB1a indicates area (a) has met Mark Band 1, rather than trying to annotate via the Assessment Objectives (AOs) as these are spread throughout the unit's strands. 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 marking candidates' work, however, in many cases this was little more than a signature.

Principal Moderator's Report January 2009

Unit 9: Managing & Developing People (6924)

General Comments

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.

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 3 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.

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 specification.

Strand C
Clear evidence of researching a training programme for one individual should be included as evidence. It is recommended that candidates do not submit the evidence based on their own training within part time jobs as this does not allow scope to access marks in higher mark bands. The results should then be used as 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

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.

Grade Boundaries

At the E/U boundary, candidates demonstrated basic knowledge and understanding of key concepts of managing and developing people. At this grade boundary, candidates presented limited evidence of application, analysis and evaluation.

For strand A, Candidates showed a basic understanding of motivational strategies, used in the chosen organisation, this was further developed by identifying strengths and weaknesses of the motivational techniques. Suggestions for alternative approaches were identified. Evidence of conflict was limited as candidates often focused on conflict between individuals and not individuals and the organisation. Appropriate links were made to recognised theorists. Evidence of research was implied/limited at this grade boundary. For strand B, basic/limited application of knowledge and understanding was demonstrated for team working and management styles. However, clear references were made to recognised theorists. Evidence of a meeting was limited. Strand C evidence of research for a training programme for one individual within the organisation was implicit/limited at this grade boundary. Strand D basic reason for carrying out a skills audit was appropriate for this grade boundary. Evidence of research of common formats of skills audit and careers were often limited.

At the A/B boundary, candidates were able to demonstrate in depth knowledge and understanding of key concepts of managing and developing people. Evidence was supported by good research, clear application, analysis and evaluation. For strand A candidates demonstrated good knowledge and motivational strategies, used in the chosen organisation, this was then further developed by identifying strengths and weaknesses of the motivational techniques. Suggestions for alternative approaches and conflicts were addressed; appropriate links were made to recognised theorists. Analysis and evaluation was effective for this strand. For Strand B candidates' demonstrated clear application of knowledge and understanding of team working and management styles, clear references were made to recognised theorists. Stronger evidence and analysis of a meeting was included in portfolios at this grade boundary, together with better evaluation of conflicts. For Strand C candidates evidenced relevant up to date research to demonstrate the effectiveness of a training programme for an individual within the chosen organisation. Stronger evaluation of the cost and benefits to the organisation and the strengths and weakness of the training programme was included at this grade boundary. For Strand D at this grade boundary, candidates were able to apply research to their chosen career/development plan with stronger evaluation of alternative career routes.

Principal Examiner's Report January 2009

Unit 10: Marketing Decisions (6925)

General Comments

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

This was the 5th series for the Marketing Decisions paper and the basic structure and applied nature of the paper should be familiar to all centres. For the June 2009 series there will be a minor change in the way marks are allocated across questions. In June there will be two questions requiring extended answers from candidates. These will be worth 10 to 12 marks. This will not affect the questions based on candidates own study of businesses. These will continue to be worth 10 marks each, and will be subdivided into 3 or 4 parts.

Centres have been advised of these changes and samples of questions requiring extended answers are available on the Edexcel website:
http://www.edexcel.com/quals/gce/gce-leg/business/apllied/Pages/default.aspx
This is not a major departure from the current paper where two of the questions were worth 9 marks.

The January 2009 paper had the usual single major scenario on which 70 of the 90 marks were based. The business was a manufacturer of cosmetics considering expansion into the retail sector. Candidates identified well with this situation, especially as there were also references to *Boots* and the *Body Shop*.

Question 7 & 8 were the two 10 mark questions relating to real marketing campaigns carried out by business that candidates had studied during their course. The first, on product development, was better understood and answered than the second, on electronic market research.

The perennial weaknesses remain despite being highlighted in all of the previous reports to centres. Not reading the questions carefully enough was a major reason why many candidates failed to score what were often fairly accessible marks.

Comments on individual questions

Question 1

Q1a) Candidates found this question straightforward and most candidates could gain 6 marks with little difficulty. There were some candidates who did not read the information in Figure 1 carefully enough and listed 'using raw materials' as a strength, without referring to 'where suppliers are paid a fair price'.

In part (ii) candidates could generally give sufficient explanation to show that the strength identified in part (i) would be a strength for *Purity* but few then went on to explain why this would help the business to compete against other suppliers.

Q1b) Most candidates gave a basic explanation of the dominant position of *Boots* and the *Body Shop* but few developed their explanations to show the likely extent of the economic threat that these two major retail chains were likely to pose as *Purity* tries to expand into operating its own high street shops.

Some candidates saw the term ‘economic threat’ and, ignoring the instruction to tie this to *Boots* and the *Body Shop*, wrote about the threat from the downturn in the economy. If that was kept general, candidates scored no marks, but it was also possible to set this in the context of competing with the major chains, in which case, high marks were usually scored.

Question 2

Q2a) Most candidates did know what the letters in PESTLE stood for, although there were some candidates who thought the final E stood for Ethical. What was less clear to a significant number of candidates was that all of these factors are external to the business and are causes rather than effects.

Typical wrong answers were economic and technological. When candidates choose these they were generally describing effects on the businesses, e.g. increasing costs in order to change testing processes, rather than causes, e.g. a change in the law which was legal not economic. Many candidates also chose environmental and clearly confused animals used for testing with wild animals. The issue of not wanting testing on animals is primarily a social one as very few animals from the wild are used in these kinds of tests.

Where candidates selected legal, political or social they tended to score 2 or 4 marks fairly easily, but only the better candidates explained why the external change made this legal, political or social.

Q2b) There is clearly some confusion for many candidates as to what the Boston Matrix actually demonstrates and that was not helped by them not reading the question carefully enough. The market in question was for the whole of the UK. *Purity* only operated in the Midlands. This automatically meant that *Purity* had a low market share in terms of the UK market as a whole.

For a very significant number of candidates they are taking ‘market growth’ to mean growth for the business in the market. That is not what is being measured on the Boston Matrix and it is a concern that so many candidates still do not understand what is being measured, i.e. growth of the market as a whole. This meant that many candidates who correctly identified the position as being Problem Child still only gained 2 marks in part (ii).

There was also a significant number of candidates who did not know how the axes should have been labelled and put *Purity* in the wrong sector because they thought, for example, that Cash Cow had low market share.

Q2c) This question was set in the context of *Purity* using promotion to meet the concerns of consumers. These concerns were given in the stem to Q2 and other likely concerns were suggested in Figure 1. This was a question about a marketing decision, not about what method of promotion should be used. Weaker candidates concentrated on the method, e.g. television, rather than how promotion could be used to allay concerns.

Candidates who understood what the question was asking for gave some very well reasoned answers. These candidates also chose appropriate methods of promotion such as sponsoring animal rights groups, advertising on packaging that was recyclable and showing how the business sourced their raw materials on its website.

Question 3

Q3) Most candidates did know what market-based competitive pricing meant, although there were a significant number of candidates who confused this with setting prices well below *Purity's* competitors. Candidates could still score marks if the wrong pricing policy was selected, but only as negative comments for market-based competitive pricing.

The question asked candidates to evaluate. Some candidates who understood the pricing strategy only considered the positive points. This limited the marks that they could gain.

Generally *Purity's* position in the market was well understood and whatever pricing strategy was actually written about it was usually placed in an applied context. That was encouraging and helped to ensure that nearly all candidates scored some marks.

Question 4

Q4a) The context for this question was often ignored or misunderstood. Many candidates did not refer to the trade customers at all, and only the best candidates thought about why direct promotion to consumers would be necessary when the products were actually being sold through local convenience stores and specialist high street retailers.

There were some very good answers that either focused on the fact that retailers would be stocking a range of goods from different businesses and would not therefore be specifically promoting *Purity's* products, or focused on *Purity's* plans to open up its own high street shops and that would need promotion to potential customers so that they would have brand awareness when the shops were opened.

Q4b) Too many candidates took this question to mean 'Is this a strategic or tactical decision?' The question asked candidates to examine if the decision was one or the other. That required reasoning, which in most answers went no further than giving a characteristic of a strategic decision, e.g. that it would be long term.

Most candidates did identify long term as a characteristic of strategic, but did not then give reasons as to why opening up its own high street shops would take a long time. Many simply stated that it would take a long time, providing no reasoning.

The terms strategic and tactical are not well understood by candidates and there is sometimes confusion between 'strategic' in terms of major marketing decisions and a 'strategy' as with a pricing strategy, which might be a tactical decision.

Question 5

Q5ai) This really should have been a question that achieved a 100% accurate answer. It did require analysis, but only at a very basic level. The few candidates who gave an incorrect answer selected London.

Q5aii) Many candidates made unjustified assumptions about what *Purity* would be doing in this market and about the market itself. They assumed that *Purity* would supply the whole of the market in one go rather than selected towns, cities and convenience stores bit by bit. Having made this assumption they then argued that it would be too expensive for *Purity*. Other candidates assumed that because this was the region with the largest population there would be more competition. This ignored the fact that *Purity* supplies local convenience stores where there is no competition and that the large chains operate in large towns and cities and that would be same for all regions.

Candidates who considered the other factors involved in selling cosmetics and beauty products, such as age, gender, social conscience in terms of testing on animals and income gave well reasoned answers.

Q5b) Most candidates gave fairly well developed answers for this question. There was a significant minority who did not read the question carefully enough and ignored the first few words, 'considering the nature of the products'. That should have been the starting point and where this was done it lead naturally to analysing the importance of the data. That was the approach taken by the best candidates.

Question 6

Q6a) Nearly all candidates did know what primary research involved but there were many candidates who expressed this so badly that they failed to gain full marks and, in some cases, failed to gain any marks. Typical inaccuracies were statements such as 'the business carried out the research itself'. That would apply equally to someone researching published data on the internet and unless additional explanation was provided candidates did not score a mark.

Where the correct meaning was given, for example that this would be completely new data, only the better candidates went on to explain why that would be the case for the research *Purity* was carrying out.

Q6b) This again should have been a straight forward question to answer but many candidates did not think about what the question had actually asked. This was about the question in the questionnaire being the first question.

For the benefits many candidates wrote no more than that *Purity* would know how many people would be interested in the type of products that it sold. That would have been true if this had been the second, third or any of the questions.

For the drawbacks many candidates said that if the people being questioned said no then the rest of the questionnaire would be of no use to *Purity*. First, that was not necessarily true and second, if it was true it would be a benefit of having this as the first question because the rest of the survey need not take place. Overall, very few candidates gained both marks.

Q6c) Questions on sampling remain a major weakness in candidates understanding of the specification. Some candidates wrote about how *Purity* could use the data in Table 1 to market its products to people in Yorkshire and Humberside, not how it could use the data to construct a stratified sample. Other candidates wrote about how Yorkshire and Humberside should be divided with separate samples for each part, even though they had been told in the question that the sample was to be based on age and gender.

Where candidates understood what a stratified sample was there were some very good answers, extracting the right elements from the table. But even then, some candidates did not respond to the instruction to 'assess how useful…' and only considered either the positive or negative points.

Questions based on own study of examples during the course

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 specification so it is vital that, as candidates study this unit, they are building up a very wide range of knowledge about real marketing campaigns and the decisions that business take in relation to these. 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.

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

3. 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.

4. 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 campaigns or marketing decisions are 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.

Question 7

Q7) Generally candidates did understand what product development entailed and selected appropriate examples, usually games consoles, ipods or *Cadbury's* products. There were some examples of market development and some examples of diversification, but these were rare.

Q7a) Some candidates did not give details of the product here. For this question that was not as important as for other questions of this type because the product was usually clear from what was written for part (b). The general rule, however, is that if a description is asked for it should be given in the part where it was asked for.

Q7b) Some candidates gave very detailed descriptions of the changes that were made but then did not explain why they were made. Other candidates gave the reasons but did not give details of the changes. Some candidates gave details of changes to the promotion of the product rather than to the product itself.

Overall, however, a good balance of changes and reasons were provided by most candidates.

Q7c) This was worth 4 marks and candidates should have taken that into account when answering the question. Many answers went little further than stating that the business checked its sales. The best candidates developed their answers and often gave details of more than one method that the business used. It was clear in some cases that the candidate did not actually know how the business monitored the success and were simply relying on the obvious.

Question 8

Q8) Many candidates did not know what electronic market research meant and gave research on the internet as an example. Where candidates chose EPOS systems and especially the use of club cards that tended to give good answers to parts (b) and (d). Many other systems could have been used such as electronic footfall counts and cctv. Email questionnaire and pop-up questionnaires were also popular answers but often candidates could not relate part (c) to those.

Q8a) This was generally clear, but some methods were not electronic market research.

Q8b) This was about the mechanics of the market research and candidates frequently drifted off the point. Some candidate started to explain 'why' not 'how'. Some candidates dealing with club cards failed to point out that they needed to be scanned and many candidates started to write about the reward system of points rather than how the buying habits were being identified. Where email or on-line questionnaires were described there was limited detail about how the respondents were selected, how the questionnaires arrived, how they were filled in and returned, etc.

Q8c) This question was generally poorly understood and many candidates read this as saying 'what methods of research were used before the business used electronic market research?' Those candidates described methods that had nothing to do with the method they had selected in part (a) and described in part (b). Even where candidates did understand the question many gave only the briefest of explanations and only the best candidates scored full marks.

Q8d) Again this was generally poorly answered. Some candidates wrote about the wrong method they had given in part (c), even though the questions asked about collecting data and hence referred back to parts (a) and (b). Many candidates gave very general answers, especially when writing about email and online questionnaires, for example saying that people may not answer them truthfully. That generally had nothing to do with the fact that they were online.

Candidates who had selected club cards usually gave sound basic answers but, again, only the best candidates gave full answers.

Issues 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 marketing decision being taken by real businesses as possible.

2. **Terminologies** – Some terminologies still cause problems for candidates. Candidates must know all of the terminologies given in the specification and those commonly used in the real world of marketing.

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 candidates 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.

4. **Questions requiring extended answers** – There will be two questions with 10 to 12 marks in the summer series. Candidates should be shown how to develop their answers so that they can provide depth and detail for these questions, and for questions in general.

Please also note the comments made about online marking in previous reports and the comments made about writing only to the space provided on the paper itself. Centres need to ensure that their candidates are not being disadvantaged simply because of the layout of the paper. Additional work outside of the specified area on the paper, or on additional sheets, is totally acceptable, but, when this is done, it is vital that the candidates indicate somewhere on their answer to a specific question that they are using additional paper or completing the answer somewhere else in the actual booklet. Preferably, they also indicate where the rest of the answer is.

Principal Moderator's Report January 2009

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

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 grasped 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 below, assessment tended to be accurate where the unit was well understood but on the lenient side when this was not the case.

Areas of the Specification

Clear tutor guidance again appeared to be a key factor with respect to some of the potentially complex aspects of this unit.
Here 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.

(a) The choice of a suitable business again 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) In cases where 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) Where suitable scenarios or cases were chosen then, 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 again 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 candidates, 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 (e.g., 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 (e.g. 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 continues to be 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.

Comments on Administrative Procedures

Portfolios were largely received on time. Administration was generally good. Statements of authentication were present in nearly all of the samples moderated for this series. 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 specification 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 marking candidates' work.

Principal Moderator's Report January 2009

Unit 12: International Dimensions of Business (6927)

General Comments

To successfully achieve this unit, candidates 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 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.

For strand (a), two businesses should be identified, they should be of a contrasting nature and spread of international/global coverage (EU and Global is suggested in the unit specification) as this would provide variety, comparison and variation in the way businesses address their objectives for an international presences. It should be noted, that the appropriateness of the businesses 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. Candidates should be encouraged 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).

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 MB3 candidates need to show clearly the link between the IOs and the business under discussion.

Candidates demonstrated a general understanding 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.

Standardisation

Consistent marking was evident however, in assessing higher grade performance, assessors need to consider the depth, scope and quality of examples and quality of the material used and its application in context 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 strands 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 a Strand (c) higher grade performance, more detailed analysis and consideration of the wider range of influences, from a business perspective, offered by an International Organisations is required and should be relevant to the business of choice.
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.

Principal Moderator's Report January 2009

Unit 13: Organising an Event (6928)

General Comments

As in the previous windows, the unit was leniently assessed in some cases and so adjustments had to be made. Similar issues to those found in the previous series were again found in this window.

A small number of centres submitted work for this moderation window. There were a number of candidates re-submitting work to improve their marks in this window.

Many centres have developed approaches to this unit learnt from previous submissions, reports and training. Many centres sent questions into the Ask the Expert Service and by doing so avoided some common pitfalls such as size of event, appropriateness of choice of event, group size, etc.

Some centres did not set/organise suitable events. Some events 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.

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. This 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 only a group report, or individual reports containing identical sections and these were not acceptable as each candidate must individually address the assessment criteria.

Areas of the Specification

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 that had run the event in the previous year. Results were not usually analysed or used. 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 and in detail. Some 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 no prioritisation, ranking or rating of risks to probability of happening and severity of outcome. Other candidates produced their own risk assessments which demonstrated their knowledge and understanding. Insurance needs again tended to be covered under the statement that the centre's insurance covered all risks. Some candidates did explain different types of insurance and applied them to the event.

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. Some candidates failed to describe the event itself.

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.

Comments on Administrative Procedures

Administration was generally good. Many centres sent portfolios in prior to Christmas and before the moderation window opened. The majority of the remaining centres sent their samples to arrive, on time, at the opening of the moderation window.

A number of centres made entries and then withdrew the candidates.

The majority of centres did use the Edexcel Mark Record Sheets. 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 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 by the Mark Band achieved and the strand of the assessment evidence grid met so, e.g. MB1a indicates area (a) has met Mark Band 1, rather than trying to annotate via the Assessment Objectives (AOs) as these are spread throughout the unit's strands. 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 marking candidates' work, however, in many cases this was little more than a signature.

Principal Moderator's Report January 2009

Unit 14: External Influences on Business (6929)

General Comments

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 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 being aware of the issues, problems and/or opportunities

The work sampled indicated an adoption of the Chair's reports suggested from previous reports and training material. The report should be supported by supplementary documentation that explains and highlighting the external issue (including evidence of research) 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, the business selection is important for the candidates to research and explore the external impacts associated with that business.

Candidates demonstrated a generally good understanding 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

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

Standardisation

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

Enhancing Assessment

An appropriate Chair's report must be produced, although no specific structure is suggested, it would be advisable for candidates to present their findings in a form as previously described in unit reports and training material. 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.

Where candidates select a Non-UK based organisation, the influences should still be addressed primarily from a UK perspective, (as outline in the unit content specification), therefore the legal and economic influences should be described and where necessary alternative country legislation and economic situation be explained and compared to that of the UK to show equability or difference in influences.

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. Guidance on currency of material is given within the specifications (last 5 to 10 years) however, for higher grade performance the most up to date and current references should be used and considered. 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).

Substantial amount of research data is being generated, this material needs to be filtered and evaluated for appropriateness (covering AO2 and AO3) to the business of choice and the influence under discussion, this will enhance the quality of the documentation and ensure fuller consideration of the range, value, up to date (see above for currency) and appropriateness of the information presented for each influence, especially for MB3.

For stand (d) clear justifications for the judgements made about the impacts of each of the four influences is required, considering the wider business context, beyond descriptive/generic statements to evaluation about the four influences.

Grade Boundaries January 2009

6916	Total	A	B	C	D	E
Raw Mark	90	59	52	45	39	33
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	63	56	49	42	36
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

6924	Total	A	B	C	D	E
Raw Mark	60	48	42	36	31	26
UMS	100	80	70	60	50	40

6925	Total	A	B	C	D	E
Raw Mark	90	65	59	53	47	41
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

Further copies of this publication are available from
Edexcel Publications, Adamsway, Mansfield, Notts, NG18 4FN

Telephone 01623 467467
Fax 01623 450481

Email publications@linneydirect.com

Order Code UA 020783 January 2009

For more information on Edexcel qualifications, please visit www.edexcel.com/quals

Edexcel Limited. Registered in England and Wales no.4496750
Registered Office: One90 High Holborn, London, WC1V 7BH