

Moderators' Report/
Principal Moderator Feedback

Summer 2014

GCE Applied Business (6917)

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The student is required to investigate planning starting a business. Students should not investigate an existing business as this will not allow them to cover the assessment criteria.

Centres correctly investigated setting up a new business rather than investigating existing businesses.

The majority of centres marked the work appropriately based on the assessment criteria for this unit.

Little reference was made to quality of written communication (QWC) by centre assessors with the majority of centres not separately identifying QWC marks within the allotted strand.

Overall the standard of work across the four strands was very similar to previous series. The majority of centres assessed the unit accurately and were within the allowances of national standards.

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, students often produced graphs of the results and described the results but did not analyse the outcomes. Students 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 students made any use of the research they carried out. A number of students carried focus groups. Students also included secondary research from a range of sources.

The other aspects of strand A were stakeholders, aims and legal aspects. Students often gave generic aims and objectives with attempts to make these SMART. Stakeholders were covered but again the answers were generic. For legal aspects, students usually only covered the ownership of the business. The work was often basic and the wider legal aspect related to taxation, VAT, consumer legislation and food handling/ sales often were not covered. Prices were given but pricing policy was rarely discussed beyond simple statements of being cheaper than competitors. Where pricing strategies were covered, the answers were theoretical.

Centres now seem to direct students to cover the Marketing Mix in this unit. It is not required and misleads students when they cover pricing, they rarely cover pricing policy.

In strand B, many students gave theoretical answers to "quality". Quality statements were often an afterthought and not linked to other resources. Small businesses were often planning to implement total quality management (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. Students rarely covered opening hours, sales capacity, etc. Wage rates, where given, tended to be minimum wages but students did not calculate total wage bills or carry through such figures to strand C.

Students 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 students covered personal loans rather than business ones. Often financial resources were not appropriate to the business. There were an increasing number of students that covered financial resources before other resources. As such there was nothing to support the amount that students wished to source. Students did not always link financial resource requirements to start up and running costs.

Physical resources were often listed without reference to costing, availability and importance. Students often produced pages of downloaded images with some descriptive detail. Premises were often not covered. Fewer students made reference to the use of their own home. Strands A and, in particular, B should be used to provide evidence of costs, capacity and sales for the financial documents in strand C. There are, however, an increasing number of centres that do cover physical and human resources and do try to form a base for capacity and cost information to be used in strand C.

Running costs and start up costs are covered in strand C, it was noticed that a significant number of centres left details of human and physical resources until they covered start up and running costs. Unfortunately, in these centres, the students tended not to cover financial resources.

For strand C, students usually calculated cash flow and breakeven but the monitoring aspects are not always covered. Students could not always explain what they were doing or how they arrived at the figures. Students often described the cash flow and breakeven but could not explain how these were used to monitor the performance of their business. An increasing number of students now discuss the limitations and advantages of both break even and cash flows.

Students in a small number of 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. A number of students did well on this strand. Where students demonstrated knowledge and understanding of finance and financial monitoring, this strand was usually done well and appropriately assessed.

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

Strand D was often treated as an “add on” and was not always linked to the business. There was a concentration on generic software, usually Office, with accounting packages or Publisher being the specialised software. Where the specialist software was accounting packages these were often inappropriate to the size of the business. Some students did effectively use Publisher and other DTP packages as specialist. Students 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.

The completion of the mark record sheets was, generally, accurate although in a small number of instances there was a mismatch between totals on the work and what was shown on the OPTEMS. Some centres sent the top copies of the OPTEMS to the moderator rather than to the Pearson Assessment address.

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