

Examiners' Report/  
Principal Examiner Feedback

January 2012

PL Business, Admin & Finance  
(BA304)  
Paper 01

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## **Unit BA304**

### **Comments on Individual questions**

#### **Question 1 -5**

These were particularly well answered.

#### **Question 6**

Better candidates were able to get full marks on this question and were able to show their workings. It was a bit worrying to see that some candidates didn't understand what adverse and favourable meant and just seemed to guess or made no attempt at this question.

#### **Question 7**

Most candidates were able to pick up a few marks on this question. Some answers were weak though and candidates to write answers in full to be able to gain maximum marks.

#### **Question 8a**

There were some very good answers on this question. Better candidates were able to compare Hire Purchase and Leasing and show good justification. Weaker candidates were unable to state the main differences between the two types of finance.

#### **Question 8b**

Most candidates were able to pick up some marks on this question. Some answers were under developed and didn't get the full marks. Some candidates misread the question and gave another external source of finance.

#### **Question 9a**

There were some very good answers on this question, with some candidates gaining full marks. The most common mistakes were in working out cost of goods sold – with many candidates adding both inventories, rather than subtracting closing. Some candidates also added Sales to cost of goods sold.

#### **Question 9b**

The ratio questions received a very mixed response this year. Better candidates were able to state the formula and show their working to achieve maximum marks. Were as other candidates didn't answer the question and wrote down the wrong formula.

### **Question 10a & 10aii, 11ai & 11aii**

There was a lot of misunderstanding between the role of a financial and management accountant. A lot of answers showed clear lack of understanding between the different roles and the documents that they would produce. This need to be more clearly taught by some centres as there was little evidence in the answers given.

### **Question 10c**

Some very good answers about auditors, with candidates using 'true and fair' in their answers and talking about legal requirements .

### **Question 11ai and aii**

Most candidates were able to get part ai, but some struggles with the calculation on aii

### **Question 11b**

Some good answers, with better candidates again stating the formula and showing working.

### **Question 11c**

Most candidates were able to get some marks on this question. Better answers were developed and were able to talk about the risks/weaknesses with their proposed ways to improve break-even.

### **Question 11d**

On the whole this question was poorly answered, with many candidates showing very little understanding of margin of safety. Most candidates tried to use the definition for break even.

### **Question 12a & 12aii**

Again, better candidates were able to show the formula and their working. There were a lot of blank answers on these questions and some candidates were heavily penalised for their lack of knowledge and understanding of key ratios.

### **Question 12b**

There were some excellent answers to this question and some candidates were able to show that they fully understood the importance of liquidity and how it could affect a business. Again there were a lot of blank answers due too candidates lack of understanding of ratios



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