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Business Studies BUSS1

(Specification 2130)

Unit 1: Planning and Financing a Business

Report on the Examination

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General Comments

Candidates' analytical skills continued to be relatively superficial in the longer questions. In 2(a) many answers did not progress beyond describing the impact of patents on sales revenue or profit and in 2(c) there was a tendency to confuse cash flow and profit. However, there were many examples of good analysis in response to 2(b). In some questions candidates would have benefited from using evidence from the case study to support the development of their arguments, rather than adopting rather generic responses. This was particularly evident in the question on protection of ideas.

As with the summer paper, the two mark questions proved to be more challenging than in previous series, often because candidates found it difficult to explain their thoughts precisely. The two calculation questions were answered well on the whole, with the break-even question showing definite signs of improvement on similar questions in previous papers.

Time constraints did not appear to cause any problems to candidates. The improvement in the quality of evaluation, noted last summer, continued. However, many candidates need to extend the depth of their evaluation.

Question One

(a) Many candidates found it difficult to provide a definition of random sample without using the words 'random' or 'sample'. Candidates appeared to lack the vocabulary to express their thoughts with sufficient clarity to earn maximum marks.

(b) Relatively few candidates earned maximum marks for this question. Again, this was often because of a failure to express ideas clearly. A significant minority put the formula upside down.

(c) & (d) Both calculations were answered well. In 1(d) there was distinct improvement shown in candidates' understanding of break-even calculations and candidates showed their working very well. This enabled many candidates to score highly in situations where an arithmetic error had occurred in their calculation but in which the understanding of the process was good. The one common error was to divide fixed costs by total contribution rather than contribution per unit, suggesting that formulae may be remembered rather than understood.

(e) This was answered well, with many candidates earning high marks. Candidates tended to draw on the material in the case study effectively in order to apply their answers in a relevant manner.

Question Two

(a) Candidates showed an excellent understanding of the concepts tested in this question: patents, copyright and trademarks. They were also able to provide some analysis of the benefits of 'protection' although there was a tendency to just describe the greater revenue (or profit) that could result. Unfortunately, many candidates devoted too much time to defining and explaining the meaning of the three types of protection, with little time given to analysing the benefits. As with previous questions on this topic, the main drawback was the lack of application, with a number of responses making no reference to the case study. Unusually, good factual knowledge appeared to impair the quality of many responses as it encouraged candidates to focus on the lower level skill of knowledge, limiting the scope for analysis and application.

(b) The very best answers tended to be those that used the context of the case study effectively in responding to the question, combining numerate and literate arguments in order to support their judgements. Weaker candidates wrote at length about infrastructure and car parking or used statistical data without really integrating it into their arguments. Some of the stronger answers evaluated, using the fact that Tom was a franchisee and therefore obliged to follow the requirements of the Joshua franchise. Overall, this question elicited the best combination of application, analysis and evaluation from candidates.

(c) On the whole candidates defined cash flow forecast well. However, subsequent analysis suggested a lack of appreciation of the nature of the cash flow forecast, with many candidates seeing it as a prediction of profit levels. The majority of candidates' responses showed both reasonable analytical and application skills. However, the higher levels proved to be less accessible. A number of candidates indicated that cash flow was not important and then proceeded to discuss other matters whereas they should have focused primarily on the topic mentioned in the question.

Summary

Overall, the strengths demonstrated by candidates varied according to the question. Patents and location were understood well by candidates, although in the case of patents this did not always lead to high marks. In Question One, the calculation questions 1(c) and 1(d) were answered more effectively than parts 1(a) and 1(b), with the lack of clarity in candidates' answers being a worry. An excellent understanding of the case study was shown by most candidates and this led to some good application. This understanding also aided the quality of evaluation.

Mark Ranges and Award of Grades

Grade boundaries and cumulative percentage grades are available on the Results statistics page of the AQA Website.