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General Certificate of Education (A-level)
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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

Overall, students appeared to have a clear understanding of the nature of the business in the case study. However, although application was a strength displayed by most students, analytical skills continued to be relatively superficial in the longer questions. In Question 2(a) many answers did not progress beyond describing the examples of advice provided by the consultant. In comparison, there were far more examples of good analysis in responses to both Question 2(b) and 2(c).

In some questions, notably 2(b), students would have benefited from using evidence from the case study to support the development of their arguments, rather than adopting generic responses.

Question One

(a) & (b) Over half of the students earned full marks for both of these questions. The main difficulty facing students appears to be their ability to give a concise definition without repeating the words in the term. For example, in Question 1(b) many students repeated the word 'income' in their answer. In 1(a), many students omitted the idea that a franchisee must pay for the rights or face some restrictions imposed by the franchisor.

(c) The distinct improvement that has been shown recently in students' understanding of break-even calculations was again displayed. The main error was to divide fixed costs by total contribution rather than contribution per unit. However, it was more common for students to receive five marks rather than the maximum of six, because many students calculated the new break-even output but did not then calculate the change from the previous break-even output as asked in the question.

A particularly strong feature of answers to this question was the clear showing of calculations. This enabled many students to receive marks where their final answer had been incorrect through an arithmetic error rather than a misunderstanding of the business concept.

(d) This question tended to polarise students into two distinct groups – those who knew how to calculate the market size from the data provided (achieving full marks) and those who showed little or no understanding of how to make the calculation. Both market size by value and volume were acceptable answers.

(e) Although some students confused quantitative and qualitative data, in general, this question was answered well, with students using the information in the case study effectively to support their arguments.

Question Two

(a) In general, students showed a good understanding of the concept of the consultant. In previous series, Question 2(a) has generally featured strong analysis but weak application. In this paper, there was a more even showing of both skills. Nevertheless, some answers still tended to be too descriptive and thus lacked analysis preventing students from reaching the highest level.

(b) This question focused on the overall planning by Kate. A number of students interpreted the question as the strengths and weaknesses of the *business plan*. Others wrote about the strengths and weaknesses of the *business*, eg whether it was profitable.

Understandably, students found the weaknesses easier to discuss than the strengths. The very best answers were those that used the context of the case effectively to respond to the question, with some excellent answers centred on the market research that Kate conducted (and omitted). There were some excellent evaluative responses, but in a number of answers the evaluation was not clearly linked to the evidence provided.

(c) Students were asked to 'Use Figure 1 and the information in the case study to support their view'. Students used the case study well, but many did not use the data in Figure 1. Those students that did use Figure 1 were able to calculate the projected profit and thus provide a clear judgement on the chances of the business achieving its second objective. These students scored highly. Students using only the case study well, were able to draw a sound conclusion on the achievement of the first objective and were also able to produce well-reasoned evaluation.

Overall, there were some outstanding answers, which elicited the best combination of application, analysis and evaluation from students.

Summary

Although Questions 1(c) and 1(d) are clearly identified as calculation questions, students should recognise that numerical and financial data can be manipulated in order to support an argument. Students calculating average profit in Question 2(c) were able to comment on whether the profit target was achievable and many scored highly from this approach. Calculations can play a role in questions that do not expressly request students to make a calculation.

Mark Ranges and Award of Grades

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