A-level

Business Studies

BUSS1: Planning and Financing a Business
Report on the Examination

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Overview

This year's case study focused on vintage fashion. Students showed a good understanding of this context and the vast majority recognised the chronology of events. There was a distinct improvement in answers to Question 1, with most students providing clear definitions and accurate calculations. Answers to the break-even questions showed a significant improvement compared to those questions set in previous years. For Question 2 students used the case study well to show application and evaluation, particularly where application could be based on numerate data. A small minority of students, however, answered Question 2b without reference to the case study. There was some excellent application in response to Question 2c, but many responses to Question 2a tended to lack development.

Question 1

It was pleasing to observe greater precision and clarity in the definitions given in answer to questions 1a and 1b. Confusion with niche market was the main issue for students in question 1a. In question 1b the idea that franchisors would expect some form of payment was not shown by some students.

In question 1c, most students were able to earn high marks from the calculation although there was some confusion between variable costs per unit and contribution per unit. It does appear that some students sit the examination without access to a calculator putting themselves at a considerable disadvantage.

Question 1d was the most challenging of the short questions. Most students preferred to talk about patents and many answers did not relate to the situation in the case study. Answers that drew on the case study, did not always give a direct response to the question set.

Question 1e required students to use the break-even chart to identify two values and use them in a calculation. The fixed cost element proved to be straight forward, as students could read this at zero output. However, identifying total costs at the break-even output proved to be more challenging with many students using the total costs figure at 3,000 units. Although this approach had little impact on their marks it is a concern that only a minority of students were able to identify the correct figure for total costs. The two questions requiring shifts to the Total Costs and Total Revenue lines were answered well, although some students did not recognise that a change in fixed costs leads to a parallel shift in the Total Costs line.

Question 2

(a) Definitions of bank loans were usually stronger than definitions of share capital. Students showed a good understanding of bank loans and many answered this question by showing the problems that Asha would have faced if she had chosen a bank loan rather than share capital. This approach was valid and enabled many students to achieve good marks. Overall, application was good, with students drawing on the case study to provide pertinent arguments. However, some answers lacked depth of analysis.

(b) This question appeared to be accessible to all, with the vast majority of students reaching level 2. Definitions were generally good and showed a clear understanding of both primary and secondary market research. There was very good analysis, with students showing a clear appreciation of the benefits of primary and/or secondary market research. In terms of application, sometimes there was a tendency to just describe the data rather than explain its relevance to Asha's business. However, there were many good answers which explained how each piece of market research helped Asha in the context of her business. Many students provided lengthy analysis and application and in some cases this restricted the time available to provide sufficient evaluation.

(c) This question discriminated well, with students able to provide clear and pertinent arguments that enabled them to provide a sound evaluation as a conclusion. A number of students did not use the data presented in their response and provided answers that used a purely literate approach, discussing issues but ignoring the important numerical data provided. The numerate data enabled many students to provide a clearer conclusion; this appeared to support their ability to evaluate. When undertaking calculations, many students showed their working and so where the calculations were incorrect the own figure rule was applied. In questions in which they have included calculations students should recognise the importance of showing their working. A significant minority of students used a breakeven approach to answer this question. Whilst this approach had some validity, it proved to be a more complex and less certain way of answering this question.

Mark Ranges and Award of Grades

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

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Convert raw marks into Uniform Mark Scale (UMS) marks by using the link below.

UMS conversion calculator