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General Certificate of Education (A-level)
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Business Studies BUSS2

(Specification 2130)

Unit 2: Managing a Business.

Report on the Examination

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General Comments

There were many high quality responses to this paper combining comprehensive subject knowledge and effective examination techniques. The students who received the highest marks did so primarily because they answered questions directly, made supported judgements as necessary and ensured that they used numerical and non-numerical data from the stimulus materials to support their arguments.

One common weakness was the ambition of students in structuring their answers. Many students attempted to construct too many lines of argument, especially to the higher mark questions, meaning that they were unable to develop these fully or to draw effectively on the case study material to ensure they were applied effectively. It is essential for students to plan answers to these questions and, in part, this entails selecting the most important arguments to allow time for full development. It was also noticeable that a substantial minority of students were unable to interpret numerical data effectively. This skill is important on this paper and becomes more so on the A2 papers.

Question One

(a) (i) Most students made effective progress with calculating the company's profit margin with many providing a correct answer. The most common error was the omission of the percentage sign, whilst a small minority did not read the question carefully and calculated the 2007 figure.

(b) There were some excellent answers to this question when students identified two influences and developed a supporting line of argument using the context to good effect. However, many students attempted to use the price elasticity of demand data but, even if they identified it as indicating inelastic demand, could not expand this into a relevant argument. Price elasticity is a topic to which centres might usefully devote more time to develop fuller understanding. The most common weakness was a lack of depth of analysis on why and how the influences identified would affect the prices charged by **this** company.

(c) Almost all students were confident in their knowledge of suppliers and the factors businesses take into account when choosing suppliers. As a consequence, most students offered full answers, though some spent too long on this question. The best responses recognised the two sides to this question and developed a minimal number of well chosen arguments fully before making and supporting a decision. A common error was to attempt to use too many hooks from the stimulus material normally resulting in shallow analysis. There were some misunderstandings too. For example, a number of students assumed that premium prices meant high quality cocoa beans rather than reflecting a fair trade philosophy and developed weak arguments as a consequence.

(d) Although there were some lengthy attempts at defining competitiveness it was apparent that a minority of students did not understand this term well. However, it was pleasing to see that most answers were in context throughout and that most answers addressed both sides of the question. Almost every candidate made a relevant judgement although not all supported this well. Students could have improved the quality of their responses by seeking to link together factors from the case (for example comparing Divine's growth rate with that of the fair trade market overall) or by making careful use of the data in Figure 1. The interpretation of the data in this table and calculations from it were often careless and inaccurate preventing students from benefiting from lines of argument that were potentially fruitful.

Question Two

(a) Most students made some use of the data (especially the numerical information) and demonstrated sound relevant subject knowledge when responding to this question. Only a minority of students linked the data together to develop fuller arguments and to gain higher marks for application.

(b) The quality of responses to this question was generally disappointing. Many students appeared to have a less than full understanding of the term 'delegation' and definitions were incomplete, vague or, in a number of cases, simply wrong. Too many students appeared to believe that delegation involves "giving jobs to other people". Application was also frequently poor: the HR statistics (for example pay rates and labour turnover data) were little used and sometimes misinterpreted. Lack of subject knowledge was noticeable here and it is a topic that centres may wish to spend more time on.

(c) It is pleasing to report that most students seemed to have a good understanding of cash flow and fewer drifted into discussions of profit than might have been the case previously. The best answers considered both sides of the argument and chose their counter arguments carefully to allow use of combined elements of the stimulus material and full development of the line of thought. Weaker responses occurred because students were unable to interpret the data correctly (some argued that pay rates were higher than average) indicating that perhaps more time needs to be spent developing this skill. Few students made use of the seasonality arguments and still fewer related it to other issues such as the predominance of full-time employees.

(d) Answers to this final question were notable for the fact that many students made little or no use of the stimulus material. Too many responses could be categorised as 'text book answers' and often drew heavily, but not always accurately, on the theories of motivation. A minority of answers paid only lip service to the question, stating that recruitment and selection was unimportant (without any justification), before moving onto to discuss a range of other factors that might be more important. The best students not only made effective use of the stimulus material but also focused on the question and ensured that their arguments related to the effect on the future performance of the company's workforce.

Mark Ranges and Award of Grades

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