A-LEVEL
BUSINESS STUDIES

BUSS2: Managing a Business
Report on the Examination

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Overview

Overall this paper proved to be accessible to students on both questions. There were some good examples of high quality responses where students had an obvious understanding of examination technique coupled with strong subject knowledge and theory. Students responded well across all sections of the paper and frequently used the stimulus material appropriately in their responses.

High level responses were by students who read and targeted their answers directly at the questions set. A particular feature of this paper was the number of students who frequently hadn't focussed on the crux of the question and whose responses as a result lacked direction, especially on analysis. The use of figures and calculations to support arguments on both questions was frequently evident. Using supporting calculations and combining evidence from the material demonstrated student's ability to fully apply their answers. It was also good to see the number of students who were able to offer some support to their evaluative statements, although again failure by some students to target the question asked limited some judgements made.

A common weakness on this paper was that although students were able to access the stimulus material and apply their answers well, many struggled to follow this through with the development of effective analysis, again commonly due to a lack of targeting the key aspects of the question asked. Many students also attempted to offer too many separate lines of reasoning rather than being selective and offering fewer but more developed points. Few answers lacked any relevance to the case study but there were still a number which were generic and inevitably some student's responses drifted away from the question, especially on extended answers. An effective line of analysis will often direct the argument back to the question itself having fully explored their point.

Question 1

(a) Good knowledge of quality was demonstrated, with many students able to apply their answers well especially by using the company's circumstances regarding their financial position and promotional activity.

The most common error was not focussing responses specifically on the circumstances of why the company would need to maintain high levels of quality and instead concentrating on the past benefits garnered by this approach.

(b) This proved to be a very accessible question for many students taking the paper and it was clear that students were able to pick up application points regarding the underperformance of managers. The key aspects here though were that many students then did not continue their responses with managers as their focus, rather general discussions of motivation theory often took place that drifted into improving the performance of either individual employees or on the company as a whole.

(c) In general most students had a good understanding of cash flow problems and alternative solutions although there were a number of students who did not know what debt factoring was, which therefore made it difficult for them to analyse and judge whether or not it would be the best approach for the business to use. There were good opportunities in this question to use the numerical evidence to support lines of argument and conclusions drawn and for those students who did understand debt factoring this was frequently done very well.

(d) There were many strong responses to this question with many students able to use and relate the company's capacity utilisation position in their arguments. Good responses were also able to consider further impacts such as the knock on effects to the company's financial position and to compare and contrast this in the context of a market where sales had rapidly grown. Good responses often considered the fact that the new technology came in both the production line and supplier contact formats. Evaluation was good with many students placing their judgements firmly in the context of the business. Weaknesses occurred when students failed to consider, or confused, the difference between capacity utilisation and capacity and those who also didn't focus on operations, this lead to some students drifting into arguments regarding human resources as their main line of reasoning.

Question 2

(a) Most students tackled this question well. Many were able to offer a relevant formula at the beginning and then successfully completed the calculation. The most common errors were: students who could not correctly find the difference between a predicted profit and an actual loss, many doing a simple subtraction, either the omission or reversal of the variance indicator and students who did not identify the data as been in £000s.

(b) The majority of students showed good knowledge of either the product life cycle, the marketing mix or both. Some students found it difficult to focus their response on just one element and/or relating it to the short life cycle and often drifted between several elements or all therefore losing the direction of their response. A few students had obviously spent some time drawing nicely presented product life cycle charts which was unnecessary.

(c) While better answers focused on the question, ie changing pay methods and recognised that there were two aspects to consider, designers and production line employees, there was generally a lack of good quality application, eg the linking of elements together to form a strong line of reasoning or comparing and contrasting the likely outcomes of the differing approaches. Many students focussed purely on piece rates and thus were unable to consider the plan as a whole in their evaluation. However, students were frequently able to access the stimulus material for reasons why poor performance had occurred but often then became drawn into theoretical and descriptive answers on motivation theory. Many students also related their lines of reasoning to output and labour productivity without any real consideration for the retail environment of the company and the design aspect of changing pay methods.

(d) This final question proved the importance of reading and answering the question set. Many students, perhaps due to time constraints at the end of the paper, misinterpreted the question as competiveness depending on the quality of the clothes rather than the quality of their design. Students who fell into this category were still able to offer well supported lines of reasoning regarding other aspects of the determinants of competitiveness but limited themselves in their overall analysis and evaluations through not actually fully answering the question asked. Students who did address the issues of design frequently developed some excellent lines of response, especially those who incorporated the use of supporting numerical evidence in the response such as the information given on price elasticity or marketing spend for example.

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