A-level
Business Studies

BUSS2: Managing a Business
Report on the Examination

2130
June 2014

Version: 1.0

Further copies of this Report are available from aqa.org.uk

Copyright © 2014 AQA and its licensors. All rights reserved.
AQA retains the copyright on all its publications. However, registered schools/colleges for AQA are permitted to copy material from this booklet for their own internal use, with the following important exception: AQA cannot give permission to schools/colleges to photocopy any material that is acknowledged to a third party even for internal use within the centre.

Overview

In general students found both question accessible. Issues of timing, especially with regard to student's responses for the final longer answer questions, were not as apparent as in previous series. Students were able to access and use the stimulus material appropriately in their responses and there were frequent examples of high quality responses where students had strong subject knowledge and an understanding of examination technique. Good responses were by students who read the questions carefully and then were selective in directly addressing the questions asked. This enabled them to use the case study material whilst at the same time providing effective analysis. Good analysis was evident in those responses that did not rely on assumptions or assertive statements but directed the argument back to the question having fully discussed their point. Good responses then culminated in well thought out and supported judgements.

The numerical question was well attempted and many students proved able to combine numerical and non-numerical aspects from the case study to demonstrate high quality application. The use of figures and calculations to support arguments/answers on both questions was frequently evident and provided good examples of depth of application.

The most common weakness on this paper was a lack of targeting the key aspects of the question asked. 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. By not focussing on the actual question many students lines of analysis, though frequently developed in depth, wandered away from the core of the question. This led to many students' evaluations being very generalised or lacking the support needed to achieve high marks. Students also need to be aware that it is not just sufficient to quote data from the case study. Data is provided to be used in answers and perhaps further developed with their own calculations. Some students would have benefited from focusing their judgements on reaching a decision rather than just summarising both sides of an argument they had previously analysed.

Question 1

(a) Good knowledge of Unique Selling Point was evident with the majority of students able to focus on the idea of possible benefits and select data/information from the case study to support their response.

The most common errors by students were firstly: not understanding the command word "explain" with students frequently developing long lines of theoretical analysis that were not relevant to the business given, eg this allowed the company to use premium pricing strategies. Secondly, developing multiple points bringing in several simply applied benefits, rather than focussing on one benefit and linking it to appropriate data. Some students also wasted time and effort discussing drawbacks when the question clearly asked for benefits.

(b) Almost all students demonstrated understanding of budgets and were able to describe benefits and drawbacks of budgeting, with some application to the case using data or the idea of seasonality to support their response. However, few students related their responses well to the idea of managing the expansion with even fewer addressing the concept of why budgets would be important to do this. Students also need to be aware, as in question 1a, that in questions asking for "benefits" or how using budgets "to help", aspects of responses discussing drawbacks receive no credit.

(c) This question was one that students obviously found they could access easily and enabled them to use their knowledge of the marketing mix to good effect. There were some very well applied responses which considered the company's product and its development as well as discussing the company's inelastic PED. The best responses were able to weigh up the relative impact and importance of the various parts of the marketing mix. There were frequent occasions where it was apparent that students had good subject knowledge and a good understanding of the context of the business, but failed to recognise that the question was asking them about attracting customers after the expansion and often drifted into discussing the present situation or the impact on the financial performance and position without considering its impact on customers.

(d) There were many good responses to this question where students were able to use the company's financial situation and budget forecasts in their answers. Good responses were also able to consider the short term aspects of cash flow as against long term profitability. The majority of students used some numerical data/information from the case to support their answers. A few excellent responses did calculate the impact on performance ratios using the forecast figures provided. Evaluation was good with many students placing their judgements firmly in the context of the business and consideration of the accuracy of their forecasts in the past. The main areas of weakness in this question were: a minority of students who confused financial terms such as revenue and profit, in particular in conjunction with the idea of paying off the loan, and students who were not able to interpret or use the financial data but instead simply quoted it.

Question 2

(a) Most students tackled this question very well. Many were able to offer a relevant formula at the beginning and then successfully completed the calculation.

The most common errors were either students who did not identify their final answer as a percentage or students who just stated an incorrect final answer but showed no workings. Students are always advised to show their workings to demonstrate how an answer was arrived at. This allows credit to be given for using the correct processes even when the final answer is incorrect.

(b) The majority of students showed good knowledge of empowerment. Whereas there were opportunities for students to relate their responses to the case study to show why the company decided to do this, too many students provided purely theoretical answers stating the benefits and drawbacks of empowerment without addressing the crux of the question and the company's circumstance. A few students drifted into writing general statements about motivational theory and the impact on employees without considering the impact on the company.

(c) The best responses to this question focussed on the idea of training budgets and the quality of training provided. There were good opportunities for students to support their answers with relevant calculations such as the total saving to be made and compare/contrast this to the operational circumstances of the business such as unit costs, capacity utilisation and faulty products. Students made strong arguments around correlating these factors. The majority of students were able to offer a firm evaluative judgment at the end and often considered short and long term viewpoints.

Less creditable responses focussed on general discussions on the benefits and drawbacks of training as a whole with often detailed explanations of the different types of training which demonstrated mainly knowledge. A common mistake was for students to drift away from the idea of cutting the training budget and launch into lengthy discussions about how the money saved could be used elsewhere. A minority of students also missed the point that the business is a manufacturer.

(d) This final question proved the importance of answering the question set. Many students failed to understand that the question's focus was asking about the impact on the company's operational performance. Good answers provided well developed and structured answers that considered issues such as unit cost and flexibility of supplies. These also realised that many of the company's operational problems would not be solved by this switch. Conversely weaker responses were reliant on assertions and assumptions that shorter lead times meant quicker production, or the supplier having quality standards would mean employees would manufacture less faulty products. As a result of these flawed arguments evaluative judgements were consequently weak. Some students offered fairly generalised arguments about the problems of dealing with an overseas supplier missing the point that the company had undertaken careful research.

Mark Ranges and Award of Grades

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

Converting Marks into UMS marks

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

UMS conversion calculator