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Business Studies BUSS4

(Specification 2130)

Unit 4: The Business Environment and Change.

Report on the Examination

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Section A

Both essay questions seemed accessible to candidates although Question One was more popular than Question Two.

The better answers showed clear evidence of research which supported candidates' arguments and enabled them to build on the information provided in the item and to compare and contrast this with their own findings. Weaker responses tended to use examples in a descriptive fashion, simply telling stories about businesses. For example, they might describe which businesses made a profit and which did not in a recession without considering why. Stronger answers used examples to support their arguments and to illustrate the points being made. Candidates should remember the importance of the underlying analysis and evaluation; the research should not merely consist of gathering stories.

Question 1

Candidates were able to discuss effectively the idea that the profits of a business in a recession depended entirely on the industry they were in. Judgements often focused on differences in performance between industries but also between businesses within an industry. Candidates might compare and contrast the profits of different businesses and discuss the extent to which this was due to factors such as the underlying strategy or the effectiveness of the management. In taking appropriate actions, many candidates discussed the vulnerability of some industries to a recession compared to others. Some reference to income elasticity was common, although the understanding of this was not always precise, and it easily got confused with price elasticity.

Question 2

All too often, essay questions about stakeholders lead to several rather basic paragraphs and very little insight. This question, however, did generate some interesting responses which considered the impact of the recession on the relations between the business and different groups. Some answers simply outlined the impact of changes in business behaviour on stakeholders; better responses did discuss the likely effect on these relations. Many contrasted the likely experience of a business such as Dominos, which was succeeding, with other organisations which were struggling. Even here, however, better answers noted that the relations with stake holders could develop in many ways depending on factors such as the culture and the ownership of the organisation.

Section B

Question 3

This was a relatively popular title. At the lower end of responses there were some very descriptive responses, listing many different websites, which put forward a basic argument for and against e-commerce relative to high street trading. At the better end of responses, the potential of e-commerce was discussed for different types of organisations whilst also considering the potential increase in buyer power. Stronger responses identified that businesses could themselves gain when they sought suppliers. Some responses considered the impact on profit margin compared to overall profits, eg profit margins may be reduced, but with higher sales overall, profits might increase.

Question 4

This was the least popular question in Section B. The area of demographics did not seem to have been studied in great depth and many of the responses were rather simplistic. Many assumptions and assertions were made about an older population. Better responses considered issues such as the effect of high pension costs, the shifts in demand patterns and the impact on the labour market. The question did focus on opportunities and threats and, therefore, was forward looking. Better answers considered how prepared organisations were for this, the fact that many of these changes were not sudden and, therefore, this may affect the likely impact.

Question 5

This was the most popular question and candidate responses referred to a pleasing range of organisations where the founders had left or might leave. These included Apple, Facebook, Google and Dyson as well as Virgin. In better responses examples were well used to support the arguments about the likely effect on business performance. Responses sometimes discussed the role of other managers, the underlying structure and culture of the organisations and the performance of organisations that still do well years after the founder has left. Issues considered included how the change was prepared for and managed and the range of factors that might determine performance, not just a new leader.

Summary

Overall, the paper gave candidates an opportunity to demonstrate their knowledge and skills and generated some good responses. There seemed to be more evidence of planning of answers and the structure of essays was often pleasing. Strong responses usually had a clear introduction and had paragraphs that made a clear argument. Business examples must support the point and candidates must draw out the analysis from them. It is vital to keep a focus on the precise question set and to keep referring back to this to ensure the answers stays on track. Before concluding, candidates should probably stop to reread the question and ensure that their response is exactly answering the question set. If the question is asking about the founder, the candidate should refer to this context; if the question is considering the effect of the internet on profits, then this needs examining rather than a general response on whether businesses survive or not; if the essay is considering opportunities and threats, then this needs to be debated rather than simply describing potential changes. As ever, the best responses gave a very clear and focused response to the question asked.

Mark Ranges and Award of Grades

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