A-level

Business Studies

BUSS4: The Business Environment and Managing Change
Report on the Examination

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Overview

Whilst a number of students were able to produce good answers, it was disappointing to see several responses that seemed to be answering a slightly different version of the given question. It is vital that students read the questions carefully and plan their answers before writing. It is worth students spending time to work out the arguments they want to use that are relevant to the question and that they can develop and evaluate effectively.
It is also important that students consider how they use data, cases and other evidence to support their answers. In a noticeable number of cases students provided rather descriptive examples, which were not being used effectively to substantiate an argument. It is important that when studying for this paper students think carefully about the analytical and evaluative issues involved. If they study a particular business situation they should analyse the issues in the case and consider, for example, how valid their arguments would be in a different context.

Section A

It is important when studying the pre-release theme to ensure that the issues covered are analysed effectively in terms of the theory and underlying business concepts involved. This analysis then needs to be supported by appropriate data and evidence. Students had clearly read about a number of businesses and their operations in China (such as Starbucks, KFC, Burberry and Jaguar Landrover) but on a number of occasions the use of this research was descriptive and not always used effectively. Students need to be careful not to simply repeat examples they have learned but to select relevant evidence that is appropriate to the question and link it to their analysis and evaluation. Relevant business theory should not be neglected, for example when considering the opportunities of China, a student might consider the investment, likely returns, risk, competitive environment, changing political, economic and legal environments and the opportunity cost.

Question 1

This was the more popular of the two questions in Section A. However a number of students seemed to be answering a slightly different version of the question set. Several simply outlined the opportunities and threats of operating in or with China rather than concentrating on whether China is “still” a significant opportunity. A number of students described businesses that had succeeded and businesses that had not succeeded in China in the past. This highlights the importance of reading the precise question set and ensuring that this is the question answered. Better responses discussed how China is changing (for example, considering changes in wage costs, economic growth, government policy and the exchange rate) and then evaluated whether this meant China was “still” an opportunity.

Question 2

As with question 1 the responses highlighted the importance of reading the question. Some students described environmental and ethical issues in China and, the impact on the Chinese people, rather than considering whether these issues meant that businesses outside of China should stop trading with or in the country.
Better responses considered how ethical and environmental issues might affect the reputation of a business and how the importance of these issues might depend on how the business actually behaved. Good responses were clearly focused on whether the environmental and ethical issues mean businesses should stop trading in or with China - for example they considered the possible impact on the reputation of the business.
Good responses often debated the significance of the difficulties created by ethical and environmental issues relative to the benefits of trading with or in China; for example they argued it may be difficult and undesirable but the opportunities are so great that a business should take the risk.

Section B

Question 3

This was not an especially popular question but there were some strong answers. Good responses analysed the effect of different aspects of competitive structure on profitability. For example, they analysed how the degree of rivalry in the market could influence price setting and profit margins and/or considered the significance of barriers to entry, buyer and supplier power and substitute threat. Stronger students tended to relate their responses effectively to different market structures such as the pharmaceutical industry compared to the airline industry. They often considered how the profit of individual businesses might also be affected by factors such as the strategy selected, the quality of management and the state of the external environment.

Question 4

Perhaps surprisingly given that it related to stakeholders and change, this was not a very popular question. Better responses focused clearly on the inevitability of opposition to change from different stakeholder groups. Evaluation focused on issues such as the nature of the change, the way that change is managed, which stakeholder group is being considered and whether "significant " opposition was "inevitable". Weaker responses focused on the impact of change on stakeholders and the business as a whole rather than whether opposition was inevitable.

Question 5

This was by far the most popular question in Section B. Better responses were clearly focused on the relationship between a leader and a new strategy. They considered the role of leaders in determining the success of a new strategy; for example, in terms of providing the vision, allocating resources and bringing about the change successfully. Weaker responses discussed the role of leaders in general or the role leaders can play in terms of the overall success of a business rather than relating specifically to a new strategy.
Students often provided examples of leaders in their responses but it is important that these examples are used in supporting an argument. Simply stating that Harriet Green transformed Thomas Cook or that Howard Schultz turned around Starbucks does not provide much insight into the role that leaders actually play in influencing the success of a new strategy or help to evaluate the factors that determine the effectiveness of a leader in this situation. Again the advice is to build the arguments with support from cases, data or other material relevant to the context rather than describe a series of business cases with no clear underlying answer to the question. This question was about leaders and the success of a new strategy and the links between these two factors needed to be examined, discussed and debated.

Summary

Students need to consider how they use examples of businesses in their answers. When studying Section A, students should focus on the areas of study outlined and consider the business issues involved. These issues need to be analysed and evaluated which can be done by looking at different sources of information. In relation to China this could have been economic trends as well as specific business cases. When studying a particular case, students should consider the lessons that can be learned from it, how it relates to theory and whether this is likely to be true for all organisations and if not why not? Good essays cannot be built on simply describing individual business cases. Students must consider how the cases provide an insight into the analysis of the actual question. For example, what do we learn from, Starbucks, KFC or Jaguar Landrover that helps us decide whether China is “still” an opportunity and does this mean it is “still” an opportunity for <u>all</u> businesses? If not, why not? When considering the experience of different businesses students should consider what they learn from these cases and not just describe what has happened.
A key lesson from this examination is that students should take care over the question they choose and think before writing. If they think it is a familiar question they should be particularly careful to ensure that they address the question that is actually set. The majority of students chose question 1 and 5; in some cases the sense was they had chosen these on the basis on one word “opportunities” (Q1) and “leader” (Q5) and not necessarily thought through the title as a whole.
The key to a good essay response is whether it answers the question set; students would be well advised to think more about which question to choose and how best to answer the question before they start to write. The very best answers often made it clear in the first paragraph that they were going to focus on the key issues in the question and then stayed focused on this in the rest of the answer. This is the only Business Studies paper where students have a choice of questions so they should use it wisely and plan their answers before writing.

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