



GCE AS EXAMINERS' REPORTS

**BUSINESS
AS**

SUMMER 2022

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BUSINESS

GCE AS

Summer 2022

COMPONENT 1: BUSINESS OPPORTUNITIES

General Comments

It was pleasing to see that most candidates were able to demonstrate reasonably good knowledge on most topics within the AS component 1 specification. Timing did not seem to be a problem as almost all candidates attempted all questions.

Comments on individual questions/sections

- Q.1 (a) (i)** Most candidates were able to demonstrate some understanding of the difference between mass and niche markets. However, in many scripts only superficial understanding was provided which resulted in one mark being awarded. For example, only consider the size of the market to compare the difference.

All candidates attempted this question, and the mean mark was 1.4.

- (ii)** This was the most accessible definition question of the two with a high proportion of candidates achieving full marks. Very few candidates showed no understanding.

All candidates attempted this question, and the mean mark was 1.5.

- (b)** Most candidates were able to pick out reasons from the case study such as a small sample and current customers. This resulted in a high proportion achieving AO2 marks. However, then relating these to bias proved more problematic and so many candidates did not gain the AO1 mark.

All candidates attempted this question, and the mean mark was 1.4.

- (c)** A minority of candidates did not use the data and instead analysed the pros and cons of primary compared to secondary research and so missed out on most of the marks for this question.

Most candidates, however, were able to link the two data sets together and were able to gain marks for AO2 and AO3, with many candidates linking their answers back to measures of performance. A small number of candidates only considered data for one product and therefore lacked breadth of arguments.

In lots of scripts, AO3 marks were limited as the development of the data was brief, with the development of the possible impacts of the data trends and product ideas. Most attempts at evaluations were also limited and lacked real justification, preventing many candidates gaining top band marks for AO3 and AO4.

99.4% of candidates attempted this question, and the mean mark was 4.2.

- Q.2 (a) (i)** There were mixed responses to this question. Some candidates did not label the shifts and therefore failed to achieve any marks. Demand shifting right was the most common diagram shift from candidates. In many cases, candidates did not shift supply. A few candidates also thought an increase in supply was a shift to the left. Overall, there was a wide variation between centres and marks achieved by candidates.

98.7% of candidates attempted this question, and the mean mark was 1.1.

- (ii)** Many candidates failed to achieve the AO3 mark as they did not explain how prices and/or quantity would be impacted due to the data/diagram. Lots of candidates repeated the case study or described their own diagram without any explanation of how it would impact prices and/or quantity.

98% of candidates attempted this question, and the mean mark was 1.6.

- (b)** Overall, this question was accessible for the majority of candidates who correctly explained multiple reasons why the demand for vegan foods has risen. The use of reasons in the case study were used well. However, sometimes answers were descriptive of the case study rather than analytical.

Most candidates struggled to achieve top band AO4 marks due to not providing an overall demonstration of the significance of the factors affecting demand. A large number of candidates didn't attempt to evaluate the factors.

99.3% of candidates attempted this question, and the mean mark was 5.1.

- Q.3 (a)** Most candidates were able to identify different motives. Marks were lost in the development of each motive to a development level needed to acquire band 2 AO3 marks. For example, why it is more likely there will be a greater financial reward running a successful business compared to working for a business earning a wage. In order to gain analysis marks candidates should consider why the motive to become an entrepreneur will reap more rewards than working for someone else.

100% of candidates attempted this question, and the mean mark was 2.7.

- (b)** Most candidates were able to demonstrate good understanding of the benefits and drawbacks of a business plan. Mainly that it helps gain investment and gives a guideline for entrepreneurs. The drawbacks mainly focused on the possible inaccuracies and unplanned external changes. Lots of responses met band 2, lacked development for top band marks for AO3, and lacked key depends on factors for top band AO4 marks.

99.3% of candidates attempted this question, and the mean mark was 4.

- Q.4 (a)** Almost all candidates were able to demonstrate some understanding of the difference between fixed and variable costs. When marks were lost it was due to the inability to link them to output. A high proportion of candidates achieved full marks.

100% of candidates attempted this question, and the mean mark was 1.7 showing this was the most accessible definition question.

- (b)** The calculations proved tricky for a large number of candidates but allowed the more able to really think about the rearrangement of the data to be able to work out how to calculate the correct answers. The question on revenue was the most accessible and most candidates were able to get this correct.

The next accessible calculation was the total variable costs, however more candidates struggled to rearrange the formula compared to the revenue question.

Some candidates confused total contribution with contribution per unit and some candidates also lost a mark for part (a) with no £ sign. The break-even question posed the highest challenge, and this was demonstrated with the minority of candidates getting this fully correct. Candidates struggled with calculating the contribution per unit as it was a non-typical way of working this part of the formula out. Some candidates did pick up one mark by stating the correct break-even formula.

99% of candidates attempted this question, and the mean mark was 3.8.

- (c)** Most candidates were able to offer a judgement with some analysis of the data. Most answers remained in band one. The higher ability candidates were able to demonstrate a stronger analysis and judgement of the financial data of all three orders which allowed them to achieve top band answers.

97.3% of candidates attempted this question, and the mean mark was 1.9.

Summary of key points

Knowledge overall was demonstrated to a good standard, with topics such as demand and supply diagrams and break-even causing more difficulties.

Application to the case study was generally good throughout the paper and the case studies appeared accessible to almost all candidates.

The few band 3 questions allowed stronger candidates to show case their excellent understanding and allowed them to differentiate themselves to other candidates.

Due to having topic information beforehand, it was clear that centres prepared candidates understanding to a high level for most of the topic areas. Marks were more commonly lost due to analysis and/or evaluation of the topic areas.

BUSINESS

GCE AS

Summer 2022

COMPONENT 2: BUSINESS FUNCTIONS

General Comments

It was pleasing to see that most candidates were able to demonstrate reasonably good knowledge on most topics within the component 2 specification. Timing did not seem to be a problem as most candidates attempted all questions.

It was also pleasing to see that all candidates followed the rules for section B in answering only one of the three available questions. The standard of quantitative skills demonstrated was very good in the questions that assessed it. This was pleasing as this paper was slightly different to previous series as the quantitative skill question was combined within extended response questions.

Comments on individual questions/sections

Section A

- Q.1 (a)** Most candidates were able to demonstrate understanding that absenteeism was a measure of being off work. However, a significant number of candidates used the word “absent” or “absence” to describe the key term which limited their answers from achieving both marks.

99.3% of candidates attempted this question, and the mean mark was 1.4.

- (b)** This question was a good measure of numerical skills and interpreting data to form an analysis and evaluation. The stronger candidates were able to demonstrate all these skills to a high level when answering the question. The weaker candidates often got stuck on the calculations, in particular the labour turnover calculation. A number of candidates attempted no calculations for this question.

When candidates were able to correctly work out the labour productivity and labour turnover figured for both years, most did not analyse the impact of these figures and so did not obtain any marks for AO3. For example, why increasing labour productivity is good (e.g. lower unit costs), and why falling labour turnover is good (e.g. lower costs for recruitment). The stronger candidates were able to do this and evaluate these figures against industry average figures. This question was an effective question to separate the weaker candidates from the stronger candidates.

95.4% of candidates attempted this question, and the mean mark was 5.3.

- (c)** Most candidates were able to identify two different types of financial methods of motivation and were also able to analyse the impact of each. However, in many cases the impact was analysed to a limited level in both cases preventing full AO3 marks being achieved. AO2 was where most candidates lost marks.

The inability to link these financial motivation methods specifically to a manufacturer where employees operate a range of equipment and complete a range of jobs such as welding. As a result of this there were only a minority of full mark responses to this question.

100% of candidates attempted this question, and the mean mark was 3.1.

- Q.2 (a)** Most candidates understood the term “brand”. This caused only minor problems for candidates, with two marks being awarded more commonly than one or zero marks.

98.7% of candidates attempted this question, and the mean mark was 1.7 suggesting a very accessible definition question.

- (b)** This question was a good assessment of candidates’ analysis and evaluation skills. It was one of the few questions that required excellent analysis and evaluation to achieve top band marks. This allowed stronger candidates to showcase their knowledge and skills and separated them from weaker responses. Most candidates were able to demonstrate some understanding of innovation, and the depth of understanding and chain of thought separated high scoring to low scoring answers. Weaker candidates were unable to develop points and only demonstrated superficial understanding of the pros and cons of innovation and so only achieved band 1 marks.

Some candidates based their answer around Ikea. Usually this did not enable them to achieve top band marks as the question was about businesses in general.

Top marks for AO4 were less common than top band marks for AO3 as not many candidates were able to determine that innovation would be more important in different situations e.g. type of industry, number of competitors, budget restrictions.

96% of candidates attempted this question, and the mean mark was 2.8.

- (c)** This topic area proved tricky for many candidates which resulted in a large amount of low scoring responses. Generally, most candidates struggled to come up with types of diseconomies of scale and therefore were unable to link these to Ikea and analyse the impact of them. Other candidates talked about diseconomies of scale in general rather than specific types, and although gained AO1 marks, due to the generic nature of their response they struggled to achieve many marks for AO2 or AO3. The average mark awarded for this question was lower as a percentage of the full mark available compared to other questions in section A of the paper. This topic was assessed a couple of series ago with similar outcomes; therefore, it still needs to be a focus of attention for centres to improve candidates understanding.

91.4% of candidates attempted this question, and the mean mark was just 2.4.

- (d)** There was a very mixed response to this question. Previous series questions on the marketing mix were generally answered well. However, given that distribution (place) is the main focus of this question, it caused problems for a large number of candidates.

Many were unable to demonstrate knowledge of this part of the marketing mix and therefore could not apply, analyse, or evaluate their lack of knowledge of distribution channels.

A number of other candidates focused their answers on other elements of the marketing mix and therefore only achieved band 1 responses as the key focus to the question was on distribution (place).

Stronger candidates with excellent understanding of distribution were able to apply this to Ikea's situation. They were able to analyse the impact of changing distribution and evaluate this against other factors of the marketing mix. There was a large variation in responses and marks awarded between all candidates for this question, therefore, worked well to differentiate the stronger to weaker candidates.

94.7% of candidates attempted this question, and the mean mark was 4.5.

- Q.3 (a)** Most candidates understood the term “budget”. This caused minor problems for candidates, with two marks being awarded more commonly than one mark or zero. Most candidates explained the nature of a budget as a cost controlling tool rather than other types of budgets. Some candidates lost marks as their definition was closer to a cash flow forecast rather than a budget.

100% of candidates attempted this question, and the mean mark was 1.8 which shows it was the most accessible question.

- (b)** The majority of candidates were able to demonstrate knowledge of two different external sources of finance. There were very few zero-mark answers for this question. In a number of cases, only one mark was awarded for AO1 as the amount of knowledge demonstrated on each was limited. Better responses were able to apply these sources of finance specifically to Neve's business and her current financial situation. For example, that she is a sole trader, has £1,000 in her bank account and has produced a break-even graph as evidence for investment.

99.3% of candidates attempted this question, and the mean mark was 1.9.

- (c)** This question was effective in differentiating the stronger from the weaker candidates. It was the other question within section A that required excellent application, analysis, and evaluation to gain top band marks.

The minority of candidates only considered quantitative or qualitative data and therefore could not achieve more than five marks regardless of the depth of analysis and evaluation.

To achieve top band marks, candidates did not just need to use the quantitative and qualitative data available but also needed to complete further calculations to support their argument(s). For example, profit and margin of safety. In a number of answers, candidates did not show their workings out, and when the final answer was incorrect, it resulted in a low band response. It is important that even in essay style questions, candidates show their workings when analysing financial data, as additional marks could have been gained if it was clearer that there was only a minor error leading to the incorrect answer.

Weaker answers described the data without attempting further calculations which usually resulted in band 1 responses.

Overall, this question worked well and allowed the stronger candidates to showcase their ability to use quantitative and qualitative data available to make a decision to an excellent level.

97.3% of candidates attempted this question, and the mean mark was 4.6.

Section B

Q.4 Question 4 was a popular choice in Section B with 43% of the candidates selecting this.

- (a) Candidates that selected this question were able to come up with at least two different types of production methods. However, on the whole candidates were unable to demonstrate any more than limited/good knowledge as the key features of each type of production method were not described.

Most candidates were able to pick up AO2 marks usually by linking budget products to mass production and premium products to job and/or batch. Candidates that weren't able to demonstrate understanding of the key features of each type of production could only provide limited application to these different types of products. Stronger candidates gave examples of specific budget and premium type of products and demonstrated a stronger response with more specific examples to link to.

The mean mark achieved was 6.2.

- (b) Responses were very mixed to this question. Unfortunately, some candidates showed no understanding of lean production and the different methods. Sometimes confusing with other methods of production or not considering two different types of lean production. Candidates who were able to demonstrate understanding of different lean production techniques were able to demonstrate good analysis and evaluation. Stronger responses were able to consider the factors that determine the different situations/businesses where lean production techniques would be more suitable. A number of candidates achieved the full range of marks for this question, with the average mark being brought down by some candidates gaining zero marks.

The mean mark achieved was 9.5.

These mean marks suggest that question 4 was the most accessible question in section B.

Q.5 Question 5 was the least popular choice in Section B with just 10% of the candidates selecting this.

- (a) Candidates that selected this question were able to apply different types of conflicts well to different public sector organisations. However, the number of conflicts presented were usually limited which prevented candidates achieving top band marks.

The mean mark achieved was 3.7.

- (b)** Most candidates were able to demonstrate understanding of equal opportunities. However, analysing the impact of these to both employers and employees were usually at a level that only just about met band 2 marks. Lots of candidates did not consider the pros and cons to both employers and employees within their answer which prevented them reaching higher band marks.

The mean mark achieved was just 5.7. Suggesting this was the most challenging section in section B. However, this is based on a small proportion of candidates who answered this question.

Q.6 Question 6 was the most popular choice in Section B with 46% of the candidates selecting this.

- (a)** Candidates that selected this question were able to demonstrate at least some knowledge of extension strategies and different ones. The level of detail about the features of each extension strategy differentiated the stronger from weaker responses. Some candidates concentrated their whole answer on a variation of the same extension strategy, usually about changing the product in some way. Unfortunately, candidates that did this achieved a limited response as the different ways to alter an ice cream product came under one type of extension strategy.

Stronger answers were also able to apply their extension strategies more specific to ice cream compared to weaker responses that just stipulated “new flavours”.

The mean mark achieved was 5.4.

- (b)** Responses were very mixed to this question. Unfortunately, a large number of candidates showed no understanding of marketing technology and the different types. These candidates often confused this with operational technology such as CAD and CAM. Other candidates did not talk about specific types of marketing technology and talked about the impacts on stakeholders generically and therefore scored low band marks.

When candidates were able to demonstrate understanding of different types of marketing technology, their responses to the impact they have on different stakeholders were generally strong. A number of candidates were able to access top band marks and this question did well to differentiate stronger and weaker candidates. However, most candidates did struggle to develop an overall evaluation to determine the extent to which different stakeholders may be affected.

The mean mark achieved was 5.6. This low mean was due to a large number of candidates getting marketing technology confused with operational technology.

Summary of key points

Knowledge overall was demonstrated to a good standard, with topics such as distribution channels, marketing technology, lean production, McGregor's management theory and diseconomies of scale causing more difficulties.

Application to the case study was generally good. However, it caused problems in some lower mark questions, particularly on external sources of finance and financial motivators.

Band 3 questions allowed stronger candidates to showcase their excellent understanding and allowed them to differentiate themselves to other candidates.

Due to having topic information beforehand, it was clear that centres prepared candidates understanding to a high level for most of the topic areas. Marks were more commonly lost due to application, analysis and/or evaluation of the topic areas.



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