



GCE A LEVEL EXAMINERS' REPORTS

**BUSINESS
A LEVEL**

SUMMER 2023

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BUSINESS

GCE A LEVEL

Summer 2023

COMPONENT 1: BUSINESS OPPORTUNITIES AND FUNCTIONS

General Comments

The paper exhibited a generally high level of accessibility for candidates, as indicated by the facility factor for each question, with an attempt rate ranging from 95.1% to 99.9% across all questions. The mean mark for the paper was 53.9 (67.4%), which can be compared to 57.7 (72.1%) in 2022 (where Advance Information was provided) and 53.8 (67.3%) in 2019. There were no exams conducted in 2020 and 2021.

Candidates demonstrated a good level of performance throughout the paper, effectively showcasing their knowledge and understanding while presenting well-structured arguments. The performance on this paper is indicative of the hard work of candidates and the support and guidance provided by teachers. There are clear opportunities for further improvement, most notably with evaluation skills.

Timing did not appear to be an issue for candidates, similar to the 2022 session. However, it should be noted that handwriting remained a challenge in some cases, impacting the readability of responses. Providing appropriate feedback on handwriting legibility is important.

Consistent with previous sessions, candidates generally displayed a tendency to be less descriptive in their responses. However, they effectively utilised the stimulus material in most questions, demonstrating solid analysis and evaluation skills. The majority of candidates were aware of the requirements of the command words used.

Questions involving quantitative skills were answered proficiently overall by the candidates. Based on the facility factor (FF), the most accessible questions for candidates were Q.2(a)(i) (FF: 97.7%) and Q.2(b) (FF: 84.8%). In contrast, the least accessible questions were Q.6(a) (FF: 57%) and Q.6(c) (FF: 55.5%).

Comments on individual questions/sections

Q.1 required candidates to outline the features of monopoly and monopolistic competition. This question was answered well by many candidates who often provided two features for each market structure. Some candidates confused monopoly with monopolistic competition, and other candidates made mistakes by providing features of oligopoly market structures instead of monopolistic competition.

Q.2 (a) (i) required candidates to calculate the costs for Decrease the Load. This was the most accessible question on the paper and demonstrated candidates' confidence in being able to correctly calculate costs.

(a) (ii) required candidates to calculate the percentage change in revenue. Many candidates calculated the percentage change correctly, but candidates that made errors tended to reverse the figures for the most recent and least recent time period. Candidates are advised to present numerical answers to one decimal place unless otherwise stipulated.

- Q.2 (b)** required candidates to outline possible reasons for the change in Decrease in Load's profit. This question was the second most accessible in the paper. Candidates demonstrated understanding in outlining why profit reduced and applied this well to the stimulus material. Some candidates did not apply sufficiently or clearly to the case, meaning responses were mainly theoretical.
- (c)** required candidates to evaluate the impact of the change in profits on the stakeholders of Decrease the Load. Candidates used the case study well to demonstrate how different stakeholders would be impacted by a fall in profit. More successful responses considered two or three stakeholders and analysed the impact on each stakeholder in the context of the case study. The best responses provided balanced analysis by suggesting how one stakeholder could be affected positively and negatively, as well as considering the impact on at least one other stakeholder, or took the approach of how one stakeholder could be negatively impacted and how another stakeholder could be positively impacted. Many responses scored Band 2 for analysis for only focusing on negative impacts. Evaluation was mainly limited, often in the form of superficial conclusions. Candidates should refer to the indicative content for examples of evaluation, such as which stakeholder might be most impacted by a fall in profit and consideration of qualifying statements such as the ability of competitors to deal with the increased demand and the extent to which customers remain loyal to Decrease the Load. Band 2 and Band 3 evaluation were not often awarded for this question.
- Q.3** required candidates to evaluate the two sources of finance and recommend how RE-Cycle Ltd's second location should be financed. The vast majority of candidates demonstrated correct knowledge and features of bank loan and share capital and used the information in the case study well to support their points. Analysis was good with many candidates providing clear chains of reasoning for selecting each source of finance. More effective answers included a well-reasoned and well-balanced recommendation of which source should be chosen with qualifying statements, although it was uncommon for candidates to demonstrate these types of evaluations in their responses. More commonly, candidates provided a superficial recommendation with limited support, often restating points made earlier in their response. Some candidates did not make a recommendation, and some others considered sources of finance not appropriate to the question. Candidates should read the possible themes for evaluation in the indicative content for suggestions of how to incorporate more evaluation into questions of this type.
- Q.4** required candidates to identify two types of internal economies of scale and explain how each of these can lead to a change in unit costs. Many candidates were able to at least identify two types of economies of scale and gain knowledge marks for doing so. The most common that was identified was purchasing/bulk buying economy of scale. Explanations of how each economy of scale leads to reducing costs were varied, with candidates being more able to explain purchasing better than others, including technical, managerial, and financial economies of scale. It was evident that a minority of candidates did not understand the meaning of economies of scale.
- Q.5 (a)** required candidates to define the term job analysis. Many candidates provided an accurate definition, often recognising that a job analysis is part of the recruitment process that occurs once a vacancy arises and helps to write the job description and person specification. More limited definitions tended not to be specific to a job vacancy or it being part of the recruitment process.

- (b)** required candidates to define the term labour productivity. Many candidates provided an accurate definition, often including reference to output by the number of workers and recognising that this is measured over a period of time. Similar to Q.5(a), some definitions were not sufficiently specific, in this case by often lacking reference to labour productivity being over a period of time.
- (c)** required candidates to calculate labour turnover. Many candidates calculated this correctly, but candidates that made errors tended to not include the percentage sign or use the number of staff remaining as either the numerator or denominator in the formula.
- (d)** required candidates to analyse possible reasons for the change in ASK's labour turnover. Many candidates were able to demonstrate good understanding of why people leave their job and analyse these reasons, notwithstanding whether this was an increase or decrease in labour turnover. Relatively many candidates interpreted the change in labour turnover to mean it was increasing, rather than decreasing, perhaps from preconceptions that labour turnover is inherently negative for a business. Application to the case was often limited or non-existent; candidates' use of the context was worst for this question compared to all others in the examination paper. More effective responses linked the contents of the case study in terms of future growth prospects of ASK and the opportunities for internal promotion as possible reasons for a decrease in labour turnover.

Q.6 (a) required candidates to outline the difference between quality control and quality assurance. This question had the second lowest facilitating factor at 57%, since too many candidates provided characteristics for the wrong term by mixing them up with one another.

- (b)** required candidates to define the term lean production. Many candidates demonstrated understanding that lean production involved reducing/eliminating waste while maintaining quality. A minority of candidates did not gain both marks because of lack of reference to either quality, efficiency, or referring to resources that are minimised.
- (c)** required candidates to calculate the reorder quantity. This question had the lowest facility factor on the examination paper. Too few candidates demonstrated understanding of how to calculate the reorder quantity. Common mistakes were identifying the reorder level, including the buffer stock in the calculation, or not expressing the answer fully in 000's of units (i.e., an answer of 32.5 instead of 32,500).
- (d)** required candidates to describe the use of Pack It Up's buffer stock. Many candidates correctly described where the buffer stock had been used by making clear reference to the stock control diagram. Some candidates incorrectly referred to the maximum stock level as meaning the buffer stock.
- (e)** required candidates to recommend whether Pack It Up should adopt a Just-in-Time (JIT) system. The responses to this question exhibited more variation in the quality of application and analysis compared to other questions assessing similar skills. Candidates either demonstrated a clear understanding of JIT and scored well or lacked the knowledge and consequently received lower marks. Some candidates failed to provide a recommendation or made superficial assertions without supporting reasoning. More effective responses recognised factors such as the use of boxes for packing fresh food and the potential cost savings and income from renting out factory space. However, evaluation was often lacking.

Candidates are advised to refer to the indicative content for appropriate evaluative themes, such as the reliability and flexibility of suppliers, as well as the importance of measuring potential cost savings and income from renting out factory space.

- Q.7** required candidates to recommend whether a cost-plus pricing strategy or a competitive pricing strategy should be chosen for Darren's bottled sauces and justify their decision. While many candidates demonstrated a correct understanding of each pricing strategy, it became evident that some candidates misunderstood or conflated these strategies with others. For instance, some candidates were unclear that cost-plus pricing involved adding a mark-up on costs, instead suggesting it was a premium pricing strategy or used to showcase added value or the unique selling proposition (USP) of products. Similarly, when discussing competitive pricing, candidates often referred to penetration or destroyer pricing, or suggested that prices should be lower than competitors. These incorrect explanations of the pricing strategies resulted in no marks being awarded. More effective responses provided clear definitions of the pricing strategies, linked them to the case study, and analysed the benefits and drawbacks of each strategy. Although evaluation was mostly superficial, some candidates offered well-justified and developed judgments. The strongest responses often considered factors such as price elasticity of demand (PED), the percentage mark-up on the bottled sauces, and Darren's objectives.
- Q.8** required candidates to evaluate the view that it is always better to control, rather than empower, a workforce. Many candidates were able to demonstrate their understanding of both control and empowerment well by providing features and characteristics of each and examples of situations of when each might be used. Analysis was often good with candidates providing benefits/drawbacks of each method. Without stimulus material, candidates made connections to business situations where control and empowerment would be appropriate or inappropriate, with some candidates making valid reference to management and motivation theories to support their response. Most candidates provided limited or superficial evaluation, with better candidates recognising that the decision to empower or control is dependent on a range of factors and that a balance of control and empowerment is often more likely, depending on the circumstance.

Summary of key points

- Candidates should ensure their handwriting is clear and legible to facilitate easy marking by examiners and ensure accurate assessment of their responses.
- Candidates should strive to provide well-detailed and well-balanced judgments, demonstrating confidence in their writing and achieving Band 3 in AO4.
- Candidates should utilise the stimulus material in all questions, incorporating it effectively into their answers.
- Candidates should thoroughly review the exam specification, paying particular attention to key term definitions and concept explanations. This will address weaknesses observed in demonstrating understanding, especially in questions 5a, 5b, and 6b.
- Candidates should consult previous mark schemes to better understand the marking bands for different questions and the indicative content that supports analysis and evaluation skills.

BUSINESS

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COMPONENT 2: BUSINESS ANALYSIS AND STRATEGY

General Comments

Overall, the standard of responses on Component 2 was very good, with the majority of candidates managing the timing of the exam well and attempting all questions on the paper. The last question had an attempt rate of 97.3% showing that most candidates got to the end of the paper (although the penultimate question had a lot lower attempt rate of 92%). There were many strong scripts, and the use of the assessment objectives was shown regularly in candidates work.

One noticeable difference from previous series was the way candidates were writing in a more succinct manner. There appeared to be a lot less use of the extension pages and additional booklets, and many strong responses were given in the allocated space for the question alone. However, there were a small number of instances when candidates had used additional space but not correctly labelled their response, which made it hard for the response to be joined to the right question.

It was pleasing to see a noticeable improvement on the accuracy of data presentation. It was very uncommon for monetary values to be expressed without a £ sign, and the majority of candidates expressed all their answers to 2 decimal places, even when the question did not directly prompt them to do so. There were only a small number of candidates who were not able to round their response correctly, and on occasion the mark scheme penalised them for this. For several of the quantitative questions on the paper there was a formula mark available. If the correct answer was shown the formula mark was given with implied knowledge but it was useful for some candidates who scored a formula mark despite getting the workings wrong. This was perhaps most relevant on Q.4(c). There were a small number of occasions (especially on Q.2(b) and Q.2(c)) where the candidates answered the wrong question in the given space and drew arrows to show the workings were for the other question. This should not be done as if the questions are marked separately this will not be seen.

The majority of candidates followed good structures in their responses, showing logical developments in their arguments. A surprisingly large number of candidates did not use paragraphs in their writing, making it more difficult to separate out chains of argument. Alongside this, handwriting was more of an issue than in previous series, with a growing number of scripts having to be studied in closer detail to interpret the poor writing. There were a larger number of word-processed scripts than usual, and it is pleasing to see when these scripts leave space between each question and indent from the question number. Spacing out of the lines makes it a lot easier to mark.

In the majority of questions, candidates had correctly interpreted the trigger word of the question, with perhaps an exception to this on Q.6, where candidates completed a cost benefit analysis rather than discussing the model. The strongest answered numerical questions were the moving average calculations (Q.5(a)(i) and Q.5(a)(ii)), with facilitating factors of 88.8% and 89.3%. (A facilitating factor is the mean mark expressed as a % of the total mark available).

The strongest answered written responses were a definition of outsourcing Q.3(a) with a facilitating factor of 61.9% and Q.1(b), with a facilitating factor of 60.4%. The weakest numerical question was Q.4(c) with a facilitating factor of 30.9%, and the weakest written question was Q.6, with a facilitating factor of 47.6%.

Knowledge (AO1) was good throughout the paper, although a large number of candidates were not adding enough detail into the 2-mark definition questions. Whilst it is not an essential requirement of a longer answer, definitions of key terms are useful, especially in Q.5(b) on this paper. Analysis was good overall, although a larger proportion of candidates than normal were listing lots of different arguments instead of developing one argument in more detail. Lots of candidates were using the given contexts well, and this was useful in questions with a large proportion of AO2 marks – mainly Q.4(c) and Q.6. AO4 remains to be the most difficult objective, and many candidates did not show any evaluation, or perhaps just a small amount in a very brief conclusion. Stronger responses showed evaluation throughout the response in each argument.

Comments on individual questions/sections

- Q.1 (a)** This was a 1-mark question that required candidates to identify the type of integration happening in the stimulus material. Whilst this had an extremely high attempt rate of 99%, the facilitating factor was only at 75.8%. Correct answers were horizontal or lateral integration. The most common incorrect answer was forward vertical integration and a small number of candidates made up a type of integration such as market integration or external integration.
- (b)** This question followed on from part (a), and asked candidates to analyse the benefits and drawbacks of this form of integration. Most candidates who had correctly answered part (a), answered (b) well as they clearly understood horizontal integration. A small number of responses identified a disadvantage as something that horizontal did not achieve that other integration methods did. This was not credited as didn't show knowledge of horizontal. If the candidate incorrectly identified the form of integration in part (a), but then correctly discussed this in part (b), they were able to access AO1 and AO3 marks. Lots of the responses in this question showed good analysis and were in band 2, although there was less AO2 shown. This response had a mean score of 4.8 out of 8 and an attempt rate of 98.2%.
- Q.2 (a)** This question asked candidates to identify one benefit and one drawback of Average Rate of Return. Despite a high attempt rate of 99%, this question had a facilitating factor of 47.9% with a mean score of 1.9 out of 4. This was due to two reasons. A high proportion of responses were very generic points about investment appraisal as a method and not specific benefits of ARR in particular, which limited their explanation marks. Additionally, lots of responses scored 2 out of 4 as they stated a valid advantage and disadvantage but did not engage in any sort of development for the AO3 marks. The best responses picked key points that directly related to ARR, and this often led to comparisons about what it did/didn't do in relation to other investment appraisal techniques.
- (b)** In this question candidates were asked to calculate ARR for two machines. This was not completed with a high degree of accuracy and there were lots of reasons why candidates lost marks. Lots of candidates were able to get to the first stage and calculate the average annual profit but then finished here.

This scored 2 out of 4. There were some marks awarded if the candidate did most of the workings but forgot to subtract the initial cost (but the final answers were rounded correctly), or if they forgot to divide by the number of years. The most common error was forgetting to deduct the cost to calculate the total profit from the investment. Incorrect rounding and not expressed as a % also lost marks, but it was pleasing to see that this wasn't much of an issue and most candidates did this part well. This question had an attempt rate of 97.2% and a mean score of 1.8 out of 4.

- (c) Payback was calculated more successfully than Average Rate of Return. With an attempt rate of 98.2% and a mean score of 1.5 out of 2, this was pleasing to see. Machine B was calculated correctly more often than machine A as this required an additional calculation of how many months. The most common error was to call payback a year earlier. A small number of candidates expressed 4 years as 3 years 12 months, which was still also credited.
- (d) Candidates were asked to advise on the best investment option based on the quantitative information and it was pleasing to see how this was very well done by lots of candidates in a concise manner that showed lots of judgements. Despite a reasonably low facilitating factor of 59.4%, there were a lot of strong answers to this who considered not only payback and ARR, but other quantitative information provided such as the initial cost or the predicted cash flows. AO4 was strong in responses who considered the significance of the figures or what the key financial objectives of the business might be to favour each option. Some strong judgement was made that despite having a slightly longer payback period it would be worth it for the higher return. Candidates who hadn't answered parts (b) and (c) were still able to access this question by using the other quantitative data, so it was pleasing to see that many of these candidates had at least attempted the question.

- Q.3**
- (a) This question asked candidates to calculate the total contribution. This was answered quite well overall with a mean score of 1.9 out of 3 and an attempt rate of 99.3%. Many scripts correctly calculated it and expressed it with a £ sign. There were also quite a few scripts who included the fixed costs within the calculation which gave them an incorrect final response, however some marks could still be awarded in this case, especially if the formula had also been written out.
 - (b) This question required a definition of the term outsourcing and was worth 2 marks. The mean score was 1 out of 2 with a high attempt rate of 99.6%. The best responses referred to part of a business functions being completed by outside suppliers, and it was pleasing to see them being referred to as specialists. Some candidates spent too long explaining why a business may outsource, such as if they had reached maximum capacity but the mark scheme did not allow credit for this.
 - (c) In this question, candidates were asked to consider if outsourcing was a better strategy than expanding capacity. This was an accessible question and had the highest attempt rate of all four 10-mark questions at 99.2%. Most candidates approached it by considering the merits and drawbacks of each approach, although some succinct answers compared them directly which was an effective structure as it avoided repeating the same arguments. The most common error in this question was that candidates discussed increasing the capacity utilisation, not increasing the capacity which took the argument down an incorrect path.

The best responses in this question considered the long- and short-term impacts of changing capacity, especially as the demand is only predicted to change and may not actually happen.

- Q.4 (a)** This was a 2-mark definition of a corporate plan and was answered slightly more effectively than the outsourcing definition question with a mean score of 1.1 out of 2 and an attempt rate of 99.3%. The majority of the responses referred to a document that outlines and sets objectives, and then stronger responses would link to being set by senior management and looks at longer term objectives.
- (b)** This question combined calculating working capital with a percentage change formula. 97.1% of candidates attempted this question and it had a mean score of 1.6 out of 3. If candidates knew how to calculate working capital, then they were generally able to get full marks on this question but it was surprising to see the number of candidates who struggled to calculate the percentage change between the figures. Another common error was incorrect rounding of the final answer.
- (c)** In this question candidates were asked to calculate the gearing ratio for two years. The attempt rate on the question was 93.5% but was the poorest answered question on the whole paper with a facilitating factor of 30.9% (a mean score of 0.9 out of 3). Candidates who wrote down the formula were awarded a mark even if the calculations were completed incorrectly, and this scored lots of candidates 1 out of 3. The majority of candidates got this incorrect as they did not include all of the aspects of the shareholders' funds from the balance sheet.
- (d)** To answer this question candidates were asked to use the gearing and working capital figures and other information from the stimulus to evaluate the proposed expansion plan. Of the four extended questions on the paper, this was the most accessible with the highest mean score of 5.4 out of 10. The stronger responses used all three required sections of information, but the weaker responses accessed the lower bands of the question by looking at part of the information. The strongest responses not only judged the data but then took this further to judge the suitability of expansion based on this.
- Q.5 (a)(i) and (a)(ii).** These questions required two moving average calculations. These were very accessible questions and were understandably the best answered questions on the paper. They had a 96.7 and 96.5% attempt rate respectively and the mean scores were 88.8% facilitating factor and 89.3%.
- Q.5 (b)** This question asked candidates to compare the use of the Delphi technique against quantitative forecasting techniques. This had the lowest number of attempts on the paper at 92% and a mean score of 5 out of 10. Candidates who answered this well, followed a logical structure and considered the merits and drawbacks of each method in turn. It was pleasing to see the stronger responses link to the context of quantitative methods not predicting the change in the level of competition for better applied judgement. Some weaker responses only considered one of the methods and so didn't complete the comparison requirement of the question which limited their marks.

- Q.6** This question required candidates to apply the theory of cost benefit analysis to smart motorways. The candidates who answered this correctly looked at the advantages and disadvantages of the model, and then brought in reference to smart motorways. The top responses made the link that this is a large-scale expensive government project and why a cost benefit analysis may be particularly important in this case. However, a high proportion of responses did not answer this question correctly and discussed the benefits and drawbacks of smart motorways, not of cost benefit analysis, and this factor led to the mean score of 4.8 out of 10. There was a reasonably high attempt rate of 97.3% as this was quite accessible because of the lower-level responses.

Summary of key points

Evaluation

Across the higher tariff questions, AO4 was not always accessed well, and candidates often limited it to a brief conclusion. Evaluation should be attempted throughout all paragraphs and try to avoid just repeating the same points in the conclusion paragraph from the main body.

Detailed definitions

If the question requires a definition, candidates are more than likely going to need to show two valid characteristics to be awarded good understanding so candidates should be encouraged to add more detail to definitions.

Analysis skills

During this series there was some noticeable reductions in the levels of AO3 and some candidates were listing several unrelated points in a paragraph rather than developing logical chains of argument.

BUSINESS

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Summer 2023

COMPONENT 3: BUSINESS IN A CHANGING WORLD

General Comments

Candidates responded well to this paper. It was pleasing to see most candidates making a consistent attempt at questions in Section A. The attempt rate of questions ranged from 97.1% on question 1 5 to 99.1% for question 1 1. Equally, the level of response on questions demonstrated a strong grasp of key business concepts amongst many candidates.

Knowledge of the question topics was strong amongst most candidates. This is also supported by the high attempt rate across the paper. Some candidates made their knowledge clear by defining the key term(s) in the question before moving into their main set of arguments. This made it easier for examiners to be secure when judging the candidate's level of competence, especially in relation to awarding AO1 marks.

Section A was managed effectively by many candidates. The case study was used effectively in the vast majority of cases with candidates frequently using the nature of the business and its actions in their responses to support arguments.

In terms of the structure of responses it was clear that candidates had been taught how to structure paragraphs to generate full and logical answers. Where appropriate, candidates included key theory to support their point. This was particularly useful when building extended discussions in response to the question. However, weaker responses gave general points with little or no theory to support the argument. Some candidates also made the error of raising several unconnected points during the same paragraph. This limited the flow of the response and make it difficult to award higher AO3 marks.

It appeared that most candidates had been prepared effectively for this exam with the majority demonstrating a clear understanding of the trigger words within the question. Although not essential, it is advised that candidates carry out an overall evaluation where AO4 trigger words are built into the question. These end judgements were present in the vast majority of responses, although notably less so in questions referring to stakeholders. As well as assessing individual stakeholder impact, it is also useful to consider stakeholders side by side, particularly in a final paragraph. Here, comparisons on the level of impact may be made to support the examiner in awarding AO4 marks.

Candidates seemed to manage their time well throughout this paper. Suitable attempts were made at a full range of questions by a large proportion of candidates. Although rare, there was still some evidence of a few candidates spending too long on part A leaving time only for brief responses in part B.

Overall, candidates seemed to have a good level of skill both in terms of written responses and time management. This series was successful for a large quantity of candidates who had taken the time to prepare for the exam scenario. Whilst this paper contains challenges for candidates, the quality of responses received in this series demonstrated, in most cases, a strong ability to meet the demands of a fully written paper within the time constraints of the exam.

With regard to Section B, Q.2 1, Q.3 1 and Q.4 1 all contain the usual mark ranges of 4 AO1 marks, 4 AO2 marks and 2 AO3 marks. Candidates performed similarly across these questions with means ranging from 5.0 to 5.2. Although candidates usually demonstrated good knowledge of the question they had selected, some did not use the context provided within the question making it impossible for the examiner to credit AO2 marks. Centres are encouraged to focus on the techniques needed in this part of the paper to help candidates move up the mark range.

Comments on individual questions/sections

- Q.1 1** This question asked candidates to “explain”. As an AO3 trigger word most candidates had a clear idea what to do in their response. The question also required the case study information to be utilised. Most candidates were able to do this effectively producing a mean score of 5.4 out of 8 providing the highest facility factor of this paper at 67.7%. Candidates picking up fewer marks tended to do so because of a limited use of the case study, opting instead for a general explanation on the challenges of moving into a new international market.
- Q.1 2** Although this was the first question on the paper containing AO4 marks candidates responded strongly accessing, on average, 66.6% of the available marks. Candidates accessed many different aspects of IKEA’s marketing strategy throughout their responses and demonstrated good understanding of the topic area. The case study was used effectively with many candidates focusing on e-commerce and m-commerce. Others focused on the importance of the loyalty card and its ability to create additional traffic to their stores and websites. Judgement was commonly made but was sometimes one sided focusing only on the benefits.
- Q.1 3** This question was attempted by 98% of candidates and was completed with a mean score of 6.3. Most candidates chose to focus on two or three key areas such as the need for good infrastructure and adequate land for the large stores. Those offering a balanced argument also picked up on areas covered in Q.1 2 by noting that store location is less relevant as customers opted for home delivery or items selected from the app or website. Those offering a balanced response were often able to achieve higher level AO4 marks than those focusing on either benefits or problems. In the main, this answer showed excellent development of analysis from a range of candidates.
- Q.1 4** As the only question in section A which did not carry AO2 marks, the marks were more heavily weighted towards AO3 and AO4. Many candidates continued to use the case study context whilst others brought in examples they had studied previously. This is to be encouraged where it helps candidates to demonstrate the differences between scenarios to build AO3 and AO4 marks. This question had the lowest facility factor in Section A with only 55% of the marks picked up on average. As some candidates focused solely on the franchisor or the franchisee this did not fully answer the question, hence the inability of some candidates to move up the mark scheme.

Whilst this was disappointing to see, it is important to emphasise that candidates must ensure they respond in full to the question.

- Q.1 5** Similar to Q.1 4, this question covered two areas: ethical and environmental practices. However, this time a mean of 63.1% of the marks were picked up by candidates. Many candidates focused on the bullet pointed information on page 4 although there was other material throughout the case study which could be utilised. As with Q.1 4 there was a standard deviation of 1.9 from the mean. These are the largest standard deviations in Section A. This again supports that idea that candidates that spent the time dealing with both elements of the question were able to perform well whereas those only focusing on one aspect limited their ability to move up the mark scheme. A feature of weaker responses was that, although raising several good points in relation to ethical or environmental practices, a failure to address both parts of the question was a restricting factor when it came to achieving marks.
- Q.2 1** As with all part 1 questions in Section B, the challenge seems to have been in accessing the AO2 marks. In this question, candidates were able to demonstrate social change by focusing on age ranges or societal behaviour. Most answers gave competent arguments but the mean of 5.2 indicates that candidates seldom put together a progressive or technical argument. Others seemed to spend a lot of time focusing on one aspect such as the different flavours of cereal without making much progress into the impact of social changes on purchase options. This question had the largest standard deviation of the part 1, Section B questions with some candidates focusing on the need for breakfast bars or drinks to help demonstrate product changes due to societal shifts.
- Q.2 2** Attempted by 53.5% of candidates, this was the most popular 20-mark question. However, it was the least well answered with a mean of 10.4. There were some excellent responses from this question with better candidates considering workers in different positions within the hierarchy or different areas within the organisation. Some strong lines of analysis were seen as candidates developed their lines of thought coming to valid conclusions. Those that were less successful moved away from the focus on employees and started to provide impacts on other stakeholder groups. As this wasn't answering the question, additional marks were not picked up from this course of action.
- Q.3 1** With a mean of 5.2 this question was as successful for candidates as Q.2 1. The standard deviation was slightly tighter here at 1.7 compared to 2.0 in Q.2 1. However, only 25.9% of candidates opted to answer this question. In responding, most candidates were able to name some famous examples of product failure in the phone market with overheating batteries or functional difficulties. Whilst such stories were useful to provide context, some candidates took too long in regaling the events rather than progressing into the effects and knock-on effects, thus stopping short of building useful analysis marks. It is more benefit to candidates if the example is provided in a limited way and then the effects are built upon to demonstrate AO3 skills.

- Q.3 2** In responding to this question candidates utilised a range of strategies. It was pleasing to see some developed arguments on organic growth and external growth. Better candidates broke these down further. Discussions on horizontal and vertical takeovers were well developed from those candidates exploring these approaches. As the highest scoring of the 20-mark essays with a mean of 10.9, this option was successful for the 25.9% of candidates responding to this question.
- Q.4 1** As the least attempted question on this paper Q.4 1 was completed by 18.8% of candidates. Being slightly less successful than the other part 1 questions in Section B with a facility factor of 50.5% it is worth noting that some candidates produced particularly strong responses. Candidates covered both income and price elasticity and a few candidates also included cross elasticity. However, although some strong technical explanations were demonstrated, these were often unaccompanied by any examples relating to the context. Therefore, it was difficult for examiners to award marks in the AO2 category for these strong theoretical answers. Again, answers to the Section B part 1 questions must utilise the context to be fully successful.
- Q.4 2** Although only 18.8% of candidates opting for this question there were some excellent responses amongst them. Stronger responses covered a range of stakeholders and had some good counterpoints demonstrating that some stakeholders would benefit from an action such as price cuts as an extension strategy whilst others would suffer. Weaker responses focused solely on the stages of the product life cycle offering purely descriptive responses. Hence, the standard variation on this question was 3.6 with a facility factor of 52.3% meaning that although most candidates picked up over 10 marks, there was still considerable variation in the quality of responses.

Summary of key points

Application

Whilst AO2 is often well observed in Section A, some candidates extensively write out a description of events from the case study with little analysis or evaluation it is more useful if candidates identify the issue in the case study, then focus on the implications.

AO2 remains a sticking point in section B. During the part 1 questions it is important that candidates select a question where they can access the context. If candidates aim to produce a theory response because they are familiar with the topic but does not apply it to the context the maximum mark will be 6/10.

Analysis lines

To achieve higher marks for AO3 it is important to construct a chain of reasoning. Whilst this was seen to great effect in some scripts, others mentioned several disconnected events in a block of text. This does not make an effective paragraph as there is no continuation of the line of thought and therefore it is difficult to develop high level AO3.

Double topic questions

Where there are 2 criteria to cover in an answer, such as franchisors and franchisees it is important that candidates spend equal time tackling these areas. It is better for candidates to consider providing a balanced answer rather than over focusing on one aspect or the other.



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