



GCE A LEVEL EXAMINERS' REPORTS

**BUSINESS
A LEVEL**

SUMMER 2022

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BUSINESS

GCE A LEVEL

Summer 2022

COMPONENT 1: BUSINESS OPPORTUNITIES AND FUNCTIONS

General Comments

This was the first Summer examination sat by candidates since Summer 2019. Candidates were given Advance Information, which provided an overview of topics that candidates could expect to be assessed.

The attempt rate for each question was between 98 - 100%. The paper was generally accessible to many candidates, as shown by the facility factor for each question. The mean mark for the paper was 57.2/80 (71.5%). This compares to 54/80 (67.5%) in 2019.

Candidates generally answered questions well; they demonstrated knowledge and understanding clearly and structured arguments well. It was clear that many candidates had used the Advance Information to prepare for the examination. The good performance on this paper is testament to the hard work of candidates and the support and guidance of their teachers.

Timing did not appear to be an issue for candidates. In contrast to 2019, noticeably fewer candidates wrote as legibly, which made some responses difficult to read. It is important that candidate practice handwritten responses and are given feedback on the legibility of their writing.

Compared to 2019, it is pleasing to report that fewer candidates were merely descriptive in their responses, and it was evident that more candidates used the stimulus material, at least to some extent for most questions, to support arguments. Candidates were largely aware of the skills required to be demonstrated according to the command words used.

Questions assessing quantitative skills, including calculations and diagrams, were answered correctly by most candidates (the most difficult of these questions were 2a – demand and supply and 3b – calculation of net profit) but simple errors such as incorrect drawing and labelling of lines and using incorrect figures for calculations, prevented candidates from achieving higher marks for these questions.

According to the facility factor, candidates generally scored fewer marks on the ten-mark questions, in particular for Q4c, which had a facility factor of 60.2%.

Comments on individual questions/sections

- Q.1 Question 1 required candidates to explain two reasons why entrepreneurs are important to the UK economy. This question was answered well by many candidates. Most candidates achieved full marks for clearly identifying and explaining two points, which commonly centred on job creation and tax contributions. Some candidates occasionally identified only one reason, or the explanation of their reason(s) were limited in detail.

- Q.2 (a) Question 2a required candidates, using stimulus material, to complete and fully label a demand and supply diagram to show the effect of a change in income on the market for branded breakfast cereals. Many candidates were able to label the demand and supply lines accurately and correctly shift the demand curve to the right. Incorrect or missing labelling of the axis was evident in some responses as was a shift of the demand curve to the left. It was clear by the relatively low facility factor (64.9%) that some candidates were not confident in constructing demand and supply diagrams.
- Q.2 (b) Question 2b required candidates to evaluate the extent to which changes in income can affect the demand for inferior products. Many candidates understand the inverse relationship between income and demand for inferior goods and were able to analyse their points clearly. Some candidates provided judgements and recognised factors such as brand loyalty and the absolute change in income as factors that could affect the demand for inferior products. Often though, evaluation was either not evident or limited, rather than well-developed.
- Q.3 (a) Question 3a required candidates, using stimulus material, to identify one example of a semi-variable cost. Most candidates identified maintenance or labour as a correct example. Some candidates provided an incorrect example from the case, which demonstrated they did not understand the meaning of a semi-variable cost.
- (b) Question 3b required candidates, using stimulus material, to calculate net profit. Almost three-quarters of candidates calculated the correct answer. Some candidates did not use the correct figures from the stimulus material. It was more than occasional that candidates did not include the '£' sign, which was needed to achieve full marks for this question.
- (c) Question 3c required candidates, using stimulus material, to calculate net profit margin. The 'own figure' rule was used from 3b. Many candidates achieved full marks on this question. Similar to 3b, some candidates did not include the correct unit (%). Some candidates did not correctly round their answers.
- (d) Question 3d required candidates, using stimulus material, to evaluate the impact of the change in net profit and net profit margin on Water Sports. Candidates generally demonstrated good understanding of net profit and net profit margin and used to the context well to support their response. However, it was not that common for candidates to make judgements about the impact of the change in these measures on Water Sports. Candidates must ensure that when an AO4 command term is used that they demonstrate this skill in their response to fully meet the demand of the question.
- Q.4 (a) (i) Question 4ai required candidates, using stimulus material, to correctly draw the new total revenue line. Nearly all candidates did this correctly and this question was the highest facility factor (96.1%). Rarely, candidates did not attempt the question or drew the revenue line below £18 000.

- (ii) Question 4aii required candidates, using stimulus material, to correctly draw the new total costs line. Whilst most candidates were able to draw the total cost line correctly, it was more than occasional that candidates drew the total cost line from the original fixed cost line at £4 000, rather than from £5 000.
 - (b) Question 4b required candidates, using stimulus material, to explain how changes to the total revenue and total costs affected the break-even output. The 'own figure' rule applied to 4ai and 4aii. Many candidates correctly identified that the break-even point had decreased and provided a correct explanation that commonly included reference to less drinks needed to be made and sold because of the increase in revenue exceeding the increase in costs. Candidates sometimes were a little too brief in their response, merely identifying that break-even was lower, without providing any further explanation.
 - (c) Question 4c required candidates to evaluate the usefulness of break-even to the stakeholders of a business. Many candidates identified and explained the usefulness of break-even to a range of stakeholders. Some candidates wrote 'stakeholders' throughout their response, without identifying specific groups and did not achieve marks for this approach. Candidates generally considered reasons why break-even was both useful and not useful to different stakeholders, although it was evident that some candidates were one-sided in their analysis, which resulted in an incomplete argument being made. Although candidates provided some judgement, often at the end of the response, it was too often that the evaluation was superficial or lacked detail. Better candidates considered, for example, that break-even might be more useful to certain stakeholders than others and critiqued the usefulness of break-even as a planning or decision-making tool. Overall, candidates need to provide more development and balance in their evaluation. This ten mark question had the lowest facility factor of three such questions on this paper.
- Q.5 Question 5 required candidates, using stimulus material, to evaluate the impact on Armani of using various distribution channels. Many candidates confidently identified and explained the features of different distribution channels. The stimulus material was generally used well to support points, although some candidates merely repeated aspects of the material without development or provided theoretical responses. Although some candidates provided well-balanced and well-reasoned evaluation, sometimes supported with qualifying statements, it was too often the case that judgements were underdeveloped or lacked substance. It is not entirely convincing that candidates know how to write effective evaluations that fully meet the demands of the question. The mark scheme provides possible themes for evaluation for each question, where appropriate, which can be used to indicate the lines of evaluation that candidates might reasonably pursue.
- Q.6 (a) (i) Question 6ai required candidates, using stimulus material, to calculate net cash flow. Many candidates achieved the mark for this question. The most common error was not indicating that the figure was a negative number either by using brackets i.e. (£1 350) or a minus sign i.e. -£1 350.

- (ii) Question 6aii required candidates, using stimulus material, to calculate closing balance. Many candidates achieved the mark for this question. The most common error was not indicating that the figure was a negative number either by using brackets i.e. (£1 575) or a minus sign i.e. -£1 575.
 - (b) Question 6b required candidates to explain the potential limitations to a business of cash flow forecasting. Most candidates answered this question relatively well. Many candidates identified the potential limitations of cash flow forecasting and provided relevant examples or situations to illustrate these. Although many candidates explained the limitations they had identified, sometimes analysis was limited in development, which prevented the top band(s) for analysis being achieved for this question.
- Q.7
- (a)
 - (i) Question 7ai required candidates, using stimulus material, to calculate capacity utilisation. Many candidates provided the correct answer to this question. Common errors included not annualising the monthly output, incorrect rounding and not including the correct unit (%).
 - (ii) Question 7aii required candidates, using stimulus material, to explain the impact of the change in capacity utilisation to Tread Carefully. The 'own figure' rule applied to 7ai. Many candidates identified that capacity utilisation had increased and explained that this meant Tread Carefully had become more efficient in using its resources. Some candidates did not provide a sufficiently clear explanation to demonstrate that they understood the impact of increased capacity utilisation.
 - (b) Question 7b required candidates to describe McGregor's theory X and theory Y. This question was answered relatively well by candidates; most candidates described the features and characteristics of theory X and theory Y accurately, linking in particular to differences in motivation, ambition, responsibility, and supervision. Some candidates did not specify that theory X and theory Y are types of managers and their assumptions of employees.
 - (c) Question 7c required candidates, using stimulus material, to explain the advantages and disadvantages to Tread Carefully of using management by objectives (MBO). Many candidates identified and explained the advantages and disadvantages of MBO well. Despite this, candidates were relatively weaker in applying their points to Tread Carefully's context. Whilst some candidates did refer to the current situation of staff feeling that their views were not considered, relatively fewer candidates provided better reference to the case, including the 190 employees, production targets for tyres and the staff appraisal system.

- Q.8 Question 8 required candidates to evaluate the importance and impact of using technology in the operations of a business. Candidates tended to score higher on this ten mark question compared to Q4c and Q5. Overall, candidates demonstrated an excellent understanding of technology in business operations and referred to the features of robotics, CAD, CAM and ICT. Many candidates tended to analyse the *impact* of technology and provide positive and negative points on business operations. Better candidates distinguished points of impact from points of importance and provided some separate analysis for each, which when done well, contributed to a more convincing judgement. The quality of evaluation was noticeably better for this ten mark question, compared to Q4c and Q5, suggesting that candidates were better prepared for this question and had a good understanding of how to provide effective judgements for this topic. A consistent theme, however, is that evaluation skills are lacking in detail on the whole and in particular for this question rarely considered a judgement on both the impact *and* importance of technology in business operations.

Summary of key points

- Candidates should take more care to ensure that the full demand of each question is met in terms of the command word(s) that are used and ensure all aspects of the question are clearly understood and demonstrated in their response.
- Candidates should be more confident with drawing charts and diagrams (e.g., demand and supply diagrams) and include the correct signs and units for final answers. Quantitative skills will be assessed each examination series on this component.
- Candidates must ensure that when an AO4 command term is used that they demonstrate this skill in their response to maximise their mark for each question.
- Candidates should ensure sufficient explanation is provided in their response so that meaning and impact is clear (e.g., rather than mentioning that break-even is lower or that capacity utilisation is higher, they should explain the impact of this, as required).
- Candidates should be more confident in writing judgements that are both well-detailed and well-balanced to access Band 3 for AO4.

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COMPONENT 2: BUSINESS ANALYSIS AND STRATEGY

General Comments

Overall, the standard of responses on Component 2 was very good and there was a large number of strong scripts. The majority of candidates appeared to have managed their time well on the paper and managed to attempt all the questions, and the last question on the paper had an attempt rate of 98.5%. The Advanced Information may have had some bearing on how well the candidates were prepared for the paper, and holistically the level of knowledge was high. Candidates appear to be writing strong responses in quite a succinct fashion, and the inclusion of the additional space for the extended questions meant that students did not need to use as many additional booklets. However, for those candidates that did, there was a number who did not correctly label their extended points, and this makes it difficult for the scripts to be scanned and clipped correctly. On word processed scripts, it is easier if the text is indented from the number of the question to make it stand out.

A main challenge for the marking team was the level of handwriting, and there were quite a number of scripts that were very difficult to read.

Quantitative skills were good, and the trend from the last full series in 2019 is that candidates are becoming more effective at presenting their calculations accurately. Most responses ensured they had the correct unit of measurement, and the accurate use of two decimal places and rounding seemed to be at a higher level than in previous series. There were a small number of candidates who were unable to correctly round their answer, and on occasion the mark scheme penalised them for this.

The majority of the candidates followed good clear structures in their responses and for most of the questions they had correctly interpreted the trigger word of the question. Exceptions to this were probably questions 5b and 2c, where candidates did not always fulfil the requirement for AO4 from the 'Discuss' trigger word. The strongest answered numerical questions were the variance calculations, with a facilitating factor of 87.8% (the mean mark expressed as a % of the total mark), and the strongest written response was question 1c. The weakest numerical answer on the paper was question 3a with a facilitating factor of 60.1%, and the weakest written answer question was 5b with a facilitating factor of 41.6%.

Knowledge (AO1) shown throughout this paper was good, although accurate definitions were not always provided in both the definition 2 mark questions (1a and 2a), and also in the longer responses, most notably question 6a and 6b. Whilst a definition is not always required in a longer response and is sometimes not relevant, it is often a good way to ensure knowledge is shown. Candidates were using the stimulus material well, especially in questions 5 and 6. Stronger responses worked with the context and fully developed their responses with this in mind, whereas often the weaker responses only lifted data from the context.

Analysis was shown well throughout the longer answers, and stronger responses were often able to make logical connections between points and link effectively to other areas of the specification. As in previous years, evaluation was the weakest shown skill throughout the paper. Those that did evaluate effectively did not just leave the evaluation to an end conclusion, but were showing it consistently throughout the response.

Comments on individual questions/sections

- Q.1 (a) This was a short definition question that required a detailed definition of depreciation. This had the highest attempt rate on the whole paper – 99.9%. The mean score for this answer was 1.3 which gave a facilitating factor of 67.5% (the mean mark expressed as a percentage of the maximum mark). Responses that scored 1 out of 2 focussed on the concept of a reduction in value of an asset. Stronger answers showed a more detailed definition linked more specifically to non-current assets or a potential reason for the loss in value such as obsolescence.
- (b) A 3 mark calculation that required two stages; firstly to calculate the annual depreciation, and then to use this to work out the current value of the asset. This question had a facilitating factor of 61.2% and an attempt rate of 98.8%. A large number of responses were able to calculate the annual depreciation of £1 275, which was awarded both an AO1 and an AO2 mark. A smaller number of responses were able to calculate total depreciation to date to calculate the current value of the asset. It was pleasing to see that of those responses who did get the final answer correct, most of them were presented correctly with the £ sign. The most common error was that candidates used the value of 4 years as the useful life at the bottom of the formula, instead of the useful life of 8 years.
- (c) This was a 2 mark question that required candidates to describe the correlation between the age of car and its value. This was an accessible question as the majority of students were able to explain that the value of a car decreased as the age increased. The stronger candidates used 'strong' and 'negative' as better descriptors, and some were credited with 'inverse relationship'. With a facilitating factor of 79.4%, this was the strongest answered sub question of question 1, and a 99.8% attempt rate.
- Q.2 (a) This question required a detailed definition of an adverse variance. There was a mixed level of response to this as a substantial proportion of responses lacked accuracy. It had a mean score of 1 out of 2. The strongest responses linked back to the impact the variance would have on profit, and most responses linked to costs being higher than budgeted or revenue being lower than budgeted. Weaker responses made reference to an unfavourable variance, which didn't show detailed knowledge as it was just described as the opposite of favourable.
- (b) (i) This was a 1 mark question that required candidates to calculate the sales revenue based on some variance information. The majority of candidates were able to do this correctly, shown by a facilitating factor of 80.4%. The most common error with this was that candidates added up the budgeted figure and the actual figure to get £1 380 000 instead of taking it away to get £1 020 000.

- (ii) (iii) These two questions required candidates to calculate the variance and then classify it as either adverse or favourable. Both of these were the best answered questions on the paper with facilitating factors of 87.8%. As this shows most responses did this correctly, but the most common error was that the candidate either labelled them adverse and favourable the wrong way round, or forgot to classify them at all, which potentially shows lack of attention to detail when reading the question.
- (c) This was the only 6 mark question on the paper and required candidates to look at the variances and evaluate ways to improve them. This was one of the lower scoring questions on the paper, with a facilitating factor of 49.7%. Most responses accessed the AO3 marks as they were able to explain the ways the variances could be responded to. Some responses linked this into the calculations they had made for some limited AO2, but stronger responses linked to the concept of job production, a small manufacturer or how the different variances linked together, which was credited with good application. Weaker responses missed the trigger word of 'discuss' and failed to include any evaluation, which stopped them accessing top marks for this question, and is one of the main reasons this questions' facilitating factor is quite low. Good evaluation was shown by critiquing the suggested responses or judging the suitability of the response based on the context.
- Q.3 (a) This two mark question required candidates to calculate the return on capital employed, and was reasonably well attempted with a mean score of 1.2 out of 2. It was pleasing to see the number of correctly presented responses with both the correct number of decimal places and expressed as a %. The question specifically required two decimal places, which most candidates did, although some rounded incorrectly, which was the most common reason why candidates scored 1 out of 2.
- (b) (i) Candidates were required to calculate the income elasticity of demand. This question was completed to a good standard, with a facilitating factor of 74.4%. The majority of responses clearly laid out the stages of their workings and came to the right final answer. The most common mistake was made when candidates correctly calculated the percentage changes in demand and inputted it into the formula upside down. This is where it was worthwhile for the candidate to write out the formula, as if they had written it out correctly, they still picked up the AO1 mark and so only lost the final mark. If they hadn't written it out and calculated it upside down, they only scored 2.
- (ii) This required candidates to interpret the answer from the previous part to decide if the product was elastic or inelastic. The majority of responses did this correctly, with a 75.8% facilitating factor. Own figure rule was applied in this question, based on the calculation to the previous sub part.

- (iii) This question followed on from the previous part again, and required an explanation of the impact of the level of elasticity. The mean score was 2 out of 4 on this, as responses were often quite simplistic and only referred to the likely increase in sales following an increase in income and these responses were held at limited. Stronger responses that moved up to band 2 were able to take the AO3 further and look at other aspects such as the impact of various stages of the economic cycle, or how production levels may need to change. In terms of AO2, stronger answers linked to the fact that this is a luxury good and were able to explain that this meant there would be a more than proportionate change in demand following a change in income.

- Q.4 (a) This question required an explanation of why strategic decisions are better made using scientific decision-making tools. It had the second lowest facilitating factor on the paper of 45.3% and the second lowest attempt rate of 97.1%. The stronger responses described scientific decision-making tools and their key features, then what a strategic decision is to successfully gain both AO1 marks. The AO3 marks required an explanation of why strategic decisions need to be made with scientific tools. A reasonable proportion of responses only considered scientific decision-making tools and why they are beneficial and failed to link to strategic decisions.
- (b) This question asked candidates to calculate the final net return of the three options using the partially constructed decision tree diagram. This was answered well with a large number of responses calculating all three options correctly, and a facilitating factor of 61.9%. Weaker answers gave an outcome for both success and failure rather than an overall net return, and some expressed the final answer as a negative. Also, a small number of responses incorrectly calculated £132 000 instead of £132 500, showing a lack of attention to detail.
- (c) Candidates were required to evaluate the three options for growth using both quantitative data from the decision tree and qualitative data regarding the context and the options. Candidates appeared to find this a very accessible question, and the length of answers were generally quite long. The facilitating factor was 57.8%, which was the highest out of the 4 extended answer questions. Application was done well, with most candidates bringing in both quantitative and qualitative data, really getting to grips with what each option was, it was especially nice to see links to types of integration and strategies from the Ansoff Matrix. Analysis came quite naturally to these responses and it was fairly common that candidates accessed the top band for this. Some answers were a little one sided in terms of the data they used, and some did not visit all three options, which also limited their marks. Candidates were still able to access all marks on this question even if they had calculated the figures wrong in part 4b. Weaker candidates responses listed a lot of key points and data from the diagram but did not interpret the data or compare against the other options. Additionally, a small number of responses focussed on defining quantitative and qualitative data and the different ways of collecting it, which heavily limited their marks.

- Q.5 (a) This question asked for a definition of market development, and an example from the text of how Muller had applied this strategy. Most candidates attempted this well, and used correct Ansoff matrix terminology such as *existing* product. The most common mistake was to get the descriptors the wrong way round. If the candidate had defined the strategy correctly, it was likely they were able to pick out a correct example. Some responses made up a theoretical example, but this was not credited as the question specifically asked for an example from the case. This question had a facilitating factor of 58.5%.
- (b) This question required the use of the Ansoff Matrix to Muller to be evaluated. This question had the lowest attempt rate of 96.8% and the lowest facilitating factor of 41.6%. Stronger responses were very well structured and analysed several strategies from the matrix in detail, applying them to Muller and evaluating their use. Weaker responses just defined the strategy and gave an example of how Muller have/could use the strategy, which limited the AO3 and AO4 marks. A small number of responses discussed the use of the Boston Matrix. It may also be useful to note that not all 4 strategies of the matrix had to be analysed to access the top band.
- Q.6 (a) This question required candidates to evaluate the usefulness of easyHotel's mission statement to its stakeholders and had a mean score of 5.5 out of 10. It was surprising to see just how few candidates understood the function of a mission statement within a business, and there were very few scripts who linked this back to its role in strategy and decision making. Lots of candidates focussed on how customers would use this to decide where to stay. However, in reality this is quite unrealistic and not many candidates evaluated by stating this. The analysis in some responses went off focus quite quickly away from the context of mission statements. In terms of application, lots of responses engaged with the actual mission statement quoted in the text (although it is important to note that candidates should not spend time copying out the quote). The use of the mission statement only kept the application to limited, and the stronger answers were able to apply to the wider context of the hotel industry/large business/franchised model, which showed much stronger AO2. An overall conclusion worked well in this question to judge the usefulness of a mission statement in general.
- (b) This question continued with the same stem of easyHotel, and asked candidates to evaluate the appropriateness of franchising as a method of growth. The approach to this was fairly systematic on the most part, by looking at advantages and disadvantages then coming to an overall conclusion. Some candidates brought in alternative growth methods as a comparison, which was credited with some evaluation. Weaker answers were very generic to the benefits and drawbacks of growth, rather than through franchising specifically, and this was not given any credit as it didn't answer the question. For application, stronger answers linked to the strength of the whole easy brand as helping franchising being more effective. This question had a facilitating factor of 48.6%.

Summary of key points

Presentation of numerical questions

Whilst the accuracy of presentation of the final answers of numerical questions has improved from previous series', there are still some responses that do not accurately round, or forget to put units of measurement down. However, in addition to this, it has also proven useful for candidates to write out the formula for their calculation, especially in calculations that have several stages to them. This allows them to access the AO1 marks, even if they make a mistake at a later stage of the calculation.

Application skills

There was a noticeable difference between basic AO2 and good AO2. There should be no need for candidates to write out quotations from the stimulus material (as lots did particularly in question 6a). Instead, candidates should focus on working with that information and applying it to the wider context. Lifting information *may* achieve limited AO2, but for any bands above this, responses need to be firmly and consistently linked to the given context.

Avoid repetition

When writing a conclusion to a longer response, it is very limited if the same points are repeated that have already been included. The evaluation needs to make a holistic judgement taking everything in to account, not just a repeated summary of your previous arguments. No further credit will be given for repeating the same 'it depends on' argument that was in the body of the essay.

Not always about quantity

Some responses try to get too many arguments into one question which often limits the depth of response, especially around analysis and evaluation. Sometimes, fewer points but in more detail, allow access to the higher level marks.

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COMPONENT 3: BUSINESS IN A CHANGING WORLD

General Comments

Candidate responses were good with a number of excellent responses. Timing seems to have been well managed with the majority of candidates attempting all questions. The Advanced Information seems to have been useful to candidates in preparing for this exam with strong subject knowledge being demonstrated in a range of responses. Many candidates demonstrated a good format to their responses enabling them to score well across the marking grid.

Although a number of candidates did not start their answer by defining the key term(s) in the question it is good practice to do so. Definitions highlight good knowledge to the examiner and remove any ambiguity regarding the candidates level of understanding in respect to the theme of a question. In question 1e where three economic indicators are tackled, the highest marks were achieved by those candidates demonstrating a clear understanding of each issue.

Section A showed relatively consistent attempt rates demonstrating that the case study and questions were accessible to candidates. The case study was well used in candidate's responses and application was generally strong. Section B (a) questions were less successful in achieving application marks. Candidates sometimes ignored the scenario in the question and produced an entirely theoretical response. It is important for centres to focus on the application requirement in the Section B (a) questions to hone candidate's skills when preparing candidates for section B of the exam.

Analysis was well developed during responses with some candidates demonstrating excellent chains of reasoning as the response progressed. The best candidates were able to integrate theory to support their arguments and offer a strong base for their reasoning.

Trigger words such as "Explain" or "Discuss" were clearly understood by the majority of candidates. A number of candidates offered conclusions to the (a) questions despite the "Explain" trigger word. Whilst this does not detract marks from candidate's responses it is not necessary. It would be useful for centres to spend time on the expected response format for these questions. The "Explain" questions had the lowest facilitating factors with 4(a) only scoring 25.7%. This was compounded by a limited use of the scenario which limited access to AO2 marks.

Evaluation skills were frequently demonstrated by candidates. It was pleasing to see responses where candidates had understood the importance of evaluating each paragraph to build AO4 marks. Equally, it was disappointing that some candidates didn't offer final conclusions. This was notable in Q1(c) where candidates dealt with each stakeholder but then moved on rather than weighing up the impact on stakeholders in a final concluding paragraph.

One issue for examiners was the poor quality of handwriting from some candidates. However, several typed scripts were also entered. This may have been to resolve issues around the legibility of a candidate's written work.

Comments on individual questions/sections

- Q.1 (a) This was the only “Explain” question in section A of the paper. Candidates required a good understanding of government intervention and pressure groups. A large number of candidates were able to offer ways in which both of these stakeholders affected Nestlé. The facilitating factor on this question was the highest on the paper at 67.1%. Candidates applied the case study well providing appropriate evidence from the text to support their response. Some candidates only explained either government intervention or pressure groups limiting their potential marks.
- (b) Although this question did not need to be applied to the case study, many candidates responded within the context of Nestlé. Many candidates offered both positive and negative impact during their response which aided the achievement of AO4 marks. With a mean of 5.6/10 candidates were often able to score in band 2 of the mark scheme for AO3 and AO4. Many candidates went outside of the case study to bring in relevant examples of multinational business with which they were familiar. Themes of employment creation and erosion of natural resources were frequently seen in responses. Unfortunately, a few candidates went away from the question and instead wrote about the benefits or problems to a multinational of going into new countries rather than answering the set question.
- (c) It was useful for candidates to define innovation and research and development. Most candidates focused on the product development aspect of Nestlé’s work. It was pleasing to see some candidates had progressed their response by discussing potential issues relating to production techniques. Most candidates were able to demonstrate the implications to stakeholder groups choosing to complete one paragraph per stakeholder. With a mean score of 5.8/10 this was a slight improvement on 1(b). Only a few candidates attempted a final conclusion to weigh up the extent to which stakeholders were affected to differing extents.
- (d) With a mean score of 5.7/10 candidates responded in a similar way to the previous two questions. However, only 93.8% of candidates attempted this question, which is the lowest attempt rate in Section A. The question asks candidates to assess how the opportunities and threats facing Nestlé may be managed. Although most candidates were able to identify relevant opportunities and threats, some did not assess how these could be managed. This caused a slightly larger standard deviation (2.0) than in the previous questions.
- (e) This question tested candidate’s ability in dealing with a number of economic factors. It was clear that candidates had prepared well for this question. With a facilitating factor of 58.5%, candidates in the main were able to discuss all three factors in the question. With a mean score of 7/12 candidates made good use of their theoretical understanding of the economic indicators. Some candidates spent too long explaining the economic mechanisms but did not apply their response to the case study which limited their marks in an otherwise excellent response.

Section B

Section B contains option questions. Candidate can choose 1 of 3 questions. Each question is broken down into (a) which is a 10 mark “Explain” question and (b) which is a 20 mark “Discuss” style question. In this exam series, Q.2 and Q.3 were equally popular taking around 40% of the responses each. Q.4 was less favoured by candidates.

- Q.2 (a) This question was popular being selected by 41.5% of candidates. With a mean of 4.7/10 and a standard deviation of 2.1 the quality of answers varied significantly. Although most candidates were able to offer a range of benefits of the single European currency, they were not able to effectively apply responses to “manufacturing businesses” as required by the question. However, some excellent responses were seen.
- (b) With a mean of 9.8/20 candidates selecting this question were able to demonstrate an understanding of free trade and protectionism. However, many candidates also spent time explaining the benefits of free movement of labour and free movement of capital. As these are features of a single market rather than a free trade situation, this reduced the amount of time left to discuss the relevant aspects such as tariffs and quotas. A number of candidates brought in relevant examples which is recommended to aid and enrich the discussion.
- Q.3 (a) 40.3% of candidates selected this question. At 5.3/10 this part (a) question was the most successful of the options. Candidates were able to explain the reasons for small-scale businesses surviving within a market. The issue once again was the ability to apply to the situation in the question to achieve AO2 marks. Whilst some candidates offered a theoretical response, others focused on small-scale independent retail stores with which they were familiar. The ability to focus in on these examples greatly improves the AO2 marks achieved for those able to do so.
- (b) It was clear that many candidates had studied glocalisation in depth. Most candidates were also able to discuss other strategies, such as mergers or takeovers, which may have been used to achieve global growth. Some candidates may have misread the question as a few responses made no reference to glocalisation throughout the response. Other responses talked solely about the benefits and problems of glocalisation but made no reference to other strategies which could be employed in achieving global growth. Having said this, with a mean of 10.2 this was the best answered of the 20 mark questions. However, a standard deviation of 4.1 candidates also gave the widest range of responses in terms of scores.
- Q.4 (a) This question achieved a mean of 2.6/10 and was only attempted by 14.5% of candidates. Those attempting a response often did not focus on measures of workforce performance. Some candidates explained the wisdom of becoming capital intensive whilst others examined methods of measuring a machine’s efficiency. Few candidates focused on measures of workforce performance which was disappointing.

- (b) Responses to 4(b) were significantly better than those in 4(a). Most candidates were able to discuss both financial and non-financial performance indicators. Discussions were generally good with a balance of arguments on both sides. Some candidates created a good discussion of non-financial indicators but did not balance this with effective discussion of financial indicators leaving the answer one-sided. For those attempting both sides of the question the end conclusion was often well considered.

Summary of key points

Application skills

During Section A responses the case study was well utilised by candidates. However, in some instances, notably Q1(e), responses could be highly theoretical. Whilst this will help to build AO3 marks, the AO2 marks still need to be attained to achieve a full response.

In Section B (a) questions candidates were less successful in achieving AO2 marks. Many candidates ignored the situation in the question and offered theory responses. It is important for centres to focus on Section B (a) questions when developing exam skills with candidates.

Answering the question

As this paper contains high tariff questions, it is possible for candidates to wander away from the question during an extended response. Candidates should aim to re-read the question before starting a new paragraph to ensure they are still focusing on the question in hand. A short plan of key points is useful before starting a response. This will avoid repeating the same points or moving off-topic.

Evaluation

Evaluation was, as always, heavily tested during this paper. Candidates should aim to judge each paragraph discussion and weigh up in the final paragraph. This will lead to a higher level of success when answering questions containing AO4. This is particularly in the 20 mark responses where AO4 makes up 8 of the 20 marks available.



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