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BUSINESS STUDIES

Paper 0450/11
Short Answer/Structured Response

Key messages

Candidates can improve by:

- reading the question more carefully
- focusing their answer on the specific question asked
- avoiding merely repeating the question as part of their answer
- applying their knowledge to the scenario presented in the question
- linking ideas together effectively so that the explanation follows on from the point identified
- making a recommendation if specifically required by the question
- increasing their accuracy in the explanation of business terms.

General comments

Many candidates were able to write with accuracy and fluency. The best focused on the specific question asked and used their knowledge to analyse the information given. This enabled them to generate conclusions and recommendations displaying evaluative skills. Generally, questions requiring straightforward answers were done quite well, while the answers to the more stretching questions (part **(e)** in all questions in particular) needed to contain more explanation and structured analysis.

Comments on specific questions

Question 1

(a) This question was well answered, with many candidates gaining full credit for knowing that redundancy meant that a person had lost their job for reasons not associated with performance and/or the person was offered a financial package. The most frequent weakness in answers was to refer to the person as being 'fired'.

(b) Most candidates were able to gain at least some credit here. Some candidates incorrectly identified costs such as wages and fuel as overheads.

(c) The best candidates drew the break-even chart accurately and labelled the lines correctly. Many did not know how to plot the total cost line, often referring to it as variable costs. Some answers had no labels on any of the lines. This is an area of the syllabus that needs greater attention and practice.

(d) The answers here were often thoughtful and creative. The best developed their answers to show why the method chosen would indeed promote the business. Most candidates were able to identify promotional methods. Weaker answers did not provide adequate explanation for their choice of method.

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(e) This proved a challenging question for many candidates. Carlos's anticipated profit was given in the question and hence his expected ROCE could be calculated. This was ignored by many candidates, leading to somewhat vague responses. The better candidates calculated that his expected return was 25%, which was in excess of his target. Most candidates were able to write about his chances of achieving job security with a greater degree of confidence. Candidates need to be reminded that data given in a question are there to be used in developing an answer.

Question 2

(a) Most candidates knew that secondary market research is information which is already available but some were unable to state what type of information it gives, e.g. sales figures or market shares.

(b) This was a well-answered question, with many candidates making correct reference to changes in sales value over time. Candidates should be discouraged when answering this type of question from saying that a product life cycle shows the cycle of the life of a product, i.e. merely rephrasing the stem of the question.

(c) Methods of primary market research data collection were usually well known. Many answers made correct reference to the fact that interviews implied face-to-face communication with the respondent, while a questionnaire implied gathering information through written responses. A few candidates confused sampling as a method of choosing who to ask with samples of products for consumers to try.

(d) There was confusion in many answers between extension strategies and general promotional methods. Candidates who knew the difference often produced good answers, making effective contextual reference to upgrading the toys and adding features to broaden their appeal.

(e) Again, this was a question that produced a wide range of answers. The majority of candidates were able to identify two channels of distribution. They were usually able to identify some advantages/disadvantages of them such as speed/final price/level of market exposure. Some candidates did not end by making any recommendation and those who did often justified it by repeating the advantages previously identified. Better candidates were able to highlight the crucial difference which made one channel preferable to another. Some candidates referred to channels by reference to textbook routes, such as route 1 and route 2. A number confused channels of distribution with actual methods of distribution and wrote about trains and trucks.

Question 3

(a) This was very well answered, with many candidates knowing that automation referred to the use of capital intensive methods employing machinery rather than labour.

(b) Again, this question was generally well answered. Most candidates were able to make accurate reference to features like limited liability for shareholders and restrictions on the sale of shares. Some answers were of a general nature about businesses in the private sector of the economy.

(c) Answers here were often good. Most candidates were able to identify at least one reason that might account for low pay. The most popular answer was to say they were unskilled, although sometimes candidates found it difficult to say why being unskilled resulted in low pay. Candidates made unjustified assumptions, such as they had an easy job or they were lazy. Others said they lacked education, which is just another way of saying they were unskilled. Better candidates appreciated that many people can do unskilled jobs and this pushes wage rates down (excess supply over demand).

(d) The majority of candidates were able to identify at least two potential problems caused by inefficiency in a business. Many said it led to lower production and a waste of resources. Candidates need to be able to develop their answers to show why these points actually do create a problem, for example by saying that wastage of resources pushes up costs and reduces profit. A lack of production may result in lower sales and lower revenue. Too many candidates do not develop their answers sufficiently to gain full marks.

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(e) Most candidates knew that there were likely to be both positive and negative outcomes for the workforce. Many recognised that the changes might lead to redundancies but that some training and perhaps higher pay might be given to those who kept their jobs. The best answers sustained a focus on relevant points, which allowed a considered judgement to be made.

Question 4

(a) Appropriate knowledge was shown by most candidates, with capital employed and number of employees being the most popular responses. A few answers made unacceptable reference to the number of shops owned by the business or the amount of output.

(b) Many good answers were given here, such as in recruitment agencies or on the company web page. Some responses were regarded as too general, such as television.

(c) The question specifically asked for the advantages to the company of producing a job description, so answers such as 'saves the company time in the recruitment process and enables them best to match applicants to the job requirements' were the kind of responses needed. Many answers focused on the advantages to the applicant, such as knows what the job involves. This was not an answer to this question.

(d) Most candidates were able to display knowledge of different payment methods, such as wages/bonuses/profit sharing. Some found it difficult to explain for example what a bonus actually meant, which often resulted in a general remark like 'more money'. Precision and accuracy are needed if full marks are to be awarded. Not all answers were appropriate in context. The business was a retail shop but many answers made reference to piece rates, relating pay to how much is produced per day. Some candidates answered the question in terms of cash or a cheque.

(e) The best candidates recognised that a suitable manager would have a positive impact on the performance of the shop but could not guarantee success. They would set standards and control operations. However, they could do little about the existence of competition or the placing of the shop in an inappropriate location. Such candidates sustained their arguments to allow a balanced and reasoned conclusion to emerge. Some candidates became side-tracked into considering what would happen if the manager lacked suitable skills, which contradicted the question. Other answers displayed a naive understanding of the issues governing success in a business.

Question 5

(a) This question was very well answered, with almost all candidates aware that a mixed economy referred to a situation where both public and private businesses exist.

(b) The objectives of public sector businesses are usually to do with ensuring that services are readily available/are of a acceptable minimum standard/are 'affordable' to society. Many answers made reference to things like reducing unemployment, which may be an outcome of their activities but which is not in itself an objective.

(c) Again, this was not very well understood. The public sector in an economy can increase as a result of a change in the political philosophy of the government or as a reaction to changed economic circumstances. Some candidates confused public companies with the public sector and wrote about companies 'going public'.

(d) Many candidates were able to identify three ways in which consumers benefited from consumer protection laws. The stronger candidates were able to explain how consumers were protected or benefited. Weaker answers merely said things like 'misleading selling methods are not allowed, resulting in consumers not being misled'.

(e) Many candidates showed some understanding of what employment legislation referred to, such as protection against unfair dismissal or minimum wages but then needed to explain how such legislation affected a business itself. The best answers recognised that compliance with the legislation often involved incurring higher costs and this had implications for competitiveness. A number of candidates found this question quite a challenge.

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BUSINESS STUDIES

Paper 0450/12
Short Answer/Structured Response

Key messages

- Questions requiring simple and straightforward answers were generally well done, but greater precision in the use of business terminology is needed.
- Answers to part **(c)** and **(d)** questions requiring analysis needed to contain more explanation.
- To score full marks in part **(e)** questions clear and supported judgements are needed.
- Candidates need to try to consider the context when answering each question.
- Candidates need to read the questions with care, to ensure they focus their answers on the specific questions set.

General comments

The paper discriminated well between candidates of differing abilities. The format of the paper makes the paper more accessible to all candidates. Candidates were clear about the number of reasons required for each question and at least attempted to provide some analysis of points raised. Often the answer given did not constitute an explanation of a point identified but was simply another statement which could only be considered as another knowledge mark.

Parts **(d)** and **(e)** of questions were the most challenging sections for candidates. These questions attempt to assess their analysis and evaluation skills. The best responses contained well-explained points and justified decisions. Weaker candidates often provided a simple list of knowledge points. Of those that did attempt an evaluative statement, many were unable to provide reasoned statements to back up their choice. Candidates need to be encouraged to link their ideas together with more care and try to develop a logical argument.

The calculation question sometimes produced responses that were accurately drawn and labelled. Many candidates would clearly benefit from more practice in answering this type of question. All candidates need to be reminded that they should always label relevant lines to ensure that all marks can be accessed.

Some candidates' answers to certain questions had the wrong focus. Most candidates would benefit from being reminded to read the questions carefully to ensure that their responses address the actual questions set. Answers should also be in context, wherever possible.

Comments on specific questions

Question 1

(a) Virtually all candidates were able to identify at least one possible objective, with profit, survival and growth being typical choices. The most common misunderstanding was to look at factors needed to start up a business rather than actual objectives.

(b) This question was generally well answered. Most candidates were able to identify two advantages of using leaflets. Some candidates identified generic points, such as 'colourful or attractive', which could equally apply to other forms of advertising, so could not be rewarded.

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(c) There was a mixture of responses to this question. Better candidates produced accurate and labelled break-even charts. Some were able to plot both total cost and total revenue but did not label the lines, so could not gain all the possible marks. Some candidates were able to plot at least one relevant line but a number of candidates did not attempt the question. The concept of break-even is important and needs greater emphasis in the teaching of some Centres.

(d) This question was generally well attempted. Virtually all candidates could identify at least one relevant problem that seasonal demand could cause. The best responses developed the points raised to show how these problems could affect Stilvan's business. Weaker answers described seasonal features, such as cold weather, rather than focusing on the problems that such weather could cause. A number of candidates identified similar points, such as low sales and low income, which could only be credited once. Others identified generic issues which could affect any sole trader business rather than one which had seasonal demand.

(e) This question proved difficult for many candidates. Most candidates were able to identify ways in which Stilvan could either increase his sales or reduce his costs. Candidates then needed to support the knowledge shown with appropriate analysis to show how these methods could help improve profitability. The best responses realised that some ideas such as 'lower prices' could actually cost money, which would reduce profit but in the long term could help improve profitability. Few candidates attempted to justify the choices made, which was required for the evaluation marks.

Question 2

(a) Most candidates were aware that it 'focuses only on the product'. Better candidates were able to provide a precise definition. Some candidates simply repeated the line 'it does not use market research', which was stated in the stem, and this could not be credited.

(b) Most candidates had some understanding as they recognised it was 'the people who the product was aimed at'. Better answers used good technical terms to develop this point. A common mistake was to reorder the words to say it was 'the market which was targeted', which clearly did not explain the term.

(c) This question was generally well attempted. Most answers were able to make simple reference to points such as 'lack of specialisation' or 'additional production costs'. The better responses were then able to explain how these points might be problems for a business. Weaker answers were characterised by generalised statements, such as 'might not sell' or 'not what customers want', which were not specific issues for a business with a wide product range.

(d) This question produced a mixture of responses. Better candidates were able to identify correctly and explain three channels of distribution. Some weaker candidates simply described the channel without explaining how it would help the company launch its new range of bicycles. Others suggested methods of promotion a business could use, which did not answer the question set. It is important that candidates read the question carefully.

(e) Good knowledge of points both for and against market research was evident in most responses. The best responses produced a balanced argument about the merits of market research for this company. Others needed to develop issues such as 'find out customer needs' or 'time and costs' more fully. In these responses, any conclusion, if attempted, was simple in its reasoning. It should be noted that a simple 'yes' or 'no' does not constitute evaluation on its own but should follow on from the argument built up in the candidate's answer. The question requires a recommendation, so candidates who did not provide one could only gain limited credit. It did not matter which way the candidate concluded.

Question 3

(a) This question was generally well attempted. Most candidates knew that a public limited company was owned by shareholders or had 'limited liability'. Often candidates focused on general issues that could equally apply to any limited company. Better candidates were able to identify a specific feature, such as 'able to sell shares on the stock exchange', which was needed to gain full credit. A common misunderstanding was to assume that a public limited company was government-owned.

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(b) Most candidates were able to identify at least one feature, with 'similar products' and 'many rivals' being typical choices. A common misunderstanding was to assume that it meant a high quality product, which is not necessarily a feature of a competitive market.

(c) This question was generally well answered. Most candidates could identify at least one reason, such as 'highly skilled' or a way 'to retain staff'. Better candidates were able to develop these points. Weaker candidates repeated the knowledge point rather than explaining how the point identified might lead to higher wages being paid.

(d) This question proved difficult for many candidates. The better candidates were able to identify relevant problems and explain why these were issues that Mayfair Solutions needed to consider. Weaker answers were characterised by a tendency to look at issues such as why the business needed to update, rather than the issues it could cause. Some focused on the word 'packages' and assumed that the question was referring to the physical packaging of goods rather than the development of new software programs.

(e) This question differentiated very effectively. Most candidates were able to identify possible effects on shareholders or employees of a takeover. The best responses explored possible uncertainties surrounding a takeover and looked at positive and negative effects on both groups. Many candidates were not able to develop the points to show how or why employees and/or shareholders would be affected. For some candidates, the focus of their answer was incorrect – concentrating on the business rather than the named stakeholders – or they discussed whether the business should accept the bid or not. As neither of these approaches addressed the question set, such responses could not be rewarded.

Question 4

(a) This question produced a range of responses. Most candidates had some understanding of the term and recognised it was 'specialised' or a 'small part of a larger market'. Better candidates were able to identify both elements to gain full marks. Candidates who described it as a 'small market' could not be rewarded. Candidates need to be encouraged to provide greater accuracy when defining terms.

(b) This question produced a mixture of responses. Better candidates had some understanding that it was a business which 'made good use of resources'. Few candidates were able to develop the term to show clear understanding. Weaker answers focused on issues such as 'it is profitable', which is not necessarily a feature of an efficient business. Others simply reordered the words to suggest it was 'a business which is efficient', which did not explain the term.

(c) Many good answers were provided to this question. Most candidates were able to identify at least one quality. The more able candidates were able to develop the points to show why they were necessary qualities for this particular job. Some candidates needed to focus more on the context to ensure that the qualities identified were relevant for a tour manager.

(d) Good knowledge of possible reasons, such as efficient, good workforce and good reputation, was shown by many candidates. The better answers attempted to develop these ideas to explain how each factor could help Travelscene be profitable.

(e) This question yielded a mixture of responses. The better candidates were able to identify relevant issues and explain why Travelscene needed to consider them. The best responses tended to conclude that there were both advantages and disadvantages to the move, so it was probably worth the risk. Weaker answers were characterised by basic statements, such as 'more customers'. Candidates who wrote about the possible benefits of holidays for families rather than discussing issues which affected Travelscene could not gain credit.

Question 5

(a) This question was well answered by virtually all candidates. The majority of candidates knew that it referred to the 'extraction of raw materials', and were also able to support their explanation with relevant examples.

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(b) This question was also well answered. Most candidates were able to identify two relevant examples, although credit could not be given to candidates who identified job roles rather than the business.

(c) This question produced a mixture of responses. Better candidates were able to explain how reasons such as 'over-supply' and 'mechanisation' could lead to falling wages. A number of candidates did not focus on the question, so incorrectly identified factors such as 'unskilled workers', which would explain why workers earned low wages, rather than explain why wages might be falling.

(d) This question required candidates to identify causes of structural change. Better candidates were able to identify appropriate causes and attempted some development. Many candidates simply restated the changes that had occurred rather than explaining how these changes might have happened, so could not be rewarded.

(e) To score highly on this question, candidates needed to explain issues that a government would need to consider when deciding whether to subsidise primary sector businesses. Most candidates were able to outline at least one relevant factor, notably 'jobs' or as a 'provider of raw materials', but were not able to explain why these points might affect the government's decision. Better candidates did attempt to make this link. Others wrote about how the tertiary sector should be supported, or offered solutions such as training to help workers move sectors. These approaches could not be rewarded as the question required focus on the primary sector and solutions did not answer the question. Few candidates attempted an evaluation.

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BUSINESS STUDIES

Paper 0450/13
Short Answer/Structured Response

Key messages

- Questions requiring simple and straightforward answers were generally well done but greater precision in the use of business terminology is needed.
- Answers to part **(c)** and **(d)** questions requiring analysis needed to contain more explanation.
- To score full marks in part **(e)** questions, clear and supported judgements are needed.
- Candidates need to try to consider the context when answering the question wherever possible.
- Candidates need to read the questions carefully to ensure they focus their answers on the specific questions set.

General comments

The paper discriminated well between candidates of differing abilities. Candidates were clear about the number of reasons required for each question and most attempted to provide some analysis of points identified. Candidates showed good knowledge and understanding of appropriate terminology. When explaining points, candidates must ensure that they explain points previously identified rather than simply stating a new point which can only access the knowledge marks. Part **(e)** of all questions continues to be the most challenging section for all candidates as it attempts to assess their evaluative skills. The better candidates were able to suggest and justify decisions successfully. Weaker candidates often provided a simple list of knowledge points. Most candidates attempted an evaluative statement but many were unable to provide reasoned statements to back up their choice. Candidates need to be encouraged to link their ideas together with more care and try to develop a logical argument.

The calculation question often produced responses that were accurately drawn and correctly labelled. Some candidates would benefit from more practice in answering this type of question. All candidates need to be reminded that they should always label relevant lines to ensure that all marks can be accessed.

Most candidates would benefit from being reminded to read the questions carefully, to ensure that their responses address the actual questions set. Answers should also be in context wherever possible.

Comments on specific questions

Question 1

(a) Most candidates were aware that variable costs were likely to change. Weaker candidates related this change to the level of sales rather than output, which was required for full credit.

(b) This question was generally well answered. Most candidates were able to identify two advantages of using local shop windows. Some candidates identified generic points which could equally apply to other forms of advertising, so could not be rewarded.

(c) There was a mixture of responses to this question. Better candidates produced accurate and labelled break-even charts. Some were able to plot both total cost and total revenue but did not label the lines so could not gain full credit for their answers. Most candidates were able to plot at least one relevant line.

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(d) This question was generally well attempted. Most candidates could identify relevant management functions, such as planning and control. The best responses developed these points to show what these functions would involve. Weaker answers focused on generic activities, such as advertising, which did not answer the question set.

(e) Good knowledge of appropriate ways to raise finance was evident in most responses. Candidates should note that short-term sources of finances, such as overdrafts, are not suitable for expansion purposes. Likewise, a public limited company was not an appropriate option for a sole trader such as Klaus. Better candidates were able to explain how their chosen methods would work. Few candidates attempted to justify the choices made, which was required for the evaluation marks. Candidates who did not provide a recommendation could only gain limited credit.

Question 2

(a) This question was generally well answered. Most candidates were aware that it is money left over after costs have been deducted. Better candidates were able to provide a precise definition.

(b) This question was also generally well answered. Virtually all candidates were able to identify at least one overhead cost. Some candidates included 'wages' rather than 'salaries' as an example but this is more generally regarded as a variable or direct cost.

(c) Most candidates were able to identify reasons such as 'cut waste' or 'improve reputation'. The better responses were then able to develop these points to show how it might help Nigel's business remain competitive.

(d) This question proved to be an effective discriminator. Better candidates were able to identify correctly and explain three advantages of using a website. Some candidates identified points such as low cost, without explaining how it would help the company promote its services. Candidates who considered the advantages from the customer's viewpoint could not be rewarded as this did not answer the question set. It is important that candidates read the question carefully.

(e) Good knowledge of points both for and against government support was evident in most responses. The best responses produced a balanced argument as to the merits of helping business start-ups. Others needed to develop the issues such as 'more competition' or 'money could be spent elsewhere'. In many responses, any conclusion, if attempted, was simple in its reasoning. It should be noted that a simple 'yes' or 'no' does not constitute evaluation on its own, but should follow on from the argument built up in the answer. Candidates who did not provide a recommendation could only gain limited credit. It did not matter which way the candidate concluded.

Question 3

(a) This question proved challenging for some candidates. Many candidates gained some credit for saying that a brand name is a unique name. Saying it was 'the name of a product' did not sufficiently explain the term. Candidates need to be encouraged to be more precise in their definitions.

(b) There was a mixture of responses to this question. Most candidates knew it was 'money for investing'. Better candidates were able to develop this to show good understanding of the term. A common misunderstanding was to assume that it was used to pay for day-to-day expenses such as advertising.

(c) This also proved to be a challenging question for some. Most candidates were able to identify relevant reasons. Better candidates were able to develop these points. A number of candidates had the wrong focus for this question. Some ignored the word advertising and discussed how the money could be better used, which was not the question asked.

(d) This question was generally well answered. The majority of candidates were able to identify relevant factors. The best responses included some interesting and detailed explanations which highlighted the link between the name and the target market. Candidates who identified issues associated with the introduction of a new product rather than the choice of a name or who focused on elements of the marketing mix, such as colour and packaging, could not be rewarded.

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(e) This question differentiated very effectively. Most candidates were able to identify possible effects on shareholders or employees. The best responses explored possible uncertainties surrounding the introduction of new technology and considered the positive and negative effects on both groups. Candidates then needed to develop these points to show how or why employees and/or shareholders would be affected. Evaluation in many responses was simple or not attempted. For some candidates, the focus of their answer was incorrect – concentrating on possible benefits for the business itself. As this did not address the question set, such responses could not be rewarded. Reading the question carefully is important.

Question 4

(a) This question produced a range of responses. Many candidates had some understanding of the term, recognising it was 'output per worker'. The best responses were able to develop this. Weaker answers simply referred to the 'output' or 'how fast', which did not explain the term clearly enough to be credited.

(b) Virtually all candidates were able to identify at least one reason. To gain full credit, the points had to be relevant to a large business, rather than generic issues relating to any form of communication.

(c) Many good answers were provided to this question. Most candidates were able to identify at least one reason. The more able candidates were able to develop the points to show how bonuses might work.

(d) Good knowledge of possible ways of motivating staff was shown by most candidates. The better answers developed the points to show how the methods impacted on motivation. Weaker answers tended to repeat similar ways, such as three examples of fringe benefits, which could only be rewarded once.

(e) This question proved challenging for most candidates. The best responses identified relevant methods and explained how they would work. Evaluation in all responses was usually simple in its reasoning or not attempted. A number of candidates did not focus on 'how', so attempted to give reasons why the business might want to introduce new practices, rather than explaining possible methods as the question required.

Question 5

(a) This question was well answered by virtually all candidates. Some candidates identified a specific law without saying how it would help protect employees.

(b) This question was generally well answered. Most candidates were able to identify two relevant reasons, with 'raising funds' being the most likely suggestion. Some candidates repeated the same point for both reasons. For example, many candidates suggested it was a way to raise funds and that it was used to finance government spending, which could only be credited once.

(c) Most candidates were able to identify two appropriate reasons. Better candidates were able to explain how reasons such as 'reduced travel times' and 'open up new markets' could help businesses in terms of reduced costs or opportunities for additional sales. Weaker answers tended to identify generic points, such as 'faster' and 'easier', without explaining what or how these benefits could be achieved.

(d) This question was generally well answered. Most candidates were able to identify at least two social costs, with pollution, noise and environmental damage being typical examples. Better candidates were able to explain how or why these might lead to problems. Weaker responses tended to repeat the knowledge mark rather than develop the points identified.

(e) This question differentiated very effectively. Most candidates were able to identify relevant issues, such as 'misleading advertising' or 'worker protection', but were not able to explain why these points should be considered or how the affected stakeholders would benefit or suffer from a reduction in laws. Better candidates considered the issues from more than one viewpoint and attempted to make a clear judgement, suggesting that some stakeholder groups might benefit more than others from any change.

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BUSINESS STUDIES

Paper 0450/21
Case Study

Key messages

The format of this paper is designed to test candidates' ability to understand an unseen case study and to apply their business knowledge and understanding in answering five questions, each of which is separated into two distinct parts. The first part of each question requires shorter, more straightforward answers reflecting good knowledge of business terms and concepts, while the second part of each question requires more developed answers containing judgement and evaluation.

- To do well in this paper candidates must make clear references to the case study, which is issued at the start of the examination. Specific marks for application are allocated throughout the mark scheme in both parts **(a)** and **(b)**. In this particular case study, candidates were expected to refer to suits rather than products.

- Analytical skills are also tested through the case study examination. Candidates should try to give a full explanation of positive and negative consequences of a business decision. This requires developed reasoning rather than simple description. Listed points generally only gain Level 1, whereas an explanation of a point could move the answer to Level 2.

- Several questions on this style of paper ask candidates to make justified recommendations. It is important to offer a decision based on balanced argument without full repetition of the previous analysis. The recommendation should compare and make reference to why the other alternative options were rejected, as well as justifying the option which was chosen.

General comments

Candidates' performance in this examination was generally pleasing and broadly in line with previous years. The context of a suit company provided an accessible scenario for most candidates. No question appeared to be too challenging for more than a handful of candidates. Time management did not appear to be a problem as very few candidates were unable to complete their answers in the time allowed.

The structure of the paper allowed candidates to demonstrate their knowledge of business concepts in part **(a)** of each question. They were then expected to offer analysis and reasoning in answer to part **(b)** of each question. This style of questioning has become standard practice on this particular paper and it is good to see that many candidates are developing a strong examination technique and clearly understand what is expected of them.

The layout of the examination paper provides side headings to prompt candidates in their responses. This seems to work well. As long as candidates take careful note of how many marks are awarded for each question, they should be quite clear about the extent of developed detail that is required for each answer.

Many candidates were well prepared for the examination and showed good knowledge and understanding of the full range of topics which were tested. Candidates can earn significant marks by defining and using business terms confidently. Those who answered in the context of the Everyday Suits business boosted their marks further.

The standard of written English was excellent. Candidates made themselves fully understood and are to be congratulated on the high quality of spelling, punctuation and grammar offered in their responses. There is no penalty for incorrect spelling or punctuation.

To achieve higher marks, candidates need to use their knowledge in a more effective way. The following points should enable them to do this.

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- Finance is a key topic in this subject and candidates should prepare for a question which will ask them to consider some financial data.

  For example, 'Using the information in Appendix 1, do you think Simon should be satisfied with the financial position of the business? Justify your answer using appropriate ratios.'

  There are three levels of answer to this question and with competent numeracy skills it should be possible to score highly. There is a clear direction in the question to calculate ratios. On a balance sheet, there are figures which lend themselves to calculating current and acid test ratios. If candidates had revised the formulas for these ratios, it was possible to calculate both for each year. This would earn Level 2 marks. The answer should be concluded with interpretation of the ratios. Does this show that debts can be paid off more or less easily in 2011 than in 2010? What measures could Simon take to improve his ratios further? Some analysis and recommendation here would then move the mark upwards to Level 3.

- Since this is a case study paper, candidates should make full use of the information given to develop their analytical answers.

  For example, 'To expand the business Simon may need new machinery. To finance this, he is considering using an overdraft or leasing the equipment or selling more shares. Consider these **three** options for raising finance and recommend which one he should choose. Justify your choice.'

  Some marks will be given for demonstrating knowledge of the methods of sources of finance. If these facts are just **stated**, only a few marks will be awarded. The candidate should then go on to **explain and discuss** the advantages and disadvantages of each finance option **in the context of Everyday Suits.** It would be relevant to refer to the existing overdraft of £20 000 and explain that it may not be possible to extend the amount of borrowing through an overdraft any further. A loan may be suitable but Simon has already taken one for £15 000. Perhaps the bank might not agree to a loan for new machinery as well. Using the information given in the case study, the candidate is well placed to offer logical reasoning and clear justification for the best course of action.

Comments on specific questions

Question 1

(a) Most candidates made a positive start by identifying motivational methods such as bonus, wage increase or fringe benefits. The best answers explained **why** the methods would be effective and discussed this in the context of suit production. Some responses picked up on the fact that Simon, the owner, was not previously keen on the idea of fringe benefits but it may have been appropriate to consider a change of approach. Weaker candidates suggested that a free car could motivate workers. This would not be a very realistic option for Simon, given that there were one hundred production workers. Candidates who scored only half the marks here tended to offer far too brief explanations of methods of motivation. It is essential to offer further development to maximise the marks available for each motivational method suggested.

(b) It was pleasing to see good knowledge shown here of business functions. Marketing, production and human resources were all well described. Some candidates considered research and development or stock control/purchasing. This allowed for good application by mentioning ordering rolls of high quality fabric in sufficient quantity to meet growing demand for suits. The answer clearly expected justification of each department in its contribution to the success of Everyday Suits. Many candidates overlooked this, so did not gain the Level 2 marks which were available. Other answers suggested a finance department, which had already been identified in Appendix 2, so could not gain any credit.

Question 2

(a) Many candidates struggled with the concept of 'added value' It did not seem to be widely understood that increasing price or decreasing input costs would add value to the suits. Some answers covered the basic idea but lacked the development necessary to score higher marks. This was probably the question which caught out the most candidates. Those candidates who did offer useful answers were able to suggest that extra features could be added to the suits, such as

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pockets or fine trimmings. This would then enable Everyday Suits to increase the selling price because of the added value. In this respect such an answer earned application marks as well because of the direct reference to the suits being made.

(b) It is not unusual for candidates to be asked a question about sources of finance. This one required consideration of three specific types of finance. It was clear that strong candidates could offer meaningful discussion about the advantages and disadvantages of each method. Some mentioned the inappropriateness of an overdraft for buying new machinery or the danger of inviting new shareholders to join the business who might become too influential. However, there was weak knowledge of leasing. Quite a number of candidates described Everyday Suits as being the business which was going to lease out **their** machinery to others. They had not grasped that leasing the machinery from others would save on the high capital costs of investment.

Question 3

(a) This question was intended to test candidates' knowledge of the key elements of an induction programme for a new manager. Correct answers described meeting new colleagues, being given a tour of the premises, learning about the business's aims and objectives and being trained in Health and Safety procedures. Those who knew this topic scored well. Many candidates, though, did not appear to be familiar with the concept of induction. Quite frequently there was explanation of recruitment and selection. Others read the word training and described on-the-job and off-the-job training, neither of which was appropriate.

(b) The topic of marketing is a popular one amongst Business Studies candidates. This question was a little different in asking candidates to compare the marketing strategy of both production options. Some answers contrasted specific pricing strategies, such as premium pricing and cost plus pricing. Others justified the need for exclusive promotion of suits in expensive magazines for Option 1 rather than billboard advertising for Option 2. Some candidates treated this question in too general a fashion. There was not enough justification of different marketing methods for each option. Generic points were made about the marketing mix, which could only gain Level 1 marks. Analysis and application nearly always gain reward and this should be borne in mind throughout the paper.

Question 4

(a) Those candidates who knew about economies of scale answered this question well. Purchasing and financial economies were most frequently offered as responses. It was possible to score full marks here by explaining how the benefits of large-scale operation might bring about a reduction in average cost and then applying this outcome to the context of Everyday Suits. Many candidates did not appear to have any knowledge about economies of scale.

(b) Candidates who have strong numeracy skills usually perform well on this type of question. It was pleasing to see answers which contained calculations of current ratio and acid test ratio based on the data which had been provided in Appendix 1. Only a few candidates managed to develop their answers further to gain Level 3 marks here by offering a commentary or interpretation of the financial ratios. Weaker candidates merely quoted figures from the case study or mentioned that some assets had increased while others had decreased. It needs to be emphasised again that a balance sheet cannot reveal how much profit a business has made. Too many candidates tried in vain to calculate ROCE from the data.

Question 5

(a) The majority of candidates found this a straightforward question. It provided an opportunity for them to demonstrate sound knowledge about different methods of production. Some answers regarding flow production were a little more detailed than those about job production, so gained a slightly higher mark. Candidates should not overlook the opportunity to make application to the context to score the highest marks. This would mean making direct reference to individual design of suits in job production, for example, or how a machine might be used to sew on buttons in flow production.

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(b) This question was intended to test the candidates' ability to assess the view of workers rather than mangers at Everyday Suits. Workers may have felt anxious about the need for extra training in the use of new technology or worried that they might lose their jobs in the near future. Others would welcome the time-saving aspects of using new machines. These points were successfully made by many candidates. Although this was the last question, it was still important to read the wording carefully. Quite a number of candidates drifted off to discuss the reaction of managers and owners to the introduction of new machinery and did not gain credit for this.

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BUSINESS STUDIES

Paper 0450/22
Case Study

Key messages

The format of this paper is designed to test candidates' ability to understand an unseen case study and to apply their business knowledge and understanding in answering five questions, each of which is separated into two distinct parts. The first part of each question requires shorter, more straightforward answers reflecting good knowledge of business terms and concepts, while the second part of each question requires more developed answers containing judgement and evaluation.

- To do well in this paper, candidates must make clear references to the case study which is issued at the start of the examination. Specific marks for application are allocated throughout the mark scheme in both parts **(a)** and **(b)**. In this particular case study, candidates were expected to refer to boat tours rather than services.

- Analytical skills are also tested through the case study examination. Candidates should try to give a full explanation of positive and negative consequences of a business decision. This requires developed reasoning rather than simple description. Listed points generally only gain Level 1, whereas an explanation of a point could move the answer to Level 2.

- Several questions on this style of paper ask candidates to make justified recommendations. It is important to offer a decision based on balanced argument without full repetition of the previous analysis. The recommendation should compare and make reference to why the other alternative options were rejected, as well as justifying the option which was chosen.

General comments

This Question Paper proved generally accessible to candidates of all levels of ability, with very few candidates not attempting every question. The part **(a)** questions are all worth 8 marks, require either two or four responses, and assess knowledge, application and occasionally analysis. Part **(b)** questions are worth 12 marks and ask for a judgment. These questions test not just knowledge and application but also analysis and evaluation. The prompts in the answer space on the paper proved to be helpful to candidates and were an aid to improving the responses to questions.

The case study appeared to be within the understanding of most of the candidates and many were able to achieve application marks by reference to 'boats', 'tours/trips', 'tourists' etc. They seemed to be at ease with the contents of the case and familiar with the operations of boat tours.

Some candidates needed to show greater understanding of the subject to achieve Level 2 marks by developing their statements. For example, in **Question 1(b)**, the price strategies were mentioned but the advantages and disadvantages of each strategy were glossed over by some candidates and there was little evaluation of the alternative strategies. In this case, the final discussion should include two or more strategies followed by some recommendation of the most favoured strategy. Very few Level 3 marks were awarded in any of the part **(b)** questions.

Competent skills of numeracy were displayed by many candidates. There is usually an opportunity for candidates to perform some calculations on at least one question and it is worthwhile preparing for this in advance of the examination so that numeracy marks can be maximised.

The standard of written English from most candidates was excellent. This is impressive when it is apparent that English is the second language for most candidates. No penalties were applied for incorrect spelling, punctuation or grammar.

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To gain higher marks, candidates need to use their knowledge in a more effective way. The following points should enable them to do this.

- Candidates need to pay careful attention to the wording of the questions so that their answers can be precise and relevant. For example, if the question says 'Identify and explain **four** ways that BB Boat Tours could make use of the Internet' then the focus should be on the words 'make use of the Internet'. So answers should focus on how the Internet is helpful to the business. Some candidates did not make it clear how the Internet itself was helpful. For example, they gave advertising as an answer and did not relate this to the Internet but talked about advertising in general.

- The questions on a case study paper expect reference to be made to the specific business. For example, 'Explain **three** suitable methods of internal communication the brothers could use to consult with and inform the employees about job losses.' Instead of just responding with generic points about methods of communication, candidates could score higher marks by explaining that the business will need to make sure they use a method appropriate to a small business with only a few employees. Hence, video-conferencing is not appropriate but meetings would be suitable for this business.

- Where a question carries 12 marks, some of the marks will usually be for demonstrating knowledge, some will be for applying the points to the context, some will be for analysis and finally some will be for evaluation. Candidates need to realise that all these criteria should be evident in their answers to achieve full marks. For example, 'Abdul wants to change the pricing strategy used by the business. It currently uses cost plus pricing. Consider **three** other pricing strategies that could be used and recommend which pricing strategy you think would be the best one. Justify your answer.' Some marks will be credited when the candidate makes statements to show they **know** the names of suitable pricing strategies. By **explaining** the advantages of these pricing strategies and why they might be suitable for the business, analysis marks would be awarded. Finally, a judgement needs to be made as to which pricing strategy is the **best one** to use in this context and **why the other two** pricing strategies are less suitable for this business. Specific reference to why the alternatives have been rejected is required to gain Level 3. If only one choice is justified, this will only gain Level 2.

Comments on specific questions

Question 1

(a) This question was generally well answered. Most candidates had a good idea of the implications of good customer service and many gained application marks as well. The most popular reasons were 'good reputation', 'repeat business' and 'satisfied customers'. To gain full marks, candidates needed to apply their answer to the case, for example talking about foreign tourists or customers going on boat trips. Also, candidates needed to explain their answers fully, making it clear why customer service was important to the business. Better candidates talked about how good customer service would bring customers back again, they would tell their friends who would also use BB Boat Tours and this would improve the sales revenue. Some candidates did not answer the question but simply mentioned serving food and drinks as customer service, and did not consider the importance of good customer service to the business.

(b) Candidates found this question challenging. Better candidates linked the strategies to BB Boat Tours and talked about needing to be more competitive or needing to boost sales by using promotional pricing because the boats were only half full. Generally, though, there was a tendency to cite 'any' three strategies rather than those relevant to the case study and this led candidates away from the many application opportunities available. Many candidates were able to identify three forms of pricing strategy. However many chose strategies inappropriate to this business, such as penetration and skimming, whilst a small number included cost plus pricing, despite the fact that they were asked to look at alternatives. Often, different strategies were named but either not explained at all or only superficially, so marks were restricted to Level 1.

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Question 2

(a) There were some good answers from many candidates but some did not mention that as a partnership is unincorporated the business would cease. Relevant factors considered were would he get his investment back, what alternative job could he get and what would be the effect on his brothers. To gain full marks, candidates needed to explain how these factors would affect his decision of whether or not to leave the partnership.

(b) This question was also answered quite well as most candidates were able to gain credit for calculating variable costs and total revenue. Candidates who did not include fixed costs in their answers and so did not calculate the correct profit/loss for the business and were restricted to Level 1. For Level 3, candidates needed to calculate at least three correct net profit/loss figures and then justify which boat tour they should stop operating. A good proportion of candidates produced entirely correct calculations but very often the recommendations were very limited by being based solely on relative profit/loss levels, which restricted the marks that could be awarded for Level 3.

Question 3

(a) Many candidates scored well on this question. More able candidates mentioned email, online booking or searching for competitors' prices and gave examples of how they would make use of the Internet, while others just mentioned the examples, such as informing customers about offers, advertising or sending photos. Candidates who repeated themselves or cited only the impact of using the Internet (such as lowering costs) rather than the ways in which it could be used could only gain limited credit. A few candidates answered in such vague terms that there was no direct or implicit reference to online as opposed to non-electronic business methods.

(b) Candidates were mostly able to identify three valid factors. Only a minority were able to develop their choice by going beyond an explanation of the criteria to discuss the pros and cons of each factor. Candidates should be aware that this type of question requires some form of discussion: for example, 'efficiency - we make the less efficient employees redundant because they effectively raise the costs of the business and thus reduce profit. Businesses which survive and are successful have hard-working, efficient staff'. There was little application in answers. To gain higher credit, answers required more detailed discussion of which employees to make redundant and why, and answers needed to be applied to the case.

Question 4

(a) This was well answered, with many candidates mentioning the advantages of limited liability and also the fact that more capital would be gained. A few weaker candidates incorrectly mentioned government involvement and concentrated on saying there would be a reduction in government regulation on converting from a partnership to a company. A limited number of answers merited application marks.

(b) Few candidates gained full credit for their answers to this question. Most answers focused on meetings, letters and email and mentioned advantages of each, such as having a hard copy and being able to give immediate feedback. Candidates then needed to apply this in the context of what was being communicated and/or this company. Credit could not be given for mentioning video-conferencing and visual communication in the form of graphs. As with **Question 3(b)**, the candidate needed to recognise the advantages and disadvantages of each method, for example,'meeting is a single event and all should hear the information simultaneously and questions can be asked – two-way communication takes place, however some may misunderstand or be embarrassed to ask questions'. Better candidates usually decided that meetings were the best way for the news of impending job losses to be communicated, and gave good answers as to why this was the case. A few candidates talked about one-way and two-way communication and written and verbal, rather than saying letters, email, telephone, notice-boards, etc. Some development of points was required to achieve Level 2 but often candidates listed methods, such as meeting, without giving any explanation of why this would be suitable in this case. Level 3 marks were very few and far between, as were application marks. Level 3 answers needed to justify the best method by explaining why the other two methods were not as suitable. A recommendation which justified only the one method without any reference to the two alternatives stayed at Level 2.

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Question 5

(a) There were some good answers where candidates realised that imported equipment would be more expensive. Some candidates did not pick up on the fact that more foreign tourists would come to the country because it was cheaper for them. Others related their answer to the government rather than BB Boat Tours. Most candidates scored marks for application by relating their answer to 'foreign tourists', 'boats' or 'equipment'. Some candidates did not express themselves sufficiently clearly to identify whose currency was under discussion.

(b) Stronger candidates used the graphs well and said why the figures were important to BB Boat Tours and therefore gained Level 2 marks. Weaker candidates talked about the effects on the country rather than the on the partnership. Also, some candidates showed a distinct inability to read the graphs, mistaking rising for falling unemployment and inflation. Candidates found it easier to consider the effects of the increased number of tourists and lower interest rates. Some candidates drew the wrong conclusions from the data. The recommendation required a summary of the discussion and an overall conclusion as to whether the economic situation would be better or worse for the business but only better candidates managed this.

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BUSINESS STUDIES

Paper 0450/23
Case Study

Key messages

The format of this paper is to test candidates' ability to understand an unseen case study and to apply their business knowledge and understanding in answering five questions, each of which is separated into two distinct parts. The first part of each question requires shorter, more straightforward answers reflecting good knowledge of business terms and concepts, while the second part of each question requires more developed answers containing judgement and evaluation.

- To do well in this paper candidates must make clear references to the case study, which is issued at the start of the examination. Specific marks are allocated throughout the mark scheme in both parts **(a)** and **(b)** for application. In this particular case study, candidates were expected to refer to fruit drinks rather than products.

- Analytical skills are also tested through the case study examination. Candidates should try to give a full explanation of positive and negative consequences of a business decision. This requires developed reasoning rather than simple description. Listed points generally only gain Level 1, whereas an explanation of a point could move the answer to Level 2.

- Several questions on this style of paper ask candidates to make justified recommendations. It is important to offer a decision based on balanced argument without full repetition of the previous analysis. The recommendation should compare and make reference to why the other alternative options were rejected, as well as justifying the option which was chosen.

General comments

The question paper proved generally accessible to candidates of all levels of ability, with very few candidates not attempting every question. The part **(a)** questions were all worth 8 marks, required either two or four responses, and assessed knowledge, application and occasionally analysis. Part **(b)** questions were worth 12 marks and required a judgment. These questions tested not just knowledge and application but also analysis and evaluation. The prompts in the answer space on the paper proved to be helpful to candidates when answering questions and were an aid to improving the responses to questions.

The case material appeared to be within the understanding of candidates. The level of ability of candidates varied, with there being examples of some very good scripts as well as some poor scripts too. If candidates had a detailed subject-specific knowledge of business terminology, they scored particularly well on part **(a)** questions. If answers were vague explanations without any clear definitions, it was often difficult for them to be rewarded. No individual question proved significantly more difficult or easier than any other, apart from **Question 3(b)**, where candidates did less well.

When knowledge of business terminology was well understood, candidates needed to ensure they answered the question asked to gain all the marks available. Candidates should also be advised not just to list points, as this will only gain Level 1 marks. The points should be explained in order to move into the Level 2 mark band. Also, candidates need to apply their answers to the case material to gain application marks. Recommendations should not just repeat earlier points. The option chosen should be justified by giving comparative points as to why this option is better than the alternative options not chosen. Candidates can then access Level 3 marks. There were many examples of good candidates with high-scoring scripts where they had followed these points.

There are a number of considerations that might be helpful in enabling candidates to achieve higher marks by using the information they know in a better way.

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- To gain the highest marks, the candidates must answer the question asked. This seems obvious but some candidates write what they know and hope this will gain some credit. The mark scheme is written to reward the answer required for the question and there is no allowance for alternative responses. For example, **Question 3(a)** asked 'Identify and explain **two** ways that LL Drinks could promote a new fruit drink aimed at young children'. Candidates should have focused specifically on suitable methods of promotion for a drinks company and then explained why they were suitable for targeting young children, rather than just describing the method of promotion listed. Higher marks were often scored by candidates who made it clear how the method of promotion would be used by the drinks company. For example, 'Point-of-sale displays in supermarkets will attract children to try the new drink and then possibly they will ask their parents to buy the drink. By offering children the chance to see if they like the taste of the drink, it will encourage parents to become regular customers.'

- Candidates also need to respond to the command words used in the question. In particular, questions with command words calling for evaluation were not always answered well. This is often a matter of candidates' technique. If the question asks for a judgment, such as **Question 1(b),** 'Consider **three** problems for the business when entering a new market in a different country. Do you think each of these problems can be easily solved? Justify your answer', then the three problems should be discussed and a decision made as to whether they can be easily solved or not and why. The highest marks were often not gained because the solutions were just stated without any explanation as to how easily the problems could be overcome.

- Paper 2 is a case study and the questions will be in the context of the business in the case study, for example, **Question 4(a)**, 'Identify and explain **two** examples of economies of scale the business might benefit from as it expands'. Marks will be awarded for applying the answer to this business, such as 'they would gain by buying fruit in large quantities and they would get discounts because they are bulk-buying', instead of just saying that 'they can bulk-buy their materials and receive discounts', which could apply to any business. In most of the questions on the paper, marks are awarded for applying concepts to the business in the case. If candidates do not do this, application marks will not be achieved.

Comments on specific questions

Question 1

(a) This part was generally answered well. Most candidates identified two suitable aims, such as to increase profits, to expand/increase output and to survive. Candidates who simply repeated 'market share' from the question could not be rewarded. The development of the explanation was more varied. Good answers related clearly to increases in sales turnover and thus profit, giving more opportunities for further expansion. Explanations such as 'improve efficiency of workers that means a rise in output and a fall in costs' could have been improved by making reference to the price reductions that could then be made without affecting profits but giving an increase in sales. Application was most commonly awarded for reference to fruit or soft drinks.

(b) In this part, candidates were expected to relate their answers clearly to the need to address issues concerned with entering a new market in a different country. Often the focus was about production and location issues rather than as indicated in the stem of the question, which states 'sell'. To gain the most marks, specific solutions were expected. A simple statement about 'more research' was not sufficient for high marks. Better answers discussed the problems of setting a price appropriate for a new, unknown fruit drink which would need to compete with established brands. Good Level 2 answers identified possible solutions, such as to consider reducing prices to penetrate the market or to set a premium price and aim for a niche market in the initial stages.

Question 2

(a) Most candidates tackled this part successfully, identifying the context of a successful expanding firm with a good ROCE. Risk reduction, high dividends and forecasted growth from expansion plans were most commonly given as suitable considerations. Application marks were most usually given for reference to an expanding company, selling their drinks into many countries, and the profits made/predicted to be made.

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(b) This was generally well answered. Most candidates could give four stakeholder groups. The most common mistake was to offer 'shareholders' and then 'owners', as if these were two separate groups. The best answers identified the fact that for some of the groups the benefits could be positive or negative, depending upon the success of the take-over and/or whether they were employees/customers/managers of the firm that was taking over or of the firm that was being taken over. Level 2 required discussion of how the named stakeholder might be affected and then a justification for whether or not they would benefit from the take-over.

Question 3

(a) Candidates gave many useful answers in part **(a)** but some weak answers merely stated 'advertising', with no reference to the method – TV, comics, posters. Better answers linked the result of the promotional technique to the anticipated effect. This effect was usually stated as further sales and hence market share, or repeat sales, or customer loyalty, as a result of attracting new customers (children's parents) who would then purchase the drink. There were many good answers in context, although there may have been various regulations to prevent product placement within children's TV programmes or firms from putting up adverts in schools.

(b) Many candidates were unable to calculate profitability ratios accurately. This included candidates whose other answers were good. However, there were many very good answers that identified the gaps between net and gross profit, the payback period and the increase in returns that were available if Option 2 was selected.

Question 4

(a) Overall, the marks were quite high for the first part, although this question was omitted more frequently than any other on the paper, suggesting that some candidates were not familiar with this topic. The most popular economies of scale were purchasing, managerial and financial. The links from how the economies of scale lead to lower average costs, to lower prices and more sales and increased profits were only made by better candidates. Several candidates missed out on full marks by not applying their answer to the case. Well-applied answers often mentioned fruit drinks, fruit growers, bottling machines and packaging.

(b) This part was generally well answered in terms of Level 2 but fewer candidates gained Level 3 marks. Often candidates misunderstood the issue of comparing a rich country with a hot climate that had a small market with a poorer country with seasonal swings that had a much larger market, although population sizes were the same. The better answers linked the feature in the extract to the effect it would have upon the plan to produce and sell. Thus 'a country with high incomes and hot climate will offer the potential for large sales of premium fruit juices but the high cost of labour would increase the selling price, so profits would not necessarily be high'. The weakest answers simply listed advantages/disadvantages and then stated that there were more of one than another.

Question 5

(a) This question was generally well answered and most candidates were good on what the employment contract involved – pay, holidays etc. The best candidates identified its value in the event of unfair dismissal or pay disputes that then went to court/tribunal. However, quite a number of candidates outlined a job description instead. The most common error in the second part of **(a)** was simply stating that health and safety laws were about health and safety. Better answers focused upon the need for a safe working environment, training for the operation of dangerous machinery, and the legal obligation of firms to follow these laws. Quite a number of candidates incorrectly identified this legislation as being connected to national insurance benefits as a result of illness.

(b) Most candidates tackled part **(b)** correctly, although a few misread it and wrote about the benefits to LL Drinks. There seemed to be much concern about the environmental impact but this was then ignored in the recommendation. Many candidates scored Level 1 marks for mentioning increased jobs, investment and increased competition with local businesses, but fewer gained Level 2 or Level 3 marks. Lower-scoring responses just listed the advantage or disadvantage but there was no application or development of the point as to why it was an advantage or disadvantage to the country. Frequently, better candidates concluded that the creation of jobs, GDP growth, extra tax income etc. outweighed the risks of local firms being unable to compete, resource damage/depletion and the remitting of profits abroad.

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BUSINESS STUDIES

Paper 0450/03
Coursework

Key messages

To gain high marks for a coursework assignment a candidate should:

- ensure the assignment title is a question which requires investigation
- ensure the question is an analytical question rather than a descriptive question
- use both primary and secondary research to gather information relevant to the question and then analyse this information
- the assignment should end with a conclusion which answers the question posed in the title and be based on the information gathered.

General comments

Centres who submitted coursework were experienced in its delivery and have done so for several years. The assignments undertaken used titles which had often been successfully used previously. The assignment title for candidates was usually either a feasibility study, motivation analysis or an analysis of marketing used by a business.

Assessment criteria

Questionnaires continued to be the most popular form of gathering primary research for the majority of candidates. Sources of information selected by candidates included visits to businesses; interviews (with business people and the general public), the Internet and also information such as advertisements, maps and photographs. Some candidates discussed their approach to the research [who, when, why and how it was carried out] and this was helpful, often contributing to them gaining higher marks for Assessment Objective 2. In addition, textbooks were also used to provide an explanation of business concepts and terminology applied to research findings.

Assignment titles were usually analytical and encouraged a wide range of research. Occasionally titles were descriptive such as 'How has competition and new technology affected XYZ company?' These titles often still encouraged a wide range of research to be undertaken by the candidate. However, candidates' analysis and evaluation of this information was often lacking detail and consequently this resulted in lower marks than they might have gained if a different title had been set. Better candidates posed themselves an analytical question (e.g. 'How well does XYZ company motivate its staff?') which they answered in the conclusion, gaining higher marks for Assessment Objective 4.

Candidates made effective use of IT to present their coursework. The majority of candidates did present their findings in a logical manner with a clear title, outline of the problem/question set, research findings with analysis of the data and ending with a conclusion which answered the question posed in the title.

Application of the Assessment Criteria

The assessment criteria were accurately applied by the majority of Centres and this was a reflection of their experience in assessing coursework. If descriptive titles had been chosen by candidates or too narrow a range of information had been gathered which had then limited the analysis and evaluation in the assignment then the marks awarded by teachers were not generous but an accurate assessment of the work. Conclusions need to include a justified answer to the question posed in the title based on the information gathered - where candidates scored lower marks it was due to the lack of a justified conclusion based on the evidence gathered.

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Assignment Titles

Most candidates had a clearly stated question at the beginning of their assignment and these were questions that encouraged analysis and evaluation of the data collected and resulted in high marks being awarded.

The most popular topic was a feasibility study, phrased slightly differently by candidates but an example is as follows:

> 'Would it be profitable to set up a … in … (my neighbourhood)?'

Other titles were:

> 'What motivation strategies can … adopt in order to reduce the level of absenteeism?'
> 'What marketing strategies can … adopt to increase their sales revenue?'
> 'Can the marketing mix of ... be improved in the …….market?'
> 'Is the marketing mix of … more successful than …….?'
> 'To what extent and what decisions should be taken to raise the profitability of ……?'

All the administration procedures were adhered to and samples of coursework were sent by the deadline. All this made the moderation process go smoothly – Centres are to be thanked for their efficiency.

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