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GCSE

# Business Studies

413002: Growing as a Business  
Report on the Examination

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4133  
June 2015

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Version: 1.0

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## Overview

This year's paper saw continued improvements in students' ability to offer analysis within their answers to the three 9-mark questions (Questions 1d, 2c and 3d). Centres might wish to note that GCSE examiners are not looking for rigorous analytical thought processes to be present. A single sentence of an analytical nature is usually enough to provide a gateway to Level 3. Analysis can be approached in a variety of ways. It can consist of using appropriate business theory to consider the given situation; or using reasoning to look at possible consequences of the options available. Students would also be rewarded with analysis marks if they were to extend what they have been told in the Item to consider related and relevant ideas. For instance, in Question 2c using the net profit margin calculation from Question 2a to consider the impact this would have on attracting investors to buy shares in the business.

It would appear that many students feel that what is required when answering the 9-mark questions is to provide the advantages and disadvantages of each available option. Often the points made are no more than the application of knowledge attracting a Level 2 mark. Such approaches can often result in very lengthy answers which fail to increase the mark given at the end of the first sentence or two. The point has been made in previous reports that there is no need to consider all the available options when answering such questions. Students can access maximum marks by looking at their chosen option alone. Avoiding duplicating the lower order skills relentlessly at the expense of moving into the issues is something students would benefit from practising prior to the examination.

Supporting judgements in the 9-mark questions remains a cause for concern. Despite comments in previous years' reports, students continue to devote too little of their answer to offering a clear justification for the option they have chosen. Too frequently, students will make a judgement either at the start, the end, or, in an increasing number of cases, at both, but then will do little more than state their recommendation without giving clear reasons for this option.

This year's paper highlighted many students' lack of understanding of several key areas of the specification. For many students the topics of just in time stock control, pricing strategies and financing an investment project appeared to be poorly understood. To be able to fully access the paper and demonstrate their higher order skills students need to have a firm grasp of all of the terms that are found in the specification.

## Question 1

- (a) This question was generally well answered with about half of the students scoring full marks. Some failed to gain marks as they thought the business had unlimited liability, while about 15% of the students failed to score.
  
- (b) This question did not present too much difficulty for the students as most were able to use the item and explain 2 reasons for moving to the retail park. The vast majority of students were able to score 3 or all of the available marks.

- (c) The majority of answers included sufficient explanation and context to access the higher level of marks. Very few students appeared to be confused by the term product portfolio (as they were with other technical terms on the paper). Possibly this was because they were able to discern the meaning by referring to Item A. Those who scored low marks tended to offer insufficient explanation or produced a generic answer that would apply equally well to any organisation.
- (d) As mentioned above, it was pleasing to see more students attempting to analyse the issues in this question. Price penetration was frequently confused with price skimming. It was not uncommon for students to waste time describing several strategies rather than analysing the issues surrounding the appropriateness of one. Good use was made of the item to provide a contextual framework as to the suitability of the strategy given. Many used strategies that were not included in the specification eg psychological pricing. Centres should be assured that such responses were rewarded, if appropriate, just as much as those listed in the specification. It was not uncommon for students to attempt to use inappropriate and even dubious strategies. Loyalty cards were often cited, as were other marketing strategies which were not based on price. Even strategies that had nothing to do with marketing were suggested by some. As a result, about one fifth of the students failed to score or were given the lowest level mark for demonstrating some relevant knowledge. In line with the other 9 mark questions, evaluation was often superficial with about two thirds of the students failing to produce a sufficiently supported judgement to access E2 marks. In these cases, support was often limited to a single sentence or a reiteration of previously made points.

## Question 2

- (a) (i) Most were able to score the full 2 marks for the calculation in part i. A few omitted the percentage sign which was required for maximum marks.
- (ii) Part ii however, was less well answered. Many were able to score at least one mark by identifying that the fall in net profits was not good for the business. Unfortunately, many were unable to explain how this decrease would affect the business as the question demanded; instead treating the fall in profits more of a cash flow issue. Those who were able to recognise the challenges of falling profits on a business that wanted to expand usually found it very easy to score the maximum 3 marks.
- (b) Despite the question and Item B making it clear that the just in time system (JIT) was for stock control of raw materials, some students wrote about producing the biscuits only when orders had been received ie carrying no stock of finished products. About a quarter of the students failed to score because they either did not answer the question or did not appear to know the term JIT.

- (c) It was a great surprise to the markers that so many students seemed to be unaware what was meant by the concept of financing. It was not uncommon to read lengthy answers that were suggesting the business should use batch production, or some other method of manufacturing. Some picked up the idea of JIT from the previous answer and attempted to use this as a method of finance. This error may possibly be due to poor reading of the question or a lack of understanding of the business concept. Good answers exploited the feature of the business found in Item B to consider valid sources of finance. The two most popular options were a new share issue and obtaining a bank loan. A number suggested that an overdraft was the best choice as it was a free source of finance, without realising that it would not be free and banks would not let a business overdraw its current account to fund a £20 million capital project.

### Question 3

- (a) Most students were able to score one or both available marks on this question. For most, it presented few difficulties.
- (b) There was a variety of responses to this question which covered the range of available marks. A common error was to provide an answer of a generic nature, lacking the context of Item C. Many merely included an aspect or aspects of the recruitment process without relating their choice to the need to find high quality temporary office staff. Good responses were able to explain their choices by referring to the nature of the business by suggesting methods such as advertising on the internet and providing a series of suitable tests on the day of interview.
- (c) Good answers identified salient aspects of the business, such as a poorly motivated workforce, when explaining the advantage or disadvantage of operating from a centralised office. Weaker answers were, once again, general in nature and could apply equally to any business. For unexplained reasons, a large number of students assumed that the premises would be inadequate because there would be overcrowding and saw this as a disadvantage.
- (d) Some students wasted time by wanting to demonstrate their knowledge of motivational theory without attempting to apply this in answering the question. The two possible choices given in the question were frequently described in too much detail before, if at all, any analysis of the issues was undertaken. The benefits of the motivational methods were frequently considered from the employees' point of view without linking these benefits to the business. High scoring answers took cognisance of Item C when considering the more suitable method and featured evidence of analytical thought. These answers included a clear statement on which method was preferable and provided detailed support for this judgement that was not merely a reiteration of previously made observations.

## **Mark Ranges and Award of Grades**

Grade boundaries and cumulative percentage grades are available on the [Results Statistics](#) page of the AQA Website.

## **Converting Marks into UMS marks**

Convert raw marks into Uniform Mark Scale (UMS) marks by using the link below.

[UMS conversion calculator](#)