



GCE A LEVEL EXAMINERS' REPORTS

**BUSINESS
A LEVEL**

SUMMER 2018

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Unit	Page
Component 1: Business Opportunities and Functions	1
Component 2: Business Analysis and Strategy	4
Component 3: Business in a Changing World	8

BUSINESS

GCE A LEVEL

Summer 2018

COMPONENT 1: BUSINESS OPPORTUNITIES AND FUNCTIONS

General comments

It is pleasing to report that the vast majority of candidates attempted each question on this paper. On the whole this paper was accessible for most candidates, especially in terms of demonstrating their skills of knowledge and understanding, and being able to analyse effectively, where questions required this. It was clear, for the most part, that many candidates had prepared well for the exam, and some candidates scored particularly well, which is testament to their hard work and that of their teachers in preparing them for the examination.

Candidates generally wrote legibly and comprehensively, demonstrating good quality of written communication. Timing did not appear to be an issue. Similar to the report last year, it remains the case that some candidates are writing far too much for their answers, perhaps hoping that more descriptive detail will translate into more marks, but this is not the case in order to obtain the higher-level marks for analysis and evaluation marks. Candidates should be encouraged to trade in quantity for quality in their responses. This is certainly reinforced by the lack of evaluation demonstrated in answers that assessed AO4. In particular, candidates would benefit more from knowing which command words / phrases (e.g. discuss, to what extent and evaluate) require demonstration of AO4, so that they are further prepared and confident with approaching questions where evaluation marks can be awarded.

Candidates are assessed against for skills over the course of the examination: knowledge (AO1), application (AO2), analysis (AO3) and evaluation (AO4). Whilst it was clear that many candidates were able to demonstrate correct knowledge of business concepts and theories, and in many cases were able to apply effectively to the context, the better candidates were able to provide a balanced analysis and evaluate in context. Candidates are also assessed on their quantitative skills; on the whole it was clear that many candidates were able to use the correct method to achieve the correct answer, but it remains too occasional that candidates are making simple errors that prevent them from getting full marks on questions that assess quantitative skills.

The most accessible questions, according to the Facility Factors (FF), were: Q1 (FF 85%), Q4 (FF 80.6%) and Q3 (FF 78.1%), all of which carried a relatively low number of marks. The least accessible questions were: Q2 (FF 30.9%), Q5 (FF 56.5%) and Q7 (FF 58.6%). It was clear that candidates struggled the most with the concept of external economies of scale, and with the topics of social enterprises and equal opportunities in this exam.

Comments relating to specific questions

Question 1 required candidates to give an example of a business using batch production and describe two benefits of using batch production. This question was answered well by candidates on the whole, with it being the most accessible question in terms of the FF. Candidates were able to give an example of an appropriate business with supporting benefits. Some candidates only described one benefit of batch production, rather than the two benefits required, which was the main reason for not scoring full marks. Occasionally, candidates confused batch production as meaning either job or mass production.

Question 2 (a) required candidates to outline the meaning of external economies of scale. Candidates' performance on this question was, on the whole, disappointing. Overall, the minority of candidates outlined the meaning of the term correctly, whilst the majority either recognised parts of the meaning (e.g. outside of the business, within an industry, or reduction in average unit costs) or not offering a creditworthy definition at all.

Question 2 (b) expected candidates to suggest two ways that an IT company could benefit from external economies of scale. Given the overall lack of understanding in question 2a, it was not entirely surprising that the majority of responses to this question failed to gain marks. It follows that many of the candidates that did well in 2a performed better in this question. Too frequently, candidates gave examples of internal economies of scale, including purchasing economies of scale or managerial economies of scale. Candidates who used examples such as external educational economies of scale or developed infrastructure making transportation of goods easier, were able to obtain the AO1 marks. Fewer candidates were able to apply their examples to an IT company and, as a result, could not be credited with the AO2 marks available.

Question 3 (a) required candidates to demonstrate ability to identify the lead time in weeks, identify the minimum stock level and to calculate the re-order quantity. There was some variability within answers given for the lead time and minimum stock level, with some candidates struggling to interpret the diagram correctly. However, most candidates were able to gain the marks available for these parts of the question. In terms of calculating the re-order quantity, candidates interpreted the question in a number of valid ways and therefore there were three answers that were credited marks.

Question 3 (b) asked candidates to refer to the stock control diagram provided to explain what happened during week 11 and explain its possible cause. The vast majority of candidates scored well on this question, recognising that the company had ran out of stock, with the main explanation for this being that the company could have experienced an unexpected increase in demand.

Question 3 (c) expected candidates to explain the importance of carefully controlling stock. Candidates generally scored well on this question, in most cases taking the approach of explaining the implication of too little stock and too much stock on the business. Some answers were too brief in terms of explanation, which meant that some candidates were not awarded 2 marks for 'good analysis'. On this note, it is important that candidates appreciate the need to develop a line of reasoning, rather than merely making a number of descriptive points, which serve candidates better in terms of level-based marking. However, this was one of the better answered questions on the paper.

Question 4 (a) asked candidates to identify a suitable source of finance and a source of finance that was not suitable for Ella's business and state the reason why in each case. The vast majority of candidates scored full marks on this question. Candidates were able to identify appropriate sources of finance in terms of their relative suitability levels and confidently apply these to Ella's circumstances (for example, some candidates suggested that share capital would not be suitable because Ella wanted to remain as a sole trader). Occasionally, candidates would not refer to Ella's context in their answer and therefore would not be awarded the AO2 marks available for this question.

Question 4 (b) required candidates to calculate Ella's monthly breakeven output. The vast majority of candidates scored well on this question. Candidates that did not achieve full marks either simply did not demonstrate an understanding of the concept of breakeven (or contribution), did not show their workings to get to their (incorrect) answer and thereby not achieving any method marks, or by not expressing the correct answer in units (instead £s).

Question 4 (c) expected candidates to calculate Ella's profit or loss for the year. Similar to 4b, this question was answered well by the majority of candidates, many of whom scored all marks available. The common errors in this question were that candidates forgetting to multiply fixed costs by 12 to get the annual figure, and not including the £ sign to indicate the monetary value of the profit achieved. Some candidates who did not achieve the correct answer did not show any workings. Candidates are encouraged to include their workings, including the formula used, so that they can achieve marks if their final answer is incorrect.

Question 5 asked candidates to discuss the ways in which social enterprises differ from other private sector businesses. The FF for this question was 56.5% and the mean mark was 4. On the whole, candidates were able to demonstrate their knowledge of social enterprises and other private sector businesses by providing appropriate definitions, or more commonly through describing their features. Candidates were generally also able to provide analysis of the similarities / differences between the two structures, which more commonly concentrated on the differences rather than the similarities. In the vast majority of cases, candidates failed to provide an evaluation at all of the similarities / differences between the two structures, or instead repeated their analysis more briefly in an attempt to be evaluative. It was rare for candidates to achieve full marks on this question, because of the omission of any creditworthy evaluation.

Question 6 (a) required candidates to describe the main feature of an oligopoly by making reference to the information in the chart. This question was answered well by majority of candidates, many of whom achieved full marks. The general approach taken by candidates was to describe multiple features of oligopolies and relate these to the information in the chart. Whilst many candidates demonstrated 'good knowledge' by taking this approach, simple references to the chart prevented candidates from achieving 'good application', often because some candidates merely copied figures.

Question 6 (b) expected candidates to discuss the ways that the various airlines might compete with each other apart from cutting their prices. Candidates generally suggested two or three appropriate strategies that the airlines might use to compete with each other, and on the whole, were able to apply and analyse these strategies effectively by providing examples specific to the airline industry and what the benefit of each strategy was. The modal mark for this question was 6, being obtained from gaining all of the AO1, AO2 and AO3 marks. Many candidates did not evaluate at all, despite the expectation to by the command word 'discuss'. The relatively few candidates that did include evaluation did so by, for example, suggesting which of the strategies they had analysed might have the most success, supported by reasoning, or by considering any conditions that a strategy's success might be dependent upon, for example, if all competitors competed in the same way then there might not be any differentiation, meaning the strategy could lack effectiveness.

Question 7 asked candidates to evaluate the impact of equal opportunities legislation on employers and employees in the UK. On the whole, candidates found this question to be challenging (mean = 4.7, FF = 58.6%), especially in term of the evaluation. Some candidates produced unnecessarily long answers that were mainly descriptive, rather than analytical and evaluative. Frequently, candidates would contain their response to writing just about equal pay amongst men and women (which they did well), which is the topic in the stem, and did not recognise that equal opportunities legislation was wider than this, for example disability, maternity / paternity rights, sexual orientation, etc. As a result, it was difficult for candidates to demonstrate excellent knowledge of equal opportunities legislation by taking this narrow approach on just one aspect of the law. The few candidates that did provide effective evaluations often took the approach of suggesting whether or not employees or employers were impacted more or less, with supported reasoning and consideration of any dependent factors that might affect their judgement.

Question 8 (a) required candidates to describe the relationship between a product's life cycle and its cash flow, with the aid of a diagram. Most candidates were able to construct a diagram showing the correct axis and the sales curve, but too often the cash flow curve was not included in the diagram. In some cases, the main stages of the product life cycle were not included in the diagram. However, many candidates were able to describe the general cash flow changes over the different stages of the product life cycle. On the whole the question was answered well. A point to take forward is to encourage candidates to be more particular with their presentation and accuracy of diagrams and models.

Question 8 (b) expected candidates to discuss the importance of extension strategies in the lifecycle of Polo mints. Generally, candidates were able to use the information well in the text to support their points thereby achieving the application marks. The vast majority of candidates were able to analyse at least one reason by extension strategies were important to Polo's lifecycle. However, despite making multiple points about the importance of extension strategies, far fewer candidates provide any balance at all in their answers and thus did not achieve full marks for analysis. In terms of evaluation, candidates occasionally provided some evidence of AO4, but as with other answers where evaluation is required to achieve full marks, evaluation was lacking for the most part of scripts considered. Too often, candidates did not attempt to make any judgement on the importance of extension strategies to the lifecycle of Polo mints.

Question 9 asked candidates to discuss the view that flexible working benefits both employers and employees. Generally, candidates displayed good knowledge of flexible working, often by providing a definition and then providing examples of appropriate flexible working arrangements. Some candidates' responses were limited to one or two examples of flexible working (e.g. part time working and flexitime). Candidates were able to effectively analyse benefits and drawbacks of flexible working for both employers and employees, which for many candidates, formed the core structure of their answer. Many candidates scored between 6-8 marks for their knowledge and analysis. In terms of evaluation, it was pleasing that more candidates attempted some judgement or conclusion in their answer to this question compared to other questions where evaluation was required. However, in the most part, the evaluation was limited or good, with very few answers achieving the top band for evaluation.

BUSINESS

GCE A LEVEL

Summer 2018

COMPONENT 2: BUSINESS ANALYSIS AND STRATEGY

General comments

Overall, this paper was well attempted, and there were a number of very strong scripts. 99.3% of questions were attempted by candidates and it appeared that they used their time well, as most candidates appeared to have finished the paper. Quality of written communication was good, with candidates writing more clearly in paragraph form than they have done in previous exams.

It was noted that it would be advisable for the candidates who write answers on the continuation pages of the answer booklet to be more careful when numbering their answers. Many candidates had failed to clearly identify where different answers were starting and finishing, which made it much harder for markers to ensure they had seen all the extra parts.

Good subject knowledge (AO1) was shown throughout the paper, especially on Question 4 – decision trees, which was the best answered question on the paper, with a mean score of 7 out of 10. Candidates generally used the stimulus material provided when required, especially in questions 5 and 7. Weaker answers tended to repeat/quote the stimulus material, whereas stronger answers were able to show a little more sophistication and bring in wider context knowledge. Analysis was good from a large number of candidates who were able to clearly explain their point and develop logical arguments. Evaluation was weaker, with many candidates missing the ‘consider’ trigger word for question 7, and failing to recognise that question 6 also required evaluation.

Quantitative skills were strong on the paper, shown through questions 3 and 4. Most candidates remembered to express their answers in the correct numerical format and to show their workings.

Some candidates had clearly focussed on the structure of the question and the trigger word to decipher what examination skills they thought were being tested in that question. When this was apparent, candidates were able to focus their answers to pick up marks, especially the higher band levels. However, there were lots of candidates who failed to do this effectively and often wasted a lot of time writing lots that did not pick up any/many marks. This was perhaps most apparent in question 2a and question 7.

Question specific comments

Question 1

This was a data analysis question and most candidates could interpret the information well to score AO2 marks, however weaker candidates very simplistically repeated the chart titles. Following an interpretation of the graphs, candidates were asked to explain how this information would be useful to an exporter, and many candidates very simplistically stated that it would show them where best to export their goods. Candidates that scored well on this question took this further and showed deeper analysis such as helping them to interpret the impact that Brexit would have on their trade, or how they would possibly need to adapt their product range and portfolio to suit the tastes of different countries.

Question 2 (a)

This was generally a low scoring question, especially with the AO2 marks. Candidates were required to show clear knowledge of the advantages and disadvantages of vertical integration, and whilst some candidates got confused with horizontal integration, some answers were too vague and just discussed the advantages and disadvantages of growth such as economies of scale. However, the question required these to be explained with specific relation to vertical integration. There were 4 marks available for AO2 in this question, and a large proportion of candidates failed to apply their answer. Stronger candidates could discuss this in specific relation to the context of Greggs, not just repeat information from the stem. For example, good answers discussed the requirements for low cost to maintain their low selling prices.

Question 2 (b)

This question was answered well, and a lot of candidates were able to demonstrate good knowledge of franchising. It should be noted that the question required focus on franchising from the point of view of the franchisor not the franchisee, which some candidates missed. Also, this question required evaluation which let a lot of answers down as they failed to show judgement. Finally, in a similar fashion to question 2a, some responses focussed too much on growth in general, and not specific to franchising.

Question 3 (a)

Responses to this question saw many candidates achieving full marks. The most common reason for candidates not to achieve all 3 marks was if they only showed either the variance or the classification when the question asked for both.

Question 3 (b)

In this question there was a requirement for candidates to show all assessment objectives. For AO1, candidates were required to give a cause for all 3 of the given variances. It was better to show a cause for less sales such as increased competition, rather than just lack of sales. It was also refreshing to see candidates considering the whole context and looking for reasons that linked the variances, such as a favourable purchase variance caused because of less of a need to buy stock due to an adverse sales variance. The question also required candidates to suggest solutions to the variances, and some candidates forgot to do this, or failed to read the question thoroughly.

Question 3 (c) (i)

Overall, this was a poorly answered definition question with many candidates appearing to guess what shareholder's funds might be. Many candidates scored 1 out of 2 marks for stating that it was funds invested in the business by shareholders. To get the second mark, candidates were required to give further information than this, for example the fact that it includes retained profits and reserves, and only a small minority of responses included these features.

Question 3 (c) (ii)

This required a simple calculation and many candidates were able to answer this correctly. As in previous years, it is important that candidates are accurate in their presentation of their answers and ensure they present their answers in the correct numerical format.

Question 3 (c) (iii)

This question was again approached well by most candidates, but again candidates should make every effort to be accurate in the presentation of their final answer.

Question 3 (d) (i)

Overall, this was answered well, with many candidates achieving all 3 marks. Some candidates failed to express the final answer in the correct format: $x:1$, and others failed to round correctly to 1.46:1 and instead rounded to 1.45:1.

Question 3 (d) (ii)

This question required candidates to make judgements on the current ratios calculated in the previous question, and the general standard of answers was low. Candidates failed to show clear understanding of what the current ratio was measuring. It should also be noted that the preferred benchmark for this ratio is between 1.5:1 and 2:1. There were lots of candidates who expressed it as lower than this (e.g. 1:1) and some as high as 3:1. Realistically this would be considered as unproductive use of assets, but it was accepted here as no information about the industry average was given to show any context. The candidates were then required to make judgements as to whether these ratios were satisfactory. Many weaker answers just said that they were satisfactory as they were close to the ideal. Stronger answers compared the two years and that the ratio had got stronger to 2017 to make a stronger judgement.

Question 4 (a)

The decision tree diagram was completed well by candidates who had clearly prepared for the exam, and lots of responses achieved full marks. It is important to remember to subtract the initial cost of each option as the final stage of the process which was a common error. Additionally, every attempt to present the decision tree in a clear and legible manner should be made, as there were lots of responses that were difficult to read. There were also some candidates who drew each option as a separate diagram, but they needed to be expressed as part of the same decision tree.

Question 4 (b)

It was clear that candidates who read the question carefully and made sure they completed all the requirements scored well on this question – many failed to include any qualitative factors. It was preferred that the quantitative reasons came from the decision tree drawn in part a, and not just from the data given in the question. Own figure rule was applied here, so candidates could make correct conclusions from incorrect diagrams. It was important that an overall judgement was made as to which option would be the best, and justify why. For the top band of AO4, it was best to see either a debate between options, or a decision made specific to the given context, such as the fact that he wanted to expand his business and option 3 would help him meet his objectives.

Question 5

This was approached in a few different ways. Some candidates approached the question by conducting a cost benefit analysis of the HS2 project. This often led to a weak response, most often only reaching Band 2 at the most. A stronger approach was to discuss the benefits and drawbacks of using a cost benefit analysis, and then support with data from the context. Some candidates' conclusions focussed too heavily on whether the HS2 project should go ahead or not, rather than whether cost benefit analysis would be useful to make these decisions. There were lots of responses that failed to show clear knowledge of what a cost benefit analysis is, such as failing to recognise that a monetary value is placed on all the issues so as to draw a quantitative conclusion. It was refreshing to read answers that were based around the government and the specific issues they face, such as using tax payer's money, rather than candidates referring to 'the business' as the creator of the HS2 project.

Question 6

This required candidates to evaluate the usefulness of the Ansoff Matrix, and this question had the lowest attempt rate, with 2.3% of candidates not attempting to answer it at all. It is advisable for candidates to either draw the matrix or define the 4 strategies to ensure AO1 marks are gained. A common error was mixing up market and product development. The main issue seen here was the lack of evaluation, with the majority of candidates failing to access any of the AO4 marks. The strongest answers recommended ways in which each of the 4 strategies could be implemented, but then also considered any issues with the strategy, or barriers that SuperGroup plc would have to overcome. The best answers also discussed which strategies would be most appropriate in this specific context and why.

Question 7

This was the final question on the paper and generally was very accessible and so was often the longest of a candidate's answers. Most responses considered opportunities and threats and so could access a lot of the marks. Some responses focussed on Porter's Five Forces a little too heavily because of the word 'threats' in the question (e.g. threat of substitutes). Whilst this allowed some marks to be accessed, it did restrict answers especially for AO2. Many candidates used the data from the stimulus material as a starting point, and the weaker candidates then continued to focus on the fact that there is forecasted to be more customers. Stronger responses then went on to look at broader opportunities and threats. As in the previous questions, the weakest issue was the lack of evaluation shown, perhaps because candidates failed to see the need for it in a 'consider' question. Stronger responses clearly stood out because of this, and the most common way to achieve these marks was to discuss how to take advantages of opportunities or how to respond to any threats.

BUSINESS

GCE A LEVEL

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COMPONENT 3: BUSINESS IN A CHANGING WORLD

General comments

This synoptic paper required candidates to utilise knowledge from a variety of content areas within the specification. When reviewing candidates' responses, it was pleasing to see that candidates were aware of the wider economic and strategic issues relating to business activity. Candidates were frequently able to draw information from range of topic areas to generate some high-quality answers.

Most candidates wrote in clear and well organised paragraphs which allowed examiners to follow the candidate's argument very effectively.

Although knowledge (AO1), application (AO2) and analysis (AO3) were frequently well expressed and managed by candidates, evaluation (AO4) was sometimes missed where required. This led to some candidates gaining a limited amount of marks as they were not generating marks evenly from all four skills.

In terms of trigger words, it was clear that some centres had clearly explained the types of responses required from words in the question such as 'discuss' and 'explain', as a result, equipping candidates with the ability to perform very well in this examination. Conversely, some candidates frequently described issues rather than explaining their implications for business. As a result, those candidates did not manage to score highly on AO3.

Section A

In this part of the examination candidates were provided with an extended case study which charted the movements of ALDI within the British supermarket sector. Candidates responded well to the case study information and many candidates produced detailed and well-made points.

Candidates used their time effectively during the examination with the majority of candidates attempting all the required questions. It was also notable that candidates, in the main, had managed to allot an appropriate amount of time to each question in relation to the marks available. However, some candidates spent too much time on some questions whilst others were missed entirely. The attempt rate for each question was excellent in the early part of Section A: 1a-99.2%, 1b-99%, 1c-98.5%. However, this reduced slightly for 1d 96.8% and 1e-95.5%.

Equally, the facility factor dropped consistently between 1a (66.7) and 1e (49.1) leading to the impression that candidates began to answer in a less thorough manner as they progressed through Section A of the paper.

Question specific comments

Q1. (a)

With a mean score of 5.4 out of 8 candidates found this an accessible opening question. Many candidates were able to demonstrate a good understanding of corporate responsibility and utilise the case study in order to demonstrate ALDI's approach. Analysis was frequently good with a few candidates able to follow excellent lines of argument in analysing the implications of ALDI's approach to corporate responsibility. With a facility factor of 67.7 this proved to be a good source of marks for the majority of candidates. Responses were occasionally overly long which may have limited scoring elsewhere in the paper.

Q1. (b)

The majority of candidates were able to secure the majority of marks available for this question. For those scoring less well this was usually the result of focusing on similarities or differences rather than both. Another key issue is that a number of candidates explained the similarities and/or differences between ALDI and traditional supermarkets but fell short of analysing or evaluating resulting impact on performance. The tendency of some candidates to describe rather than explain issues was notable throughout the paper.

Q1. (c)

Organic growth was a topic familiar with to the majority of candidates. With a mean score of 5.6 from a possible 10 marks this question was well answered. Candidates made effective use of theory in order to evaluate ALDI's plans for growth. Better candidates made excellent use of the case study material before using this as a platform to add analysis and evaluation points. Those candidates performing less well tended to focus on general issues relating to growth without focusing on those which are particular, or more characteristic of organic growth.

Q1. (d)

Glocalisation was a theme which seemed more familiar to some candidates than others. Some candidates spent time exclusively discussing ALDI and explaining regional variations within the British market rather than focusing on the international nature of glocalisation. However, some helpful indicators within the question were used effectively by a number of candidates in order to generate suitable responses. Candidates attempting this question produced a mean of 4.9 out of a possible 10 marks. However, it is noteworthy that those who were less aware of their question timings gave shorter answers to this question.

Q1. (e)

It was pleasing to see that some candidates had an excellent understanding of issues surrounding Brexit. Most candidates were able to put these issues with the context and apply them to ALDI's stakeholders. Implications for imported and British suppliers were strongly recognised as was the impact on consumer choice and price. Again, time pressure seemed to be upon some candidates as the responses were less full than in earlier questions despite a clear level of understanding from the majority of candidates attempting the question. With the lowest attempt rate of Section A (95.5%) it seemed clear that timing in this year's exam had been an issue for some candidates.

Section B

This section of the exam afforded candidates the ability to work to their strengths. Candidates selected one question from a choice of three options. Each question was broken down into part (a) 10 marks and (b) 20 marks. Occasionally a candidate answered more than one question or part (a) from one question and part (b) from another. In such instances candidates were awarded the marks from whichever total question response yielded the greatest number of marks.

The questions attempted in Section B were fairly evenly split with approximately 36% attempting question 1, 35% attempting question 2 and 29% attempting question 3.

Each of the part (a) questions required the candidate to apply their answer to a scenario noted within the question. This was done inconsistently between 2a, 3a and 4a with answers to 2a often remaining theoretical with no reference to the department store scenario. Part (b) of each question was managed relatively consistently although, as was evident in Section A of the examination, some candidates seemed to have a limited understanding of AO4 and did little or no evaluation. As Section B, part (b) has 8 AO4 marks on offer this could have acted as a barrier to the achievement of a high total mark.

Question specific comments

Q2. (a)

Question 2 was the most popular choice amongst candidates by a small margin. Candidates demonstrated good knowledge (AO1) of Maslow's hierarchy of needs with surprisingly few choosing to use a diagram to help their explanation. Weaker candidates did not discuss each of the five levels contained within the hierarchy. Marks were not accessed by some candidates as they simply described the theory without using the context of a department store thus achieving no AO2 marks. This was a major factor in contributing towards the mean score of 4.6 from a possible 10 marks.

Q2. (b)

Candidates made good use of their human resource knowledge in explaining the potential importance of workers as a resource. A useful tactic employed by some candidates pointed to other resources such as land and capital in order to draw comparisons to the role of labour. Others made good use of comparative situations e.g. capital intensive versus labour intensive businesses. In the main, answers were discussed in a mature manner with better candidates able to demonstrate excellent analysis (AO3) and evaluation (AO4) throughout their answers.

Q3. (a)

It was pleasing to see that candidates selecting this question drew upon a wider knowledge of ethical considerations. It was encouraging to note that candidates had used a wide range of scenarios including real world examples in which oil companies had encountered ethical considerations. This was the highest scoring of the Section B part (a) questions with a mean score of 5.9 out of a possible 10. This was in part due to the ability of candidates to make good use of the scenario to score AO2 marks.

Q3. (b)

Part (b) was equally well answered and generated the highest facility factor (53.2) of all Section B part (b) questions. Those who attempted the question were able to demonstrate a range of arguments with respect to valuing profit over ethics and vice versa. The best answers made reference to the importance of profit or ethics as part of an overall strategy for the business in generating sales through either the presence of an ethical USP or a focus on low prices with the idea of a bargain price outweighing the importance of ethical issues in the mind of the consumer. Weaker answers focused on either ethics or profit therefore not fully engaging with all parts of the question.

Q4. (a)

This question was accessible to those with a good understanding of demographics. However, it was notable that a number of candidates became sidetracked and spent a large portion of their time discussing market segmentation in relation to other issues such as income or social class. This common off-topic response contributed to the lowest mean of all the Section B part (a) answers, 4.4 of a possible 10 marks being achieved. The confusion between demographic change and segmentation also resulted in a standard deviation of 2.2 amongst answers. The widest standard variation for Section B part (a) questions. However, those with a good understanding of demographic changes produced some excellent explanations of changes to the market.

Q4. (b)

As with part (a), some candidates spent the majority of their answer away from the main theme of 'social factors'. As a result, this question had the lowest mean of all Section B part (b) elements. Those making good use of social factors and enhancing their responses with other factors were able to bring in some innovative examples used in order to illustrate points and construct arguments. The less successful candidates either made passing reference to social factors with the occasional candidate ignoring social factors all together instead focusing on factors which may lead to success or failure.



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