

## Level 1/2 Technical Award in Business and Enterprise 603/2955/5

**Assessment Window: 18 March 2022**

**Paper number: P001394**

This report contains information in relation to the external assessment from the Chief Examiner, with an emphasis on the standard of learner work within this assessment window.

The aim is to highlight where learners generally perform well as well as any areas where further development may be required.

Key points:

- Grade Boundary Information
- administering the external assessment
- standard of learner work
- Regulations for the Conduct of External Assessment
- referencing of external assessment tasks
- evidence creation
- interpretation of the tasks and associated assessment criteria
- planning in the external assessment.

It is important to note that learners should not sit the external assessment until they have taken part in the relevant teaching of the full qualification content.

### Grade Boundary Information

Each learner's external assessment paper is marked by an Examiner and awarded a raw mark. During the awarding process, a combination of statistical analysis and professional judgement is used to establish the raw marks that represent the minimum required standard to achieve each grade. These raw marks are outlined in the table below.

<b>NYA</b>	<b>Level 1 Pass</b>	<b>Level 1 Merit</b>	<b>Level 1 Distinction</b>	<b>Level 2 Pass</b>	<b>Level 2 Merit</b>	<b>Level 2 Distinction</b>
0	13	18	24	30	41	52

Grade boundaries represent the minimum raw mark required to achieve a certain grade. For example, if the grade boundary for the Pass grade is 30, a minimum raw mark of 30 is required to achieve a Pass.

Maximum UMS Score*	Level 1 Pass	Level 1 Merit	Level 1 Distinction	Level 2 Pass	Level 2 Merit	Level 2 Distinction
160	24	47	70	92	115	138

\* In order to ensure that levels of achievement remain comparable for the same assessment across different assessment windows, all raw marks are converted to a points score based on a uniform mark scale (UMS). For more information about UMS and how it is used to determine overall qualification grades, please refer to the qualification specification.

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### Administering the external assessment

The external assessment is invigilated and must be conducted in line with our Regulations for the Conduct of External Assessment. Learners may require additional pre-release material in order to complete the tasks within the paper. These must be provided to learners in line with our Regulations.

Learners must be given the resources to carry out the tasks and these are highlighted within the Qualification Specific Instructions Document (QSID).

### Standard of learner work

The quality and standard did vary both across centres and within centres which is to be expected from a qualification that targets learners right across the ability range.

Most learners did attempt to answer all the questions on the paper. There was some evidence to suggest that “learner loss” due to the pandemic and its effect on face-to-face teaching may explain why learners were unable to attempt a question on the paper.

There were some high-quality responses which demonstrated not only sound business knowledge, but used good business terminology and demonstrated both analytical and evaluative skills

Some learners may have been under prepared possibly due to learner loss caused by the pandemic.

### Evidence creation

Learners should use the space provided to answer questions. Where answers are typed or additional pages included, the learners name, centre number, centre name and task number must be clearly visible. The additional paper must then be securely attached to the workbook.

## Regulations for the Conduct of External Assessment

### Malpractice

There were no instances of malpractice in this assessment window. The Chief Examiner would like to take this opportunity to advise learners that instances of malpractice (for example, copying of work from another learner) will affect the outcome on the assessment.

### Maladministration

No instances of maladministration were reported in this assessment window. The Chief Examiner would like to highlight the importance of adhering to the Regulations for the Conduct of External Assessment document in this respect.

## Responses of the tasks within the sections of the external assessment paper

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**Question 1-7** The multiple-choice questions that were correctly answered by most learners were questions 2,3,4, 5 and 7. Questions 1 and 6 proved more challenging for some learners. For question 1 the most common incorrect answer was A (a large fall in the level of unemployment). For question 6 the most common incorrect answer was also A (a new competitor opening in the local area).

**Question 8** Learners were asked to Identify one method the business might use maintain and improve the quality of the products or services it provides. The most common correct answers were quality control and TQM. Some learners described how quality might be improved which was not rewardable.

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**Question 9** Learners were asked to Identify one method of primary market research. The most common correct answers were questionnaires and interviews. Some learners described how research might be undertaken e.g., by asking questions in the street, which was not rewardable.

**Question 10** Learners were asked to Identify two categories in the Boston Matrix. This was a well answered question suggesting that this topic is well embedded in centre teaching.

**Question 11** Learners were asked to describe one motivation for being an entrepreneur. Whilst the majority were able to identify a motivation only a minority of learners described it sufficiently accurately to achieve the 2<sup>nd</sup> mark.

**Question 12** Learners were asked to describe how the price of strawberries would be affected by heavy rain severely damaging strawberries being grown in Scotland. A significant number of learners scored full marks, suggesting that supply and demand is now being well taught in many centres.

**Question 13** Learners were asked to Identify two features of flow production. A well answered question with many learners scoring full marks. The most common correct answers seen were

- standardised product / all products are the same or identical
- continuous production / does not stop

**Question 14** Learners were asked to explain, using Maslow's hierarchy of needs, two ways that a business can improve the motivation of its workers. A number of learners made no reference at all to Maslow's theory which resulted in a mark of zero. In some scripts examiners were unable to tell if this was due to a lack of knowledge of Maslow or because learners had not read the instruction in the question carefully enough.

**Question 15** Learners were asked to explain two advantages of being a member of the cooperative. This was not well answered by a significant number of learners as there was an apparent lack of knowledge of the advantages of being a member of the cooperative. The better answer seen by examiners concentrated on advantages such as:

- limited liability
- equal voting rights
- receive dividends

Centres are reminded that all the content of the specification will be examined in the lifetime of the qualification.

**Question 16** Learners were asked to explain two operational issues the manager of the Co-operative new farm shop may have to deal with. A number of learners found this to be a challenging question as they appeared to be unaware of the concept of operational issues. The better answers seen concentrated on issues such as:

- the shop manager would need to manage the stock efficiently
- the shop manager would need to organise staff rotas
- the shop manager would be responsible for health and safety

**Question 17(a)** Learners were asked to Place Cerwen Farm Shop in the correct section of its product lifecycle in the diagram provided. Despite being told that the shop only opened last week a minority of learners placed this in in the Growth stage or Maturity stage.

**Question 17(b)** Learners were asked to explain the impact that opening Cerwen Farm Shop may have had on CFC's spending on advertising. Thus, was well answered, with many candidates scoring full marks by suggesting that:

CFC's advertising expenditure will have increased as CFC needed to raise awareness of this shop / as is a new shop / as is in introductory stage of life cycle

**Question 18** Learners were asked to explain how the two practices of:

- recycling all shop packaging
- using solar panels to generate electricity to run the shop

can contribute to the success of Cerwen Farm Shop. This was generally well answered. A minority of learners limited themselves to 2 marks as they did not deal with the two practices as separate issues.

**Question 19** Learners were asked to analyse whether CFC should use sponsorship of the shirts of the local amateur football team for one season or a leaflet drop to all of the households in Cerwen in the week before the cafe opens in order to raise awareness of its new café. A significant number of learners made the assumption that sponsorship would be more expensive than using leaflets – there was nothing in the stimulus to suggest this. Very few learners scored 4 or marks on this question.

**Question 20** Learners were asked to explain one advantage and one disadvantage to a business (Kipzek Ltd) of operating as a product-oriented business. A number of learners incorrectly assumed that a product orientated business only made one product or service. Others assumed incorrectly that such business also did not provide any after sales service.

The better answers seen focussed on the idea that acting as a product orientated business enables the business to:

- concentrate on what it does best, which can result in the development of better-quality products
- reduces costs as less is spent on market research to find out what consumers want

But ran the risk of:

- Lower sales as the customers may not see a need for what you're selling which reduces sales revenue.

**Question 21** Learners were asked to explain how useful both promotional pricing and price skimming could be for Kipzek Ltd when they first sell their new security light. It is disappointing to still see a number of learners with no grasp of price skimming – these learners suggested this involved charging a low price when introducing a product or service. The better answers seen suggested that:

- promotional pricing would give Kipzek Ltd a short-term advantage as this pricing strategy is time limited

- promotional pricing may mean more sales, but the lower price may mean less revenue (per sale) / lower profit margins
- price skimming would increase their profit margin, as it will involve charging a higher price (AO3)
- price skimming may also suggest high / higher quality which could help increase sales / give higher revenue from each sale

**Question 22** Learners were asked to explain two external influences, other than price cuts by competitors, which may have caused a fall in sales, two years ago, of Kipzek Ltd.'s home security lights. Examiners were impressed with the number of learners who clearly had a good understanding of external influences, A wide range of external factors were seen in scripts. It was noted that some learners referred (correctly) to the pandemic as a possible cause of the fall in sales as workers working from home saw less need for security devices as their homes were seldom uncopied. Some learners failed to score more than 2 marks as they simply stated the named factor "caused a fall in sales" which was part of the question itself – they needed to explain why sales had fallen for higher marks.

**Question 23** Learners were asked to explain the importance of Kipzek Ltd successfully introducing a system of TQM. This is the first time a question, other than a multiple-choice question, has been asked on TQM. Examiners noted that a number of learners had no grasp of this concept. The most common correct answers seen suggested:

- Using TQM Kipzek Ltd is more likely to have products that have zero faults, reducing costs of re-working faulty products which increases efficiency.

**Question 24** Learners were asked to explain how:

- a reduction in corporation tax by 1%
- a small increase in the number of house burglaries in the UK.

may affect Kipzek Ltd and then explain which one of these two changes could have the greatest effect on Kipzek Ltd. It was pleasing to see that the majority of learners understood that corporation tax is a tax on profits. There were many answers in the 3-4 range of marks. Only a minority of learners were able to provide a balanced response as to which change was likely to have the most effect on Kipzek Ltd.

**Question 25(a)** Learners were asked to Explain two reasons why providing good customer service is important for Kipzek Ltd. This was very well answered by many learners. The most common correct answers seen were:

- provides word of mouth promotion, which may result in more customers / increased sales (revenue)
- encourages repeat business / customer loyalty, which may result in increased sales (revenue)
- improves business reputation, helping Kipzek Ltd to increase its market share.

**Question 25(b)** Learners were asked to analyse one impact on the financial position of Kipzek Ltd if these new customer service targets are not met. This was well answered by many learners. Some learners lost marks as their answers did not refer to the financial position of the business which was a key term in the question. The most common correct answer seen by examiners was:

Kipzek Ltd may see falling sales / less repeat custom which will reduce its profits / revenue

**Question 26** Learners were asked to discuss one change that could be made to the product element and one change to the promotion element of the marketing mix to increase the number of customers for the caravan site. Learners then had to explain which one of these two changes could have the greater impact on customer numbers.

Despite the question specifically asking learners to discuss just ONE change to both product and promotion many discussed up to three changes in product. Learners were not penalised for this, and examiners rewarded the best answer seen. However, learners may have wasted valuable time writing answers that were not needed, time which could have been spent in developing a more focussed response. Some good discussions were seen, from a minority of learners as to which change would be most effective, it was also good to see some learners suggesting that improving the product alone would have little impact on attracting new customers unless potential customers were aware of this through improved promotion.

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Chief Examiner: Peter O'Loughlin  
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