Chief Examiner and Chief Moderator Report

NCFE CACHE Level 1/2 Technical Award in Business and Enterprise
603/7004/X

Series: Summer 2024

NCFE Level 1/2 Technical Award in Business and Enterprise (603/7004/X)

Paper numbers: P002438, P002479, P002437

This report contains information in relation to the examined assessment (EA) from the chief examiner and non-examined assessment (NEA) from the chief moderator, with an emphasis on the standard of learner work within this assessment series.

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

Key points:

- grade boundary information
- administering the EA and NEA
- evidence creation
- standard of learner work
- responses to the tasks
- Regulations for the Conduct of External Assessment and the NEA.

The qualification is linear, meaning both assessments must be taken in the same assessment series and cannot be combined across different assessment series. Learners are allowed one attempt at each assessment, and there are no resit opportunities.

Grade boundary and achievement information (V Certs)

This qualification consists of two assessments: the examined assessment (EA) and the non-examined assessment (NEA).

After both assessments are completed and marked or moderated, the marks are combined to give a final mark for each learner. Where the raw marks do not reflect the required weighting of the assessment, a scaling factor is applied. For further information on grading information and scaling factors, please see the Qualification Specification.

Qualification scaled mark boundaries in this series are:

		*Notional boundaries**	
	Overall	*EA*	*NEA*
Scaling factor		*1*	*1*
Max	200	*80*	*120*
Level 2 Distinction*	167	*62*	*104*
Level 2 Distinction	141	*52*	*89*
Level 2 Merit	115	*42*	*73*
Level 2 Pass	90	*32*	*58*
Level 1 Distinction	68	*24*	*43*
Level 1 Merit	46	*17*	*28*
Level 1 Pass	24	*10*	*14*

***** *The grade boundaries given for each assessment are known as 'notional grade boundaries', as they are for illustrative purposes only. Grade boundaries are the lowest mark with which a grade is achieved.*

Administering the EA and NEA

The EA is invigilated and must be conducted in line with our Regulations for the Conduct of External Assessment document.

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

The NEA must be conducted in line with the regulations outlined in the Tutor Guidance Document.

Evidence creation

EA

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.

Where assessments are completed online, centres must ensure they are familiar with the Surpass platform and have completed all testing and preparation before the assessment, to ensure learners are unaffected by technological issues.

NEA

Within the NEA there is often a requirement to create a range of evidence, for example, from recordings, Word documents and pro-formas. In this section there should be comments on the range of responses and evidence seen, issues known, or other comments on the types, quality, or range of evidence seen.

Learners should approach all tasks in the NEA with reference to time requirements and control conditions which can be located within the QSID document pages 78 – 120. Learners should produce evidence to meet each task independently and with no feedback or guidance from tutors during the assessment.

Evidence required for the NEAincluded the preparation and research task, the assessor feedback form, completed tasks, and the NEA checklist. In most cases evidence uploaded was clearly labelled stating the task number and learner details. On occasion additional documents that were not required were uploaded. Appendices accompanying tasks were not always clearly labelled. There were instances where evidence was missing centres are reminded to ensure all required evidence is uploaded using the Learner evidence upload checklists to support.

Learner submissions were predominantly in the form of a word document or PDF which is appropriate for the nature of this NEA. At times evidence was photographed rather than scanned which made it difficult for moderators to read learner work produced and the associated assessor feedback.

Whilst most centres used the correct assessor feedback form and captured marks per marking grid marks awarded were not always captured per AO within the associated marking grid, making it difficult for moderators to understand how marks had been awarded. Identification of AO level marks is important due to the weightings associated with each AO and supports the moderation process as well as clearly identifying to learners how marks have been awarded. The standard of feedback captured varied across centres. Where feedback is captured well, assessors have used key terms from the extended marking grids to match the marks awarded with clear justification for the marks awarded for each task.

Centres are reminded that template documents, word frames and other supporting documents should not be supplied to the learner for the purposes of generating evidence against this assessment. Use of such materials to generate assessment evidence could potentially be considered malpractice. Assessment and Internal Quality Assurance processes should be vigilant for potential plagiarism and internal processes relating to this which should be followed as appropriate.

Standard of learner work

EA

It was encouraging to see that the majority of learners attempted all questions and there was minimal evidence to suggest that learners were unable to complete the assessment in the time provided. There were good examples of detailed responses from learners that were well prepared for the examination, who used business terminology with precision and displayed good skills in terms of analysis and evaluation.

Careful reading of the questions is something that is always recommended and some learners lost marks as they did not answer the exact question set. For example, the final part of question 16 and question 25. In question 25 some learners only discussed the impact on brand image, ignoring the first part of the question about the marketing mix, and therefore unable to access all marks.

There were numerous examples of developed analysis from learners. This was exemplified particularly in answers to question 22 which required learners to analyse a potential impact on a business if the UK government introduced a 25% tariff on raw materials imported from China. Many learners also made genuine attempts, in the 6-mark and 9-mark questions, to draw conclusions and therefore were able to access some of the AO3 (evaluation) marks available in these questions.

NEA

This was the first NEA for the qualification. The assessment consisted of four tasks to be completed by learners over 21 hours. The assessment was marked, and quality assured internally by centres, with a sample of work externally moderated by NCFE.

A total of 120 marks were available across the assessment. Each task was allocated a range of marks placed against stated Assessment Objectives (AO) linked to task focus. In this assessment, AO's 1 to 5 were assessed via levels of response mark grids aligned to each task, with weightings per task varied to reflect the nature of the qualification outcomes.

The range of marks achieved by learners varied across the full range of marks available, suggesting learners have engaged well with the assessment.

Most learners attempted all tasks within the assessment, producing appropriate evidence in most cases. A minority of learners did not submit any evidence, some learners had not attempted all tasks which led to a reduction in marks awarded.

Learners should read tasks in full and respond to all aspects of the task set to provide opportunity to maximise marks achieved.

Responses to the assessments

EA

Question 1
The correct answer was **D** (Owner). This was correctly answered by the majority of learners.

Question 2
The correct answer was **B** (Increasing its brand awareness). This was correctly answered by the majority of learners.

Question 3
Learners were provided with a supply and demand diagram with a range of different prices and required to state which one was the original equilibrium price before the increase in demand. The correct answer was **C** (£0.80). This was correctly answered by the majority of learners.

Question 4
Learners were asked to explain one advantage to PKN, family-owned business that manufactures potato crisps, of operating as a private limited company. The most common answer seen related to limited liability but there were some awardable answers that featured the idea that the business could control who bought shares in the business and therefore were safe from hostile take overs.

Question 5
Learners were provided with information about PKN's cheese and onion crisps and were required to explain the stage of the product life cycle this product was at. The majority of learners correctly identified that this product was at the maturity stage of the product life cycle and most learners provided correct reasons to justify their assertion.

Question 6
Learners were asked to explain one advantage and one disadvantage to PKN from using only primary market research**.** Many learners struggled to achieve more than 2 marks for this 4 mark question as they incorrectly explained the reason why primary research was expensive, and/or took a lot of time rather than how this would be an advantage of disadvantage to the business**.**

Question 7
Learners were asked to suggest two questions that PKN's marketing director might ask its focus group consisting of 20 adults. Many learners provided realistic and sensible questions the marketing director might ask of focus group members. A minority of learners in error asked questions a focus group member might ask of the marketing director.

Question 8
Learners were asked to analyse two appropriate methods of advertising that PKN can use to create awareness of a new 'fun' crisp product, aimed at children aged 5 to 11. The most common answers seen were advertising on TV and advertising using social media. The other medium that was seen and was awardable was the use of billboards. There were good answers that related the chosen medium to the likelihood of the advertising being seen by the chosen target market, 5 to 11year olds. A number of learners suggested methods of promotion, rather than methods of advertising, such as a special offer with toy manufacturers, therefore were unable to be awarded marks. Another common incorrect answer was the suggestion that the business should put up posters or hand out leaflets near schools.

Question 9
This proved to be one of the more challenging multiple-choice questions on the examination paper, with very few learners correctly identifying intranet.

Question 10
This proved to be another challenging multiple-choice questions. Learners overall found this to be the hardest multiple-choice question on the examination paper.

Question 11
Learners were provided with a bar chart and required to state which year would the business have paid out most in commission to its employees. The correct answer was **B** (2021). Most learners were able to achieve marks in this question.

Question 12
Learners were asked to explain one reason why TKL uses batch production rather than flow production in its factory. TKL makes a range of 12 different sandwiches in its factory, and learners struggled to explain one reason why they use batch production rather than flow production, with very few learners receiving more than one mark.

Question 13
Learners were asked to explain one disadvantage to TKL from using internal training for its new production line employees. The stronger answers were focussed on the ideas that poor working practices could be passed on to new employees or that there would be an absence of new ideas being brought into the business. A significant number of learners only scored 1 of the 2 marks as they did explain the impact that this could have on the business. For example, errors in products made.

Question 14
Learners were asked to explain two benefits to TKL from providing good customer service. This question produced a large number of well explained benefits to a business by providing good customer service. A minority of learners lost marks as they suggested customer loyalty as the benefit, but their explanations simply explained what customer loyalty was. For example, customers will come back to your business rather than explaining the benefit to the business. An example of this could be, maintained or increased sales.

Question 15
Learners were asked to explain two disadvantages to TKL from using a system of quality control. Many learners had a limited grasp of the concept of quality control. All too often answers suggested that this would slow down production or required checks to be made at each stage of production. A minority of learners provided awardable answers such as:
- A need to recruit inspectors which increases costs
- Errors only spotted when sandwich is fully made so the source of the fault is not identified
- There are only a sample of finished products checked so faulty products can still reach consumers and damage reputation
- There is a high cost of rework and a high level of wastage which will reduce profit margins

Question 16
Learners were asked to analyse two actions the directors could take to reduce the number of employees leaving and explain which of the two actions is likely to have the least impact on the number of employees leaving TKL, justifying their choice.

A large number of appropriate and sensible actions were suggested by learners such as using job rotation, job enrichment, bonuses, reward schemes, the use of appraisal methods and permanent contracts. Learners generally related these actions to the issues the employees had highlighted as their reasons for leaving the business. The final 2 marks were awarded for an explanation as to which of these actions would have the least impact on the number of employees leaving. A number of learners incorrectly explained which would have the most impact and therefore cost marks.

Question 17
The correct answer was **A** (Employment levels). This proved to be a challenging question for many learners.

Question 18
The correct answer was **D** (Wages paid to factory employees). Very few learners were able to identify the correct response to this question.

Question 19
The correct answer was **D** (An increase in the price of the product it sells). Overall learners were much more confident in identifying price increases of the product as the correct answer, with this multiple choice question performing better than the previous two.

Question 20
Learners were asked to explain one reason why a business produces a business plan.

There were many 1 mark answers seen for identifying a reason such as the need to set goals / targets, to present to a new or potential investor. Only a minority of learners were then able to produce developed answers, therefore access the second mark available, such as:

- To set goals and objectives as to what they want to achieve which can aid decision making / help the business so stay on course
- Those which informs potential investors and / or banks which makes it easier to raise finance / persuade people to invest, which provides capital
- To get a loan so the business can expand, which provides capital

Question 21
Learners were asked to construct an income statement for the business using the appropriate data from a table of data.

This question was not attempted by many learners, suggesting a possible lack of confidence or knowledge in this area. Constructing an income statement is in the Qualification Specification content, as is the need to be able to construct a break-even chart and a cash flow forecast. Even those learners who did attempt this question were rarely able to be awarded marks, indicating a topic for further teaching before the next series.

Question 22
Learners were asked to analyse a potential impact on CR if the UK government introduces a 25% tariff on raw materials imported from China.

Across the cohort there were some excellent, developed answers to this question with learners often producing answers with logical reasoning such as:

- Cost of materials will increase in price, increasing the business variable costs.
- In order to maintain profits margins the business would need to raise prices which would result in a fall in sales as customers switched to competitors.

Question 23
Learners were asked to explain two benefits to CR, other than increased output, if CR's proposed takeover of one of its main competitors, is successful.

Stronger answers, accessing higher marks, suggested that CR would benefit from increased sales resulting in an increase in market share. Other awardable answers suggested that the resulting decrease in competition might allow CR to charge higher prices, or that the business might benefit from a wider range of products, or from the new ideas from the taken over business.

Question 24
Learners were asked to analyse the potential impacts on CR from each of two changes, then to recommend to CR's directors if they should go ahead with both of these changes, justifying their recommendations.

Most learners suggested that the closing of 30 shops would reduce losses made as fixed costs would be lowered such as rent. A minority of learners suggested that 100 redundancies might create uncertainty amongst the rest of CR's employees, leading to demotivated employees or an increase in employee turnover, and where seen these ideas were awardable. Some learners mistakenly suggested the business would benefit from selling the closed shops when the stimulus did state that these were rented, indicating a question comprehension issue. Many learners saw e-commerce as a positive, increasing the business' market reach and therefore sales and/or sales revenue, and were awarded with marks where appropriate.

Question 25

Learners were asked to analyse the impact a plan will have on three elements, other than place, of TDP's marketing mix and then assess the impact of this plan on TDP's brand image.

Some learners only answered the second part of this question, attempting to assess the impact of TDPs' plan to close seaside hotels and modernise their city centre hotels. Some learners ignored both parts of the question and discussed the advantages and disadvantages of this plan without any reference to the marketing mix or TDP's brand image. In both instances learners were limiting their own ability to achieve marks on this question.

The more successful answers looked at price, product and promotion and analysed the impact of the change in the hotels on each of the 3P's. There were some sound discussions of the impact of these changes on TDP's brand image.

Overall this question and the following question were good opportunities for marks but which very few learners were able to access. Overly brief responses, lack of understanding and analysis, and answers lacking depth and detail were significant factors in learners being unable to access higher band marks.

Question 26

Learners were asked to analyse two options and recommend which option the directors should choose, justifying their recommendation.

Overall learners demonstrated a stronger grasp of bank loans than share issues. Whilst many learners discussed the dangers of bank loans in terms of debt and a failure to repay, very few answers were seen that suggested that the interest payments were a fixed costs and would lead to an increase in total costs.

Many learners correctly suggested that bank loans would be quicker to organise than a new share issue and therefore would better fit TDP's plan to start the modernisation programme in 8 weeks' time.

The more successful answers, with regard to a new share issue, centred around the length of time it might take and the danger of losing overall control of the business. Less successful answers suggested that the new shareholders would play a role in decision making which was not awardable.

Again as with question 25 many learners did not give responses of significant level and depth of analysis and comprehension to achieve marks in the highest band.

NEA

Task 1

This task required learners to produce an action plan which included a business summary, identification of key points from the brief and appendices, identification of other relevant information needed with reasons, potential sources of other information and a timeline for the assessment.

Most learners provided evidence in the form of a word document with some learners providing timelines in Excel documents.

Most learners presented work in the correct tense. For example, learners understood they were the business owners. Many learners provided a good summary of the business in this task and demonstrated ability to summarise the information presented in the Project Brief.

Most learners were able to provide a description of the business and its plans for the future identifying key points from the brief. Some learners failed to include reference to what it means to be an entrepreneur. Appendices from the brief were referred to however, conclusions weren't always formed.

Some learners struggled to identify other relevant information and potential sources, where this was identified, there was limited justification. The quality of timelines produced within this task varied.

Task 2

This task required learners to undertake primary and secondary research including qualitative information and quantitative data to inform the business plan. Learners were also required to analyse the research and provide a written justification as to why the research methods were chosen.

Most learners provided evidence in the form of a word document with the inclusion of graphs and charts and included the required internet browsing history / list of websites used for research and planning purposes.

Where learners completed primary research, a number presented their findings as bar and pie charts and provided an analysis of the data. Some learners provided clear justification for the questions asked, detailing how the information gathered could be used to support decision making.

Some learners did not undertake primary research and relied solely on secondary research. Most learners researched Chester and the vegan market and were able to apply knowledge and understanding of research that was useful in terms of informing the business plan.

Most learners were able to identify competitors. The vast majority of learners considered the main competitors, identifying the strengths and weaknesses of each competitor. This information was used by some learners to support decision making.

Learners whilst undertaking research didn't always define the terms primary, secondary, qualitative and quantitative so it wasn't always transparent that these terms were understood.

Elements covered well included competitors, target market, marketing mix, and staffing.

Elements such as operational considerations and finance options which were not always explored.

Task 3

This task required learners to produce a business plan that included executive summary, company description, market analysis, marketing, people and operations and financial plan.

Most learners provided evidence in the form of a word document with the inclusion of some graphs and charts.

Most learners used the headings to structure the business plan. Where learners did not apply this structure, this often was consistent across the moderator sample.

Whilst most learners were able to recall the structure of a business plan, the content varied across learners which was reflected in the marks awarded.

Executive summary and company description
Whilst most learners were able to provide a company description some learners struggled to recall what should be included in an executive summary.

Most learners included company name, product / service provided, and the target market. Learners who performed well also included legal structure and the finance required.

The majority of learners recognised the business was growing and offering an additional take away service at the Chester restaurant.

Market analysis
Learners generally performed well in this section although the focus was predominantly on secondary research where primary research was undertaken it wasn't always linked to this part of the business plan.

Competitor analysis was covered well, those learners achieving higher marks also included SWOT analysis. Target market and labour needs were often referred to.

Some learners whilst able to recall relevant knowledge and understanding were not always able to apply this to the context of the brief.

Knowledge and understanding of job and batch production was demonstrated in addition to location and cost of equipment, reference to suppliers was often weak.

Learner evidence for this task was often seen to be repetition from task 2. Task 2 requires learners to carry out research and analyse why they have used the methods selected. Task 3 requires learners to use the research undertaken to inform their decision making.

Marketing
The marketing mix was covered by learners at all levels and evidence was appropriate in terms of suggestions made that were relevant to the business for example pricing strategies. For example, competitive pricing was referred to.

People and Operations
This section of the business plan was less well attempted. The People aspect was covered more effectively than Operations, for example, reference to skills required and management structure. Where learner responses were more developed reference was also made to training needs. Operations tended to be limited to production methods, for example, job and batch production.

Financial plan
Most learners attempted this section of the business plan.

Evidence produced was not always translated to the business. Learners often used appendices with a lack of consideration to start up and running costs. Most learners referred to the additional income generated by the additional take away service at the Chester restaurant.

Some learners calculated retained profits from the Manchester branch based on appendices and commented on how this would be reinvested into the Chester branch.

Some learners did not evidence a range of technical skills in the finance section of the business plan, for example in the production and calculations of financial documents.

Task 4

This task required learners to evaluate their preparation for business planning and the final business plan, reviewing each stage of the project, considering areas of strength and areas for improvement.
Most learners provided evidence in the form of a word document.

The majority of learners produced honest reflections, but some struggled to provide improvements. Learners did not always use the headings within the task to help scaffold their response.

Some learners did not keep the focus of their response to the business plan. It would be beneficial to refer to the mark scheme for guidance on how to access higher marks.