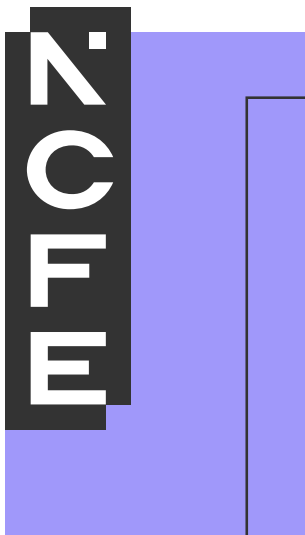




Chief Examiner and Chief Moderator Report

**NCFE Level 1/2 Technical Award in Business
and Enterprise
QN: 603/7004/X**

Series: Summer 2025

EA paper number: P002836, P002837

NEA paper number: P002838

EA assessment date: 16 May 2025

NEA assessment date: 30 April 2025

Introduction

This report contains information in relation to the examined assessment (EA) from the chief examiner and non-exam 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 examined assessment (EA) and non-exam assessment (NEA)
- evidence creation
- standard of learner work
- responses to the assessments

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 information

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

	Overall	Notional boundaries*	
		EA	NEA
Scaling factor		1	1
Max	200	80	120
Level 2 Distinction*	166	61	104
Level 2 Distinction	140	51	89
Level 2 Merit	114	41	73
Level 2 Pass	89	32	57
Level 1 Distinction	67	25	42
Level 1 Merit	46	18	28
Level 1 Pass	25	11	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 examined assessment (EA) and non-exam assessment (NEA)

The EA is invigilated and must be conducted in line with our [Regulations for the Conduct of External Assessment](#) document. The NEA is moderated and must be conducted in line with our [Regulations for the Conduct of NEA – Non-Exam 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.

Evidence creation

Examined assessment (EA)

Learners should use the space provided to answer questions. Where answers are typed or additional pages included, the learner's 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.

Non-exam assessment (NEA)

Learners must complete all NEA tasks in line with the time constraints and control conditions. Learners should complete each task independently, without receiving feedback or guidance during the controlled assessment. Centres are reminded that all learners should be given access to the full time available to complete the assessment, reflections in some learner work suggested this was not always the case.

The required NEA evidence includes the preparation and research task, the assessor feedback form, completed tasks, and the NEA checklist. In most cases, uploaded evidence was clearly labelled with the task number and learner details. However, there were instances where unnecessary documents were submitted, and some appendices were not clearly labelled. In a few cases, required evidence was missing. Centres are reminded to ensure that all necessary documentation is uploaded and clearly identified.

Learner submissions were typically provided as Word documents or PDFs, which are appropriate formats for this assessment.

Whilst most centres used the correct assessor feedback form and recorded marks per marking grid, marks were not always clearly attributed to each assessment objective (AO). This made it difficult for moderators to understand how marks were allocated. Clearly identifying AO level marks is essential due to the specific weightings of each AO and helps both the moderation process and learners' understanding of their performance. The quality of feedback varied across centres. Where feedback was strong, assessors used key terms from the extended marking

grids and provided clear justifications for the marks awarded for each task, including personalised feedback to learners based on the evidence produced.

Centres are reminded that learners must not be provided with templates, word frames, or other support materials for the purpose of generating assessment evidence. The use of such materials may be considered malpractice. Assessment and internal quality assurance processes should be vigilant for potential plagiarism, including the use of AI, and follow internal procedures accordingly.

Standard of learner work

Examined assessment (EA)

The quality and standard of work varied both between and within centres.

There were some high-quality responses which demonstrated excellent business knowledge, used good business terminology and demonstrated both analytical and evaluative skills.

Some learners did not appear to fully understand the command term 'discuss' and often produced answers that were descriptive in nature to questions using this command term.

Non-exam assessment (NEA)

The assessment comprised of four tasks, to be completed by learners within a 21-hour timeframe. It was internally marked and quality assured by centres, with a sample of work externally moderated by NCFE.

A total of 120 marks was available across the assessment. Each task was allocated a range of marks placed against stated assessment objectives (AOs) linked to task focus. In this assessment AOs 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.

Learner achievement spanned the full range of available marks, indicating engagement with the assessment overall.

Outcomes for learners have improved compared to last session. Data suggests learners have performed better in task 1 averaging band 3, with tasks 2 and 3 averaging at band 2 / band 3 and learners performing less well in task 4 averaging band 2. Overall tolerance levels have increased suggesting increased familiarity with the mark scheme.

The majority of learners attempted all tasks and provided appropriate evidence. A minority of learners either failed to submit any evidence or did not complete all tasks, which resulted in a reduction in marks awarded.

Learners are encouraged to read each task thoroughly and respond to all elements to maximise their opportunity to achieve the highest possible marks.

Responses to the assessments

Examined assessment (EA)

Question 1

This was correctly answered by many learners.

Question 2

This was correctly answered by most learners.

Question 3

This was correctly answered by most learners.

Question 4

Learners were asked to state two advantages of operating a business as a partnership. Many learners achieved at least one mark with many two-mark answers seen. The most common correct answers seen included:

- access to more finance
- access to additional / different skills
- shared workload / responsibility
- shared decision making

A common incorrect answer was to state that partnerships benefited from limited liability.

Question 5

Learners were asked to explain the star section of the Boston Matrix in relation to ZQL. Some learners lost a mark as they made no reference to ZQL in their answers. Two-mark answers explained that ZQL operated in a growing market as demand for a wash and blow dry service was increasing each year, and ZQL's ownership of more salons than its competitors suggested they had a high market share.

Question 6

Learners were asked to explain one reason why ZQL's face to face interviews may produce unreliable data. Most learners scored at least one mark as they were able to suggest a reason why the interviews may have produced unreliable data. The most common two-mark answer seen was that the sample interviews may not be representative of ZQL's full customer base as only those under 30 were interviewed.

Question 7(a)

Learners were asked to identify three factors, other than transport links, that ZQL should consider when deciding on a new location.

A wide range of responses were seen and the most common correct answers awarded included:

- cost / rent of premises

- income of local population
- number of competitors
- customer location
- target market
- supplier location

Question 7(b)

Learners were asked to discuss the importance of transport links for ZQL when considering a new location for a salon. This saw some good responses to 'discuss' questions on the examination paper. The better answers seen suggested that if transport links are poor in the new location, then potential customers may go to competitors which may reduce ZQL's sales and the success of the salon in the new location. Other rewardable answers included references to employees and their ability to get to the new salon.

Question 8

Learners were asked to explain two advantages to ZQL using social media as their main method of promotion. Detailed answers were seen from most learners. The better answers seen included:

- social media is a low-cost / free method of promotion for special offers which will result in keeping ZQL's costs to a minimum.
- social media will raise awareness of the weekly offers / will increase sales as 99% of ZQL's customers use social media.

Some learners lost development marks as they did not explain the benefit they identified. Examples of two-mark answers seen included:

- social media being a low-cost medium would have a positive impact on total costs.
- by being able to direct their offers to 99% of their customers then take up of special offers would increase, leading to more sales revenue.

Question 9

The correct answer was D, reduced unnecessary waste. This proved to be a challenging multiple-choice question for some learners.

Question 10

The correct answer was C, self-actualisation. This proved to be a challenging multiple-choice question for some learners, with D (working conditions) as the most often seen incorrect answer.

Question 11

The correct answer was C, repeat business data. This question had the lowest correct response rate of any multiple-choice question on the paper.

Question 12

Learners that had a good understanding of just-in-time (JIT) often scored full marks on this question. Common correct answers seen included:

- reduced warehouse costs
- may be unable to meet demand / may run out of stock
- prevent product obsolescence / products less likely to become spoiled / out of date
- reduced waste
- increased efficiency

Very few learners suggested other correct answers such as:

- improved cash flow
- less cash tied up in stock / inventory

Question 13

A number of learners stated advantages that would apply to any form of training, internal or external and therefore lost marks, for example just stating 'will increase worker skill levels'.

Learners that focussed on the internal aspect of the question usually scored one mark for the impact on training costs but very few two-mark answers were seen. Only a minority of learners suggested that internal training was better as the training is directly relevant to the business.

Question 14(a)

Learners were asked to explain one advantage to the business of using online job websites to fill the marketing manager vacancy. This question was a challenge for many learners. Answers often suggested that online job websites were an advantage as everybody these days uses the internet, which were not awardable. Some learners correctly suggested that using online websites would increase the potential number of applicants / reach a larger pool of job seekers, but often learners did not earn a second mark as they did not explain that this would increase the chances of the business finding a suitably qualified marketing manager.

Question 14(b)

Learners were asked to discuss a method of external recruitment, other than online job websites, the online food delivery business could use to fill vacancies. This proved challenging for some learners. Weaker answers suggested posters, leaflets and shop windows as methods, which were not appropriate. Where learners suggested appropriate methods, the answers provided were often descriptions of the method, for example headhunting, rather than a discussion of the method and therefore were awarded zero marks.

Question 15

Learners were asked to explain one advantage and one disadvantage of Slice Haven using flow production to make its pizzas. This proved challenging for most learners, with very few scoring more than two marks. Questions relating to methods of production, such as batch and flow, have been asked previously and it is an area of the course that learners appear to find challenging. In terms of the advantages the most common correct answers were about speed of production but were seldom developed to earn the second mark. Answers for the disadvantage tended to be weaker, but awardable answers that were seen included:

- may be difficult to provide a wide range / choice of pizza
- if one machine breaks down the whole production line stops

However, these answers were rarely developed to access the second mark.

Question 16

Learners were asked to explain one advantage of Slice Haven using quality assurance to maintain the quality of their pizzas.

This is another area that learners have found challenging in the past and this was repeated this year. Too many answers related to the idea that quality assurance would ensure high quality or improved quality and were not awardable. The better answers seen included:

- quality assurance systems can mean there is little reworking of pizzas needed or less pizzas thrown away which reduces costs
- the business will receive less complaints which otherwise could damage the business' reputation

Question 17

Some of the answers seen described external training rather than discussing it and so were not awarded any marks. Some answers seen did fit the command term 'discuss' and such answers suggested that external training was needed because it would be delivered by experts which would help employees gain the necessary skills more efficiently. Very few answers were awarded three marks by examiners.

Question 18

The correct answer was D, target market. This proved to be a challenging question for many learners.

Question 19

The correct answer was C, merging with another business. The most common incorrect answer seen was B, entering new markets.

Question 20

The correct answer was D, opening balance. The most common incorrect answer seen was C, gross profit.

Question 21

Learners were asked to state two diseconomies of scale a business may face as it expands.

This is another area of the specification that learners appear to find challenging. Learners that understood the concept usually scored 2 / 2 marks with answers such as:

- control
- coordination
- communication

However, a significant number of learners scored zero marks on this question.

Question 22(a)

Learners were asked to calculate the current ratio for 2024 from data provided in a table.

The formula for the calculation was provided. Many learners scored full marks for an answer of 1.25:1.

Question 22(b)

Learners tended to score either zero marks or one mark on this two-mark question. Many were able to suggest that changes in sales or costs might affect liquidity from one year to another, but very few went on to explain this in terms of cash inflows or outflows and therefore did not access the second mark.

Question 23(a)

Learners were asked to identify one impact on Twiggs if the bank increases interest rates on the bank loan Twiggs was planning to use to replace inefficient equipment.

This was well answered by many learners. The most common correct answer seen was:

- this would increase their monthly loan payment

It was pleasing to see other correct answers suggested such as:

- this would reduce profitability
- this would increase the business' fixed costs

Question 23(b)

Most learners were able to determine that Twiggs' retained profits would fall. The better answers used the stimulus provided to explain that this reduction in retained profits would mean that Twiggs might struggle to meet its plan to replace inefficient equipment.

Question 24(a)

Most answers identified by learners were economic external influences, very few suggested other external influences such as changes in fashion and trends.

The most common correct answers seen included:

- interest rates
- unemployment levels
- named taxes, for example, VAT and corporation tax
- inflation

It was interesting to see tariffs correctly identified by a significant number of learners – this is likely to be because of tariffs being frequently in the news.

Question 24(b)

Generally, this question was well answered by many learners who correctly suggested that the business would have to raise wages paid and this would increase costs. Weaker answers suggested the business could not afford the rise and would have to close down, which was not awardable.

Question 25(a)

It was pleasing to see many learners scored at least one mark on this two-mark question. The most common answer seen was mergers. The other correct awardable answer was takeovers / acquisitions.

Question 25(b)

This is the first time the command term 'give' has been used and learners appeared to see it as an alternative to 'state' / 'identify' and wrote brief answers. The most common awardable advantage seen was increased sales and the most common disadvantage seen was that profits would have to be shared.

Question 25(c)

This question targeted AO3 but many learners made unsupported, simple recommendations and as a result did not score any marks. Better answers seen included answers such as:

- Twiggs should enter into the joint venture as the market in Germany is growing and this method would allow Twiggs to move quickly into the market. If the dog food sells well in Germany, then Twiggs will gain a reputation over the 3 years and can then 'go it alone' keeping all the profits.

Question 26

Most learners correctly identified at least two relevant stakeholder groups and many identified three.

The stakeholders most identified were:

- employees
- owners
- customers
- suppliers
- local community

Analysis of the impact on employees and customers was often detailed and accurate. Some learners confused employees and local community and repeated points already made about employees in their analysis of the impact on the local community. The least well analysed stakeholder group was owners. Learners often confused owners with the business managers when the owners of this company are the shareholders.

Question 27

Learners generally wrote in greater detail about buying parts from China than about overdrafts. A minority of learners appeared to have little understanding of the advantages and disadvantages of an overdraft.

Good discussions were seen of the possible impact of poor-quality parts on business reputation and the impact of tariffs on the price the business had to pay to purchase these parts.

A key part of the stimulus stated that the cash flow problem was predicted to only last 6 months and this was ignored by some learners – the brevity of the cash flow problem could have been used to argue that the use of an overdraft was the safer option, avoiding possible damage to the business reputation if the alternative was chosen.

Non-exam assessment (NEA)

As detailed in the NEA brief, research and data must be referenced appropriately. Sources of information were not always identified by learners. Learners must, as a minimum, include use of quotation marks to identify passages not of their own words, name of source / author and the data accessed (websites only).

Some learners misinterpreted the information provided in the brief in that the new workshop would be a retail shop in Norwich. The brief stated that the new e-bikes would be sold online.

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 and a timeline identifying the key dates each task would be completed.

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

The vast majority of learners presented work in the correct tense, for example, 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 were not always formed.

Some learners struggled to identify other relevant information needed.

The quality of timelines produced within this task varied. Some learners misunderstood the timeline element of this task and completed this in relation to the expansion of the business rather than completion of the NEA tasks.

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.

Learners, whilst undertaking research, did not always define the terms primary, secondary, qualitative and quantitative, making it difficult to determine whether these terms were understood.

Some learners did not undertake primary research and relied solely on secondary research.

Where learners completed primary research, a number presented their findings as bar / 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 used data from the USA e-bike market to predict growth. The use of data from the UK would have been more appropriate to support the expansion of JP Bikes Limited (JPB).

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.

Where learners performed well, they have produced a written report which includes research, qualitative and quantitative data, analysis of the primary and secondary research collected that meets the requirements of the project brief and includes justification as to why the research methods were selected.

Where learners have performed less well, they have not completed sufficient research to fully complete the task. Learners have not included both qualitative and quantitative data.

Key areas that were covered well included competitor analysis, identification of the target market, the marketing mix, and staffing requirements. However, operational considerations and financial options were less thoroughly explored and often lacked sufficient detail.

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 as detailed in the NEA brief, for example, executive summary, company description, market analysis, marketing, people and operations, and financial plan.

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.

Where learners performed well, they have used the research completed in task 2 to support decision making in task 3.

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.

Some learners interpreted the brief accurately, for example, manufacturing of e-bikes to expand their offer and grow the business, sales made via the company website, job production will be used, a just-in-time method of stock control is in place and finance is required to support the plan to take place.

Market analysis

Learners generally performed well in this section, although the focus was predominantly on secondary research.

Learners considered potential suppliers, the target market and the competitive environment when discussing market analysis.

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

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 decision making.

Marketing

The marketing mix was covered by the majority of learners considering all elements of the four Ps in the marketing section of the business plan.

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 training needs. Learners did not always consider methods of production and distribution.

Financial plan

Most learners attempted this section of the business plan. Evidence produced was not always translated to the business.

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.

Where learners performed well, they produced financial documents, such as break-even graphs and predicted income statements. Learners used information provided in the brief to predict if the business would be a success. Financial plans included start-up costs, running costs, fixed and variable costs, projected income statements and break-even calculations.

Learners who performed less well did not produce financial documents such as break-even graphs and predicted income statements. Learners did not make full use of the information provided in the brief to predict if the business would be a success.

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.

Where learners performed well, they completed all elements of the task, such as evaluated preparation of business planning and the final business plan, reviewing each stage of the project, considering strengths and areas for improvement. They used the minimum consideration points, as detailed in the task, to scaffold their evaluation, considering the accuracy of the business summary, the accuracy of the timeline, whether their research was effective, which sections of the business plan were most difficult to complete and why, and what improvements could have been made. This was an effective strategy which supported the learners to produce a complete evaluation and review.

Some learners produced brief reviews, evaluations lacked considered reflections which identified sensible and suitable areas for improvement. Reflections were generic and lacked detail to support future changes.