

NCFE Level 3 Applied General Certificate in Business and Enterprise (601/8908/3)

Assessment date: 22 March 2023

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.

NYA	Level 1 Pass	Level 1 Merit	Level 1 Distinction
0	29	45	62

Grade boundaries represent the minimum raw mark required to achieve a certain grade. For example, if the grade boundary for the Pass grade is 29, a minimum raw mark of 29 is required to achieve a Pass.

Level 1 Pass	Level 1 Merit	Level 1 Distinction
175	210	289

** 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.*

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 materials 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

There were examples of very detailed answers, which required the use of additional sheets, and which scored high marks.

The majority of learners attempted to answer all questions in the paper.

There were some excellent answers to individual questions which demonstrated that those learners not only had embedded knowledge of the subject but had also developed analytical skills.

When setting the grade boundaries, account was taken of potential 'learner loss' and skills development due to the impact of the pandemic on learner attendance rates.

Evidence creation

Learners should use the space provided to answer questions. Where answers are typed or additional pages are 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.

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 of 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 to the tasks within the sections of the external assessment paper

Question 1 (a)

Learners were asked to identify which one of four possible answers was a feature of a private limited company.

The correct answer was A (The business has a legal obligation to submit financial accounts to Companies House).

Question 1 (b)

This question required learners to explain two advantages and one disadvantage of operating in a niche market. The majority of learners were able to identify two advantages and one disadvantage. Some learners found it more challenging to go into the detail needed to turn these answers into two-mark responses.

The better answers suggested for advantages:

- less competition than mass markets (AO1) so can be easier to gain market share (AO2)
- can charge a higher price (AO1) allowing for increased profit margins (AO2)

In terms of disadvantages, the better answers suggested that as the business operates on a smaller scale there are fewer opportunities for economies of scale (AO1), therefore the business cannot cut costs per unit (AO2).

Question 1 (c)

This question required learners to

- analyse the advantages and disadvantages of the decision to increase the span of control of the existing team leaders
- discuss if the directors are correct in choosing option B rather than option A
- justify their answer

The majority of learners displayed a good grasp of the concepts of the span of control and chain of command. Learners often made detailed use of the stimulus provided with very few generic answers.

The better answers suggested that choosing option B (Keep the existing flat structure, increase the span of control of each team leader from three to five, and do not appoint an assistant factory manager) was the better option as it would keep costs low and not lengthen the chain of command but recognised that team leaders may feel overworked and not be able to fully monitor the quality of work of the skilled workers they supervised.

Question 2 (a)

Learners were asked to identify which one of four possible answers described the term 'patent'.

The correct answer was D (The right to be the only user or producer of a specified product or process).

Question 2 (b) (i)

Learners were asked to identify which letter in the Tannenbaum and Schmidt model shown in Figure 2 best describes this type of leadership.

The correct answer was E. This proved a challenging question for some learners.

Question 2 (b) (ii)

Learners were required to explain the possible impact of using a democratic style of management on two internal stakeholders of Mascose Bedding Ltd. The majority of learners explicitly identified two internal stakeholders.

The common answers that were seen related to employees and managers and suggested:

- employees (AO1) are consulted on issues and therefore feel important/are more motivated (AO2)
- factory managers (AO1) can benefit from a wider range of ideas from employees (AO2)

Some learners suggested that the democratic style might make managers' jobs more challenging as they had to consult employees more – this was a rewardable answer.

Question 2 (c)

Learners were required to:

- suggest three possible extension strategies, other than lowering the price, that the company could use to make sure sales remain high
- explain how each of the strategies could maintain sales of the Buttercup mattress
- advise the directors of Mascose Bedding Ltd. on which of the three extension strategies they should use
- justify their answer

The majority of learners were able to identify and discuss at least two extension strategies.

Rewardable answers that were seen included:

- increased advertising (AO1) to raise awareness of the Buttercup mattress so it is fresh in the customer's mind when they shop for a new mattress (AO2)
- Mascose Bedding Ltd. could look for new markets for its beds (AO1) such as the under 36s as they are not currently the target market (AO2)
- Mascose Bedding Ltd. could extend its product range (AO1) to include the Californian king size which could attract more customers as only one other mattress manufacturer offers this (AO2)

Answers that suggested changes to packaging were not rewarded as it was viewed that customers for mattresses will not be influenced by packaging and if visiting a showroom will not see the packaging used for delivery of the product.

Learners generally found it challenging to earn the evaluation (AO3) marks. A minority of learners did focus on the potential costs of a strategy, and this was rewardable, Learners did not focus on the long-term impact of the strategies they had suggested which could have been a route to achieve higher AO3 marks.

Question 3 (a)

Learners were required to identify, from a list of four answers, which one would not add value to a product or service.

The correct answer was D (Reworking defective products).

Question 3 (b)

This required learners to explain one advantage and one disadvantage which may result from Mascose Bedding Ltd. changing contracts from permanent full-time to zero-hours.

Learners generally applied the advantage and disadvantage quite accurately, but a number did not use the stimulus and therefore were not awarded application marks such as:

- industry costs are rising
- there are some days when the drivers have very little to do

Question 3 (c) (i)

This question required learners to identify one profitability ratio for the directors of Mascose Bedding Ltd. to monitor the company's performance.

The possible correct answers included:

- return on capital employed
- net profit margin/net profit percentage
- gross profit margin/gross profit percentage
- profit margin

A number of learners could not name a profitability ratio and common errors were to name liquidity ratios such as the current ratio or acid test ratio.

Question 3 (c) (ii)

This 8-mark question required learners to evaluate the liquidity position of the business using the acid test ratio for the years 2021 and 2022.

There were a number of high-quality answers to this question. Learners calculated the acid test ratios for the 2 years accurately and then drew valid judgements

For example, the ratio in 2021 suggested that the business could pay all its current liabilities and had £1.02 for every £1.00 it owed, even if it could not sell its stock. However, in 2022 the business would not be able to pay all its current liabilities as it had only 94p to pay its current liabilities if it could not sell any stock.

Question 4 (a)

This question required learners to choose from a list of four possible answers which was an example of a short-term business objective.

The correct answer was B (Business survival).

Question 4 (b)

This question required learners to identify and explain three reasons why writing a person specification is an important part of the recruitment process.

Many candidates were able to identify and accurately explain two reasons why a person specification was an important part of the recruitment process and the most common answers seen were:

- it helps when writing a suitable job advert (AO1), increasing the chances of receiving suitable applications (AO2)
- it informs potential applicants about the skills and qualifications needed for the job (AO1) reducing the number of unsuitable applicants from applying and saving the directors time (AO2)

Other answers that could have been provided but were not seen included:

- it provides a template for transparent decision-making during the selection process (AO1), reducing the chances of unlawful discrimination taking place (AO2)
- all candidates will be tested against the same list of priorities (AO1) which helps remove bias, prejudice and personal interest (AO2)

Question 4 (c)

This question required learners to:

- analyse the advantages and disadvantages to Mascose Bedding Ltd. of selling its mattresses online
- recommend if the board of directors accepts Chloe's suggestion
- justify their recommendation

Most learners were able to explain at least one advantage and one disadvantage to be gained from selling mattresses online. Learners generally made sound use of the stimulus provided and therefore were able to earn the two available application marks. In terms of deciding and justifying whether or not Mascose should sell online, many learners simply repeated points already made and therefore did not earn any AO3 marks.

Question 5

Learners were required to:

- discuss whether the directors should accept or reject the order from a chain of small hotels to supply 500 mattresses
- justify your recommendation

The majority of learners were able to explain one reason for accepting the order and one reason for rejecting the order. In terms of the reason for accepting the order, many candidates suggested it would increase revenue and spread risks. A sound use of the stimulus allowed some learners to earn two application marks. In terms of rejecting the order the most common answer seen was that it could damage relations with existing customers as delivery times will be increased by two weeks.

Many candidates did not fully develop such answers and therefore missed out on analysis marks.

Learners that wrote 'this could damage relations with existing customers (AO1) as delivery times will be increased by two weeks' (AO2 APP) did not then explain that this could make them less competitive (AO2 AN) and therefore lose market share (AO2 AN).

In terms of the three evaluation marks available, there was no correct answer – learners could have argued that either accepting or rejecting the order is the better decision. Very few learners provided responses that justified the award of marks. Many simply repeated points made (and rewarded) earlier.

Question 6

This question required learners to:

- evaluate the possible impacts of two threats on Mascose Bedding Ltd., these threats were:
 - the possible shortage of skilled workers
 - a slowdown in the economy
- explain which of the two will have the most impact
- justify their answer

There were some well-crafted answers that evaluated the possible impact on Mascose from both threats. Learners generally made a clear link between a slowdown in the economy and income levels and used this to explain the potential fall in demand for what was essentially a luxury item (hand-crafted mattresses). Some learners made good use of the stimulus to identify a potential shortage of skilled workers by linking the time it takes to train an apprentice to forecast that 50% of Mascose Bedding Ltd.'s highly skilled workers are due to retire in the next 4 years.

In terms of evaluation, very few learners identified that Mascose Bedding Ltd.'s competitors will also be subject to the effects of the economic downturn and that therefore the labour supply issue may be more of an issue as other businesses are unlikely to lose so many of their own skilled workers in four years' time.