

Level 3 Applied General Certificate In Business and Enterprise 601/8908/3

March 2022

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	Pass	Merit	Distinction
0	30	46	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 25, a minimum raw mark of 25 is required to achieve a Pass.

*Pass	*Merit	*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 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 of the work varied both across centres and within centres. There were examples of very detailed answers, which required the use of additional sheets, and which scored high marks. However, a number of learners appeared to have significant knowledge gaps and produced answers that scored very low 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 developed both analytical and evaluative skills.

Learners appeared to have both knowledge gaps and underdeveloped skills in terms of structuring answers on the higher tariff questions.

When setting the grade boundaries account was taken of potential “learner loss” due to the impact of the pandemic on face-to-face teaching.

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

Question 1 (a)

A significant number of candidates could not correctly identify a bakery's current assets. The correct answer was C – Flour and other ingredients.

Question 1 (b)

This question required learners to explain one advantage and two disadvantages of a business choosing to operate as a partnership. Most learners could identify an advantage and at least one disadvantage. There were a number of good answers that scored 5/6. However, some answers lacked development as the learners stated an advantage or disadvantage but did not explain either in the detail needed to be awarded additional mark.

Question 1 (c)

This question required learners to use Herzberg's motivation theory to discuss three courses of action the business was considering to improve staff retention. A number of learners appeared to have no grasp of Herzberg and therefore scored 0/9 marks. This impacted the average mark achieved on this question. Some learners were able to apply Herzberg concepts but concentrated on the impact on motivation without linking this employee retention.

Question 2 (a)

Learners were required to identify a business' financial objective. The correct answer was C – a reduction in fixed costs.

Question 2 (b)(i)

Learners were required to identify two cash outflows, other than salaries and ingredients from a cash flow forecast. Most learners scored at least 1 mark. Some answers were too vague such as "bills" and "payments".

Question 2 (b)(ii)

Learners were required to calculate 3 missing values from a provided cash flow forecast. A minority of learners did not attempt this question.

Question 2 (c)

Learners were required to explain one way a named business could improve its cash flow. There were accurate and well explained answers from some learners. Some learners lost a mark as they did not explain how their suggestion would improve either cash inflows or reduce cash outflows. Some learners confused profit with cash flow. This a topic that needs to be revisited in some centres.

Question 2 (d)

Learners were required to discuss 3 alternative named sources of finance for the purchase of new bakery equipment. Learners that had a good grasp source of finance produced satisfactory discussions of bank loans and retained profits but tended to have less grasp of leasing as a source of finance. The better answers made good use of the stimulus provided.

Question 3 (a)

Learners were required to identify, from a list of four answers, the item which would be found in an income statement. The correct answer was C – sales revenue. This was not well answered by a significant number of learners.

Question 3 (b)(i)

This required learners to calculate the net profit margin on a “white tin loaf”. Very few 3-mark answers were seen. Many learners were able calculate the mark up (40p) but had no grasp of how to use this to calculate the net profit margin and thus scored 1/3 marks.

Question 3 (b)(ii)

This required learners to calculate a new selling price if the business adopted a 40% markup, very few full mark answers were seen and many learners had no grasp of how to calculate markup.

Question 3 (c)

This 9-mark question required learners to discuss the suggestion that the bakery business should move to a more decentralised structure. There were some high-quality answers which demonstrated a good grasp of the benefits in terms of motivating managers, making use of local knowledge and then presented a balanced view by examining the possible disadvantages. A minority of learners appeared to have no grasp of the concept of decentralisation.

Question 4 (a)

This question required learners to calculate the price elasticity of demand (PED) for a product from given data. Many learners chose the answer A (0.5) which suggests they had the formula for calculating PED “upside down”. The correct answer was B – 2.

Question 4 (b)

This question required learners to explain one advantage and two disadvantages for the bakery using a just-in-time system of stock control. There were some excellent answers which scored 5 or 6/6. Some learners suggested that this might damage the business’ relationship with its suppliers without any rational explanation as to why such damage might occur. Such answers were not credited.

Question 4 (c)

This question required learners to explain the advantages and disadvantages of two methods of recruitment, other than internal recruitment. This question produced the weakest answers on any of the four 9-mark questions. Some learners examined the use of interviews rather than focussing on external methods of recruitment. Learners that did discuss external methods tended to concentrate on the use of newspapers and online employment sites. Very few learners considered the use of “head-hunters”.

Question 5

Learners were required to consider how the price and promotion elements of a new bakery product might be affected by four bulleted items. This proved a challenging question for many learners. Learners generally did make solid attempts to use the data from the stimulus and therefore did produce contextualised answers. Some learners did name a pricing strategy the business might use such as penetration pricing or price skimming and there were good justifications explaining as to why either of these might be appropriate. Very few learners scored more than half marks on this question.

Question 6

This question required learners to discuss if expansion via franchising or conversion to a private limited company should be the preferred route. It was disappointing to see some learners had only a weak grasp of franchising. Very few suggested franchising had merits in terms of speed of expansion and reduced costs. Only a minority of learners alluded to franchisees need to buy a franchise and therefore providing the franchisor with capital. In terms of considering if conversion to a private limited company might be more appropriate some learners did not consider if this approach would raise sufficient funding. Nor did many learners explain if this method might not be quick enough to double sales within 3 years. A number of learners compared Ltd with PLC which was inappropriate in this context.
