General Certificate of Education

Business Studies 1131

BUSS1   **Planning and Financing a Business**

Report on the Examination

2010 examination - January series

General Comments

Students appeared to understand the case study well and this enabled them to apply their understanding of Business Studies in the context of a novel situation. The paper was accessible to the vast majority of students, although some of the calculation questions were not attempted by some students. Time constraints did not appear to be an issue, with many students producing their best answers on the final question.

Question One

(a)   This question was generally well-answered, although some students tried to describe the concept by indicating what it was not, rather than what it was. On the whole, students recognised the distinction between qualitative and quantitative market research.

(b)   This question was generally well-answered but a significant minority calculated contribution per unit rather than total contribution.

(c)   In part (i) a number of students assumed that the opening balance would be zero, without considering the actual figures provided. The main issue on this question was the fact that many students experienced difficulties in using negative numbers in calculations.

(d)   There were many excellent answers to this question but rather more candidates found the question too challenging. Quite a few candidates appeared not to have a calculator and lost marks because, although they seemed to know what to do with the numbers, they were not able to work out the correct answer.

(e)   Most students showed a sound understanding of patents and were able to explain the benefits in generic terms. However, relatively few drew upon the information in the case study in order to apply their arguments to *Love Wood*. Consequently, relatively few students earned top marks for this question.

Question Two

Most candidates provided definitions of the key terms at the outset of their answers, an approach that usually paid dividends.

(a)   There were some good answers to this question, with some excellent analysis. Most students recognised the seasonal nature of the business in their application, although other sources of application were not generally incorporated into the answers. Some candidates interpreted 'permanent' and 'temporary' staff as 'full-time' and 'part-time' or 'casual' staff. As a consequence, there was considerable variance in the quality of definitions for this question.

(b)   There was a good understanding of the differences between sole traders and private limited companies, although many students incorrectly used 'plc' rather than 'ltd' within their answers (– in fact 'plc' appeared to be used more than 'ltd', despite the case study using 'ltd'). Many candidates produced textbook answers that showed excellent analysis but little or no application. The very best answers tended to be those that used the context of the case effectively in responding to the question.

(c)   This provided a wide range of responses. Students who analysed the numerical data provided were able to produce some incisive responses (that answered this question well), although arithmetic mistakes occasionally detracted from the quality of response. Many students confused cash flow and sales revenue. Many students did not really use the evidence provided in order to support their judgements, merely asserting that objectives would (or would not) be reached. Some students focused on advising how the objectives could be reached, rather than whether or not they could be achieved. Many answers showed evaluative skills throughout the response and scored well.

Summary

Overall, this paper proved to be more challenging than earlier papers (as expected). The main areas for development are:
- care being taken in calculation questions involving negative numbers
- precise measurements should be indicated in numerical answers
  (eg market size = £9.375 million (not 9.375 or 9.375% or 9.375 million)
- recognition that evaluation should be based on the needs of the question and does not necessarily involve advice to the business owner.
- recognition that application is important in all of the questions requiring explanation. It has been noticeable that in all three BUSS1 papers to date the quality of application has generally improved as the paper has progressed, with the answers to question **2(c)** consistently showing higher application skills than earlier questions. Although this might relate in part to the questions set, it does also suggest that candidates are spending more time on studying the information in the case study towards the end of the examination, perhaps when they have realised that they have sufficient time to do this.

Mark Ranges and Award of Grades

Grade boundaries and cumulative percentage grades are available on the Results Statistics page of the AQA Website.