

NCFE Level 1/2 Technical Award in Business and Enterprise (603/2955/5)

Assessment date: 22 March 2019

Paper Number: P001042

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:

- grading 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	Level 2 Pass	Level 2 Merit	Level 2 Distinction
0	16	22	29	36	47	59

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.

Maximum UMS Score*	Level 1 Pass	Level 1 Merit	Level 1 Distinction	Level 2 Pass	Level 2 Merit	Level 2 Distinction
160	24	47	70	92	115	138

** 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 majority of learners attempted all questions. None of the questions were misinterpreted by learners. As this was the first window for this specification some centres may not have had sufficient time to either complete all the content from Unit 1 or found time to revise for the examination. The knowledge gaps from some learners centered around the following topics:

Diseconomies of scale.
Lean production.
Maslow's Hierarchy of Needs.

For questions where stimulus material is provided, learners needed to make use of this in their answers to produce contextualised answers and access the full range of marks available.

Regulations for the Conduct of External Assessment

Malpractice

There were no reported 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

Section 1

This comprised 7 multiple choice questions.

The correct response rates were:

Q1 86%
Q2 84%

Q3 73%
Q4 25%
Q5 81%
Q6 59%
Q7 73%

Learners performed least well on Question 4. Question 6 had a lower success rate, but this was a 2-mark question:

Section 2

Question 8

This discriminated well between learners of differing abilities.

Question 9

This discriminated reasonably well between learners of differing abilities. The most common incorrect answer was “entrepreneurs need the skill of risk taking”. This is not a skill, but a description of what entrepreneurs do - they take risks.

Question 10

This did not discriminate well between learners of differing abilities. Very few 4-mark answers were seen. A significant number of learners described the features of successful franchises, suggesting that sales would be high and the product would be well known. Only a minority of learners identified correct features of a franchise, such as the need for a franchise to pay royalties to the franchisor and few answers went beyond identifying two features, therefore 2 marks were often awarded.

Question 11

This discriminated well between learners of differing abilities, but a significant number of learners only scored 1 mark not 2. It was pleasing to see only a minority of learners wrongly believe that niche markets are for expensive, high quality merchandise.

Question 12

This proved to be quite a difficult question. Learners appear to find the concept of GDP difficult and many clearly did not appreciate that a rise in GDP might lead to an increase in employment and incomes which could then impact the housing market positively.

Question 13

This question discriminated well between learners of differing abilities. Many learners correctly identified that a business that engages with its customers is more likely to get repeat business, a better reputation and good reviews on social media. Lower scoring learners did not explain the benefit to the business that would arise and, in some cases, repeated themselves – “an increase in sales” as a benefit can only be awarded once.

Question 14

Many learners stated that by reaching break-even a business would be covering all of its costs. Few learners explained why not reaching break-even would be a problem for a business, or why exceeding break-even would be a benefit to a business and therefore relatively few 2-mark answers were seen.

Question 15

Few 4-mark answers were seen. Many learners correctly identified that an awareness of product and its sales were likely to be low at this stage of the life cycle. More able learners did relate this to a need to spend heavily on advertising to create awareness and raise sales. Learners needed to explicitly explain the impact on both advertising expenditure and market share from being in this stage of the life cycle if 4 marks were to be achieved.

Question 16

A significant number of learners could not identify an appropriate method such as Quality Assurance, Quality control or TQM.

Question 17

A minority of learners did not read the question carefully enough and their answers focused on the impact of the factory closure on PP Arrow Ltd rather than its stakeholders and such answers would not be awarded any marks. Some learners did not appear to understand the term “outsourcing” and therefore did not understand the phrase “outsourcing to China”. Learners that correctly identified stakeholders needed to explain the potential impact in more detail e.g. it is not sufficient to simply state that workers as stakeholders will lose their jobs – the impact on them needs more explanation such as the impact on their living standards or how difficult it would be to get another job as unemployment locally is double the national average. There were few answers seen that scored more than 4 marks on this question.

Question 18

The majority of learners correctly identified two market research methods that could be used but then provided generic answers that explained how such methods would work, or their advantages. Learners needed to make use of the stimulus and relate their answer appropriately in order to access the full range of marks, e.g. a correct answer could be “one method that could be used was a focus group of high-income earners. Within this group questions could be asked as to the features they would like in a pram.”

Question 19

This was an accessible question and many learners scored full marks.

Question 20

Within the subject specification a number of methods were listed as to how a business can measure its customer service levels and these included:

- Customer satisfaction scores.
- Repeat business data.
- Levels of complaints/compliments.
- Customer surveys.
- Mystery shoppers.

A number of learners simply suggested questionnaires, surveys etc. Whilst such answers could score a maximum of 2 marks learners need to appreciate that the other method listed above are appropriate methods. Learners that suggested “mystery shoppers” limited themselves to 1 out of 2 marks as this business sells B2B and therefore mystery shoppers were not a realistic method.

Question 21

This question required learners to consider the impact of the advertising campaign on sales revenue and profits – many learners did not use either of these terms in their answers. Learners needed to explicitly state the impact on sales revenue and profits if 4 marks were to be awarded.

Question 22

A significant number of learners were not able to identify a single diseconomy of scale. This topic is in LO4 in unit 1. Learners that could identify diseconomies of scale needed to use the stimulus to get the 3rd and 4th marks – contextualised answers were needed.

Question 23

Lean production is part of LO3 in Unit 1. A significant number of learners could not identify a method of lean production. Many produced answers that looked at alternative ways to improve efficiency and whilst plausible were not based on any lean production method and therefore scored 0 marks.

Section 3

Question 24

Marks could only be awarded if learners displayed a knowledge of Maslow’s theory and then applied it to the stimulus provided. Learners that had a grasp of Maslow were often able to score at least 3 or 4 marks. However, a significant number of learners scored 0 marks as their answers made no reference whatsoever to any of the 5 levels of the Maslow’s Hierarchy of Needs.

Question 25

There were some good answers but only from a minority of learners. Learners needed to appreciate that a cost-plus pricing strategy posed potential problems. As the business had agreed a 5% rise in wages for its factory workers, then its costs were likely to increase and using a cost-plus pricing strategy would force the business to raise its prices. Customers are also said to be price sensitive and therefore a fall in

sales, in what is a very competitive market, is very likely and therefore its market share is likely to fall. However, moving to this strategy would ensure that profit margins were maintained no matter what happened to costs, as the price they would charge would rise.

Question 26

There were some good answers to this question from a minority of learners. Good answers pointed out that the increase in the Living Wage was unlikely to have a great impact on PP Arrow Ltd as they already paid above that rate. Most learners understood that an increase in VAT would be likely to raise prices but too many suggested that this would reduce profits as “more tax would be paid to the government” – an increase in VAT has no direct impact on company profits. Learners were least well informed on the impact of interest rates on consumers or on a business. Better answers indicated that a rise in interest rates could make it more expensive for consumers to borrow and might reduce consumer demand. Again, better answers indicated that the rise in interest rates would increase the cost of any loans taken out by the business but also pointed out that the business has no current loans or overdrafts and so there would be no immediate impact. In order to achieve the 3-mark band learners needed to judge the potential impact of these potential changes and decide which was likely to have the most impact - very few learners did this.

Chief Examiner: Pete O’Loughlin

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