

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

Assessment date: 20th March 2020

Paper Number: P001044

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	15	21	27	34	45	57

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. 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

Q1 Correct answer: A - Mystery shoppers. 61% of learners provided the correct answer.

Q2 Correct answer: A - It concentrates on producing goods that it is good at making. 46% of learners provided the correct answer.

Q3 Correct answer: B - Income tax. The most common incorrect answer was A (Corporation Tax), 44% of learners provided the correct answer.

Q4 Correct answer: D - Self-actualisation. 51% of learners provided the correct answer.

Q5 Correct answer: A - Cash cow. This proved to be the most accessible of the multiple-choice question with 88% of learners providing the correct answer.

Q6 Correct answers: D - Products are standardised and E - Very few workers are needed. As this was a 2 mark question the statistics show learners on average scored 1.15 marks on this question.

Q7 Correct answer: A - The companies remaining staff may feel insecure and demotivated. 76% of learners provided the correct answer.

Section 2

Q8 Learners were asked to identify one external stakeholder in a business. This was correctly answered by 76% of learners. The most common error made by candidates was stating that external stakeholders were employees or owners.

Q9 Learners were asked to identify one benefit to a business from using lean production. This was correctly answered by 76% of learners. The most common correct answers included answers such as reduced waste/wastage; decreased costs; increased efficiency. Answers such as “cheaper” or “faster” were not rewarded, as such answers lack precision and do not use specific business terminology.

Q10 Learners were asked to identify one of the four elements of the marketing mix. A significant number of learners produced incorrect answers to what is a straightforward question. This was correctly answered by 51% of learners. The most common incorrect answers were “production” and “location”.

Q11 Learners were asked to identify two benefits to a business from improving its customer service. This was well answered with an average mark of 1.51. The most common errors included repetition, where the 2 answers provided were essentially the same (eg 1. Improved brand loyalty, 2. Customers will use your business again).

Q12(a) This was correctly answered by 56% of learners. They correctly identified that the equilibrium price would fall/decrease/is lower following an increase in supply. It was clear from some of the answers seen by examiners that interpreting supply and demand diagrams is a skill that still needs developing in some learners.

Q12(b) This was correctly answered by 38% of learners. They correctly identified that total market sales would increase following the fall in the equilibrium price. This was less well answered than part (a) with a significant number of learners that correctly answered 12(a) providing incorrect answers to this question.

Q13 Learners found this a challenging question to answer. A significant number of learners produced answers that were explanations of span of control. A minority of learners explained chain of command accurately but did not use the provided organisation chart to provide an example and therefore missed out on a mark.

Q14 Learners were asked to identify and explain two possible disadvantages to an entrepreneur from operating as a sole trader. The most common correct answer for 2 of the 4 marks made use of the concept of limited liability and this was well explained by learners. There were few 4 mark answers as the second advantage often lacked clarity. Too many learners wrote about the entrepreneur having to work alone, stress, could not take any time off or would be unable to get a bank loan. Such answers lacked accuracy. Learners going down these routes needed to explain that it may be more difficult to raise finance, to go on holiday and the impact of this on the business.

Q15(a) This question required learners to identify two methods FCFA Ltd (a fast food outlet) may use to carry out its secondary market research. Learners performed less well on this question than expected with only a small percentage scoring full marks (2/2). Learners needed to name an actual method rather than provide a vague description of the process eg “find out what other fast food outlets sell” – such an answer is not a named method and could be primary as could be achieved by visiting these outlets in person.

Q15(b) This question asked learners to explain one disadvantage to FCFA Ltd if it only uses secondary market research. There were few 2 marks answers with only a small percentage of learners scoring 2 marks on this question. Many learners correctly identified that the data collected may be out of date or may not be specifically related to FCFA's business. However, learners struggled to explain how this would be a disadvantage to the business and few learners suggested it could lead to incorrect decisions, incorrect sales forecasts or that it might have a cost implication.

Q16(a) Few learners used the term net profits in their answers to this question. Too many learners suggested the cut in corporation tax would increase profits – a cut in this tax increases net profit after tax, not (net) profits. Better answers did imply that the tax cuts could lead to more investment in the business but again few learners made any reference to retained profits. Weaker answers suggested that the money saved could be used for higher wages, buying more stock, answers that cannot be rewarded as these are current expenditure items and are not paid from profits.

Q16(b) The majority of learners scored 1 mark on this question as they suggested sales would fall. However, it is too simplistic, in terms of analysis, to simply state “therefore profit will fall” and many learners went down this route. A minority of learners stated that as a result sales revenue would fall which was a good answer to earn the second mark on this question.

Q17 Very few learners scored full marks as they were unable to provide two explained advantages. Some learners provided explanations of the advantages of e-commerce from the standpoint of the consumer when the question required the answer to be from the business' perspective. Such answers scored 0 marks. Delivery was not mentioned in the stimulus, but learners were not penalised if this was part of a rewardable answer which explained some other aspect that was rewardable. The better answers suggested e-commerce would increase the potential market for the business and could be a factor in maintaining the business' competitiveness.

Q18(a) There were few 2 mark answers with only a small percentage of learners scoring full marks. Learners cannot simply rework the terms from the question to produce their answer eg “producing goods in batches”. Many answers were explanations that could equally apply to flow production.

Q18(b) There were few 2 mark answers seen by examiners. Whilst many learners did identify an advantage of using batch rather than job production, few learners explained this sufficiently to be awarded 2 marks.

Q19 There were some good answers seen where learners fully understood the difference between the 2 pricing strategies and explained why penetration pricing might be the better choice as it would entice consumers to try out an unknown brand. There were a number of good 4 and 5 mark answers. Weaker answers displayed a lack of understanding of at least one of the pricing strategies, with some learners incorrectly suggesting that penetration pricing was a higher price than rival products already being sold.

Q20 There were few high mark answers to this question, with only a minority scoring 3 or 4 marks. One of the main motives for outsourcing is reduced costs. Many candidates discussed the impact of

increased transport costs from China. Containerisation has resulted in very low transport costs for products such as cosmetics and this would not have been an important effect on the business and it certainly would not have led to an overall increase in costs or a reduction in profit margins as suggested by some candidates. Those that did discuss the increased potential for delays as products could take longer to reach customers was accepted. Some candidates suggested that the quality of products would fall, and this was not rewarded. Candidates that explained the business would no longer have direct control over production which may lead to quality issues though were rewarded.

Q21(a) 89% of learners correctly identified that this product was in the decline stage of the product life cycle.

Q21(b) The majority of learners did identify a rewardable life cycle extension strategy but too many concluded that their chosen strategy would lead to “an increase in sales” without explaining why – as the question asked for a “strategy that they could use to increase sales” then this could not be rewarded. As a result, many answers to 21(b) were capped at 2

Q22 Weaker answers suggested that “only older people watch TV and read magazines and only younger people use social media”. It is important that we correct this view which appears to be rife amongst learners. Clearly social media is now used by all ages and whilst some younger age brackets may watch less live TV than other groups it is incorrect to suggest that only “old people” watch TV. Better answers suggested that costs savings could be made as TV and magazine advertising is relatively expensive when compared to the cost of social media advertising. Similarly, better answers suggested that social media had a wider reach, not being bound by physical or national boundaries and could be viewed 24/7. A minority of learners answered the question from the point of view of consumers rather than from the point of view of the business

Q23 There were some sound 2 or 3 mark answers but few learners achieved 4 marks. Rewardable answers seen included suggestions that as Tribiani was operating in a competitive market, as shown by the fact that it is competing against 3 other brands, then product development was needed to remain competitive. Learners also suggested that rival companies may well develop new or improved products and if Tribiani PLC did not do the same then it would lose sales and market share.

Section 3

Q24 The answers from a number of learners revealed a gap in knowledge of just-in-time (JIT) stock control. Learners that were familiar with the concept were able to produce sound answers, making use of the stimulus. Surprisingly, few learners suggested the business could reduce the number of staff employed in the warehouse (5) which would reduce warehousing wage costs. This information was in the stimulus for learners to utilise. Most learners did utilise the information regarding the 3 day delivery promise and some referred to the fact the supplier was In Germany which could lead to late delivery issues.

Q25(a) The question required learners to explain two factors the business should consider when deciding on a location or its new showroom. Most candidates scored at least two marks as they were able to identify two relevant factors such as the location of customers, availability of parking for customers or average incomes of the surrounding area. Relatively few learners suggested financial factors such as rent or business rates. To achieve more than 2 marks the factors needed explaining and the most common correct answer seen made use of the stimulus material - as the target market is young professionals on high incomes then they need a site where the local population fits this profile.

Q25(b) In order to achieve 2 marks learners needed to refer to both factors from their answers to 25(a) in their response. Only a minority did so. A number of learners simply repeated the points they made in 25(a) which could not be credited a second time.

Q26 This question required learners to have grasp of Herzberg's two factor theory and then to apply the theory to solving issues relating to motivation in this business. A significant % of learners demonstrated no grasp of the theory and produced lengthy answers, using the stimulus, which could earn no more than 2 marks. Better answers were ones where the learner recognised that hygiene factors if solved do not motivate workers to work harder but prevent motivation. Learners that knew this were able to use information from the stimulus to suggest changes that would solve hygiene issues eg replace the old machines which may have been responsible for the increase in accidents. Learners tended to produce stronger answers about "motivators" and referred to changes that could be made that would improve motivation, using information from the stimulus. If a question asked learners specifically to "use a theory" to support changes, then their answer must make explicit reference to the theory, otherwise answers cannot progress beyond level1.

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