

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

**Assessment date:** 27<sup>th</sup> November 2020

**Paper Number:** P001085

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	13	19	25	31	41	51

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 point 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).

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### Standard of learner work

Overall, the standard of learner work was similar to that seen in the previous window in March 2020. This was despite learners in this window suffering disruption to face-to-face teaching from late March until September. Some Centres withdrew learners from this external assessment because of the disruption to their learning.

There was evidence of improved examination technique, with more learners using the stimulus to produce contextualised answers. However, there is still room for improvement in the use of the stimulus e.g. this was shown by some answers to Q17 which suggested methods of advertising that would be both inappropriate and beyond the budget of a small local business.

There was also more evidence of learners making judgements, which they did try to justify, in the 6 and 9 mark questions.

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### Regulations for the Conduct of External Assessment

#### Malpractice

There were some 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.

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### 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 external assessment paper.

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### Responses of the tasks within the sections of the external assessment paper

#### Q1 & Q2

As per the NCFE communication to all relevant Centres on the date of the external assessment, there was a printing error identified on this paper. NCFE ensured that all attending learners that this external assessment were not unfairly advantaged or disadvantaged for these 2 questions, through the NCFE marking and awarding processes.

#### Q3

Correct answers were: A (Growth) and C (Maturity). As this was a 2 mark question the statistics show learners on average scored 1.8 / 2 marks on this question.

#### Q4

Correct answer: D (Information that is statistical) 65% of learners provided the correct answer.

#### Q5

Correct answer: A (High number of sales) 75% of learners providing the correct answer.

#### Q6

Correct answer: A (Batch production) 47% of learners providing the correct answer.

#### Q7

Correct answer: A (Communication) 41% of learners provided the correct answer. This was the lowest pass rate on the multiple-choice questions.

#### Q8

Learners were asked to Identify one feature of a public limited company. This was correctly answered by 61% of learners. The most common correct answers identified features such as “anybody can buy shares”; “limited liability”. Very few learners made any mention of the stock exchange.

#### Q9

Learners were asked to identify one reason the business might promote one of its existing products. This was correctly answered by 76% of learners. The most common correct answers revolved around the idea that the business would want to stimulate sales.

#### Q10

Learners were asked to identify one factor that can be an internal influence on a business. A significant number of learners produced incorrect answers. This was correctly answered by 49% of learners.

Common correct answers seen were factors such as “employees”, “employee motivation”. The most common incorrect answers were essentially external rather than internal factors such as “consumers”; “decisions made by rivals”.

#### Q11

Learners were asked to identify two reasons why a product might enter the decline phase of the product lifecycle.

The average mark on this question was 0.98 / 2. The most common errors included answers which suggested “a fall in sales” which described what happens to sales in the decline phase rather than identifying the reason for the decline in sales, such as a change in fashion, the product becoming

obsolete or a change in technology. Some learners suggested products were not in the decline stage because they were “old” – this is incorrect as well-known products which have been around for 50+ years have not yet entered the decline phase, e.g. a number of well-known chocolate products and breakfast cereals.

### Q12(a)

Learners were asked to identify how the change in demand has affected the equilibrium price. This was correctly answered by 53% of learners. They correctly identified equilibrium price had fallen.

### Q12(b)

Learners were asked to identify how a change in demand had affected total market sales. This was correctly answered by 47% of learners. This was slightly less well answered than part (a).

### Q13(a)

Learners had to choose the correct segment of the Boston Matrix for a given product. The correct segment was “Cash Cow”. This was correctly answered by 66% of learners.

### Q13(b)

Learners had to explain why the named product (chocolate bar) was a “Cash Cow”. The correct answers were that it had a high market share and low or no market growth. The average mark on this question was 0.91 / 2.

### Q14(a)

Learners were asked to explain how a reduction in VAT might affect a sportswear business. Only a small percentage of learners suggested this would allow the business to lower its process and therefore stimulate sales. A number of learners suggested this would increase the business profits which is incorrect, unless a carefully crafted explanation was provided. The average mark on this question was 0.45 / 2. This low mark reinforces the view that this VAT remains a concept that many learners appear to not fully understand.

### Q14(b)

This question required learners to explain how the rising level of employment may affect Freshher Ltd. There were some good answers where learners correctly suggested that this might lead to shortages of skilled labour and this might force Freshher Ltd to raise salaries to attract workers or that production could be affected due to staff shortages. A minority of learners thought that rising employment levels would benefit the business as this might increase the demand for Freshher Ltd’ products and this was rewarded. The average mark on this question was 0.59 / 2 which suggests that the link between rising employment levels and the labour shortages this might cause was not made by many learners.

### Q15(a)

This question asked learners to identify two benefits to Chloe and Jack of choosing to operate as a partnership rather than remain as sole traders. The most common correct answers identified benefits such as a partnership “brings in new ideas”; “increased capital”; “shares the workload”. A small number of learners identified benefits that could not be rewarded such as “it will be easier to get a bank loan” or “the business profits will increase”. The average mark was 1.03 / 2.

### Q15(b)

This question asked learners to identify one disadvantage to Chloe and Jack of choosing to operate their business as a partnership and explain the effect this could have on their business. There were very few 2-mark answers. Many learners identified a disadvantage, but the explanations often lacked clarity. The

most common disadvantage suggested was that partners would clash or disagree but very few learners explained that this might slow down decision making, which would have been a full 2-mark answer. The average mark was 0.97 /2.

### Q16(a)

This question asked learners to identify two ways in which Chloe and Jack can measure their customer service. This was well answered by most learners, the majority of which scored at least 1 mark on this 2-mark question. Most common correct answers seen included: customer satisfaction scores; repeat business data; levels of complaints; questionnaires / reviews. Answers that were very general in nature such as “ask the customer” were not rewarded. The average mark was 1.06 /2.

### Q16(b)

This question asked learners to explain one reason why Chloe and Jack measure their customer service level. This was well answered by most learners, with many scoring at least 1 mark and there were a significant number of 2/2 mark answers. The average mark was 1.10 /2.

### Q17

This question asked learners to explain two methods of advertising that Chloe and Jack could use to promote their business. There were relatively few full mark answers as many learners did not explain why the methods they chose were suitable for this business. The business was a small local business and therefore explanations needed to take this into account. A common answer suggested was “social media” which was rewarded. However, answers that suggested that this method was suitable as it would reach everybody in the country were not awarded the second mark for explanation. A number of learners suggested TV advertising, again given the stimulus this was not an appropriate method and therefore was not rewarded. Learners who suggested using newspapers were awarded a mark. However few learners explained why this method was appropriate for a small, local business, learners could have suggested advertising in a local newspaper as their advertisement might be seen by their target market. It is important that learners read the stimulus carefully and make choices that reflect the type of business the question is centered upon. The average mark was 1.83 /4.

### Q18

This question asked learners to explain two disadvantages to GFF of selling to a niche market. There were few 4-mark answers seen by examiners. Whilst many learners did identify a disadvantage of selling to a niche market and often explained it, few learners came up with a second disadvantage. There were few 4-mark answers, but a significant number of 2-mark answers. The most common answer seen suggested that one disadvantage of operating in a niche market was that GFF would have a narrow customer base resulting in low sales. Relatively few answers suggested that the market might have low growth potential and a number of learners incorrectly suggested that niche markets were an issue as product profit margins would be low. Whilst it was pleasing to see the term “profit margin” being used by learners in this question, profit margins are more likely to be high rather than low. The average mark was 1.09 / 4 which reflects the difficulty many candidates had in finding a second disadvantage.

### Q19

This question asked learners to identify one suitable method of primary research GFF could use and explain a benefit of using that method. GFF has developed a gluten-free spaghetti called Spagfree and wants to find out if there is a market for it. This question required learners to identify a named method. A small number of learners wrote answers such as “ask customers”; “stop people in the street and ask them questions”. Such answers were not rewarded. There were relatively few full mark answers as too often the explanation of the method chosen was too general and could be applied to other methods of market research. Good answers seen suggested that focus groups should be used as in-depth

discussions could take place or questionnaires should be used as this would allow the collection of a large quantity of data. The average mark was 0.78 /2.

### Q20

This question asked learners to analyse whether GFF should use price-skimming or penetration pricing for the launch of Spagfree. Learners were asked to recommend one of these pricing policies to GFF and to justify their choice.

There were some very good answers to this question from learners that had a good grounding in these two pricing strategies and who made a use of the stimulus. They were able to achieve at least 4 /6 marks available. It was also pleasing to see more learners attempting to make reasoned recommendations. However, a significant number of learners either confused the two strategies and as result scored 0 marks or showed no grasp of either strategy. Another smaller group of learners chose one strategy, analysed it and recommended it. Learners need to be aware that if a question asks for an analysis or discussion of 2 strategies then both must form part of the answer if the higher marks available are to be accessed. The average mark was 1.2 / 6.

### Q21(a)

This question asked learners to identify the most appropriate method of production for this fast-selling strawberry smoothie. Learners had to tick one box from 3 supplied – job, flow and mass customisation. 66% of learners correctly identified that flow production was the most appropriate production method.

### Q21(b)

This question asked learners to explain two reasons why JUXS Ltd should change to this method of production for the strawberry smoothie. Many correct answers linked one benefit of flow production in terms of speed of output / increased output volume or continuous 24x7 production to the salient point in the stimulus "sales of the strawberry smoothie are growing so quickly that JUXS Ltd cannot keep up with demand". Such answers were worth 2 marks. Only a minority of learners came up with a well explained second benefit such as flow production might be more cost effective as less labour may be needed or it can run continuously without needing to reset machines for different batches. The average mark was 1.01 / 4.

### Q22

This question asked learners to analyse two challenges that JUXS Ltd may meet through growing its business. This is an area of the specification which has not previously been examined. Very few learners scored 4/4 as their answers were either very generalised and/or did not make use of the stimulus. The business was going to sell their smoothies in Scotland and Wales for the first time. Some learners assumed incorrectly they were opening a factory and/or shops in these two countries and therefore scored zero marks. Better answers identified relevant challenges the business might face such as a lack of awareness amongst customers, different tastes or competition from existing businesses but answers seldom analysed the effects these might have on the business, e.g. the lack of awareness would necessitate an advertising campaign which would increase the business' marketing costs. The average mark was 1.13 / 4.

### Q23

This question asked learners to analyse two reasons why employee engagement is important to JUXS. There were some good answers to this question. These revolved round the impact on staff motivation, staff retention and the need for a business to have a workforce that might generate new ideas. However, again some answers that were not rewardable were due to not using the stimulus. The business was a manufacturer and did not have shops and therefore answers that related to customer



service could not be rewarded, unless the customers were identified as retailers, and this was seldom seen. The average mark was 1.52 / 4.

### Q24

This question asked learners to explain one advantage and one disadvantage of its plan to sell 100% recyclable, disposable slippers to hotels and spas. Learners needed to recommend to Slip Slop Ltd whether it should go ahead with this expansion and justify their recommendation. Many learners scored at least 2 marks on this question as they were able to explain either an advantage or disadvantage to the business of the plan to market recyclable, disposable slippers. Weaker answers tended to come from learners who assumed incorrectly, that these would be being bought by hotel visitors rather than the hotels themselves. Overall learners made a good use of the stimulus and many showed a good grasp of cost-plus pricing. The average mark was 1.99 / 6.

### Q25(a)

This question asked learners to identify and explain two factors that Slip Slop Ltd.'s directors should consider when deciding whether to sell through the retailer as well as online, or to sell only online. Learners needed to make use of the stimulus to identify relevant factors that Slip Slop should consider, many learners did identify two relevant factors but often they did not explain why those factors were relevant, e.g. many learners suggested Slip Slop Ltd might, by using the large retailer, be able to reach customers who do not shop online, but few went on to explain that this would enable the business to increase sales or sales revenue. The average mark was 1.25 / 4.

### Q25(b)

This question asked learners which one of the two factors that they had identified in their answer to part (a) did they think was more important and asked them to justify their choice.

Many answers simply restated what had been written in the answer to part (a) and few learners referred to both factors they identified in part (a) and so were not clearly justifying why one was more important than the other.

### Q26

This question required learners to have knowledge of both quality control and cell production. A significant percentage of learners demonstrated no clear grasp of cell production and only a vague grasp of quality control. Very few learners explained that quality control usually involves only checking a sample of products and so might not solve the quality issues completely. Learners that had some grasp of cell production usually recognised that this would involve teamwork. Only a small percentage of learners produced a level 2 response which had a mark band of 4-6 marks. Learners that had a good grasp of both cell production and quality control did produce level 3 answers and were placed in the 7-9-mark band. The average mark was 1.06/9.

It was pleasing to see many learners seeking to make use of the stimulus provided. However, to be rewarded for this, the points identified needed to be linked accurately to either quality control or cell production. A number of learners suggested that by using quality control problems the business was facing such as increasing absenteeism and poor communications could be solved. Such answers were not rewardable. A number of learners correctly suggested that quality control might help to deal with the issue of slipper stitching but too often assumed it would solve this completely. Very few learners pointed out that this method might still permit faulty products to be sold. Learners with a grasp of cell production tended to relate their answers to teamwork and the possibility of improved communications and the possibility that by having a more enriched workplace experience absenteeism might also fall.

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