

**NCFE Level 1/2 Technical Award in Business and Enterprise  
(603/2955/5)****Assessment Window: 26 November 2021****Paper Number: P001393**

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.

<b>NYA</b>	<b>Level 1 Pass</b>	<b>Level 1 Merit</b>	<b>Level 1 Distinction</b>	<b>Level 2 Pass</b>	<b>Level 2 Merit</b>	<b>Level 2 Distinction</b>
0	13	19	25	31	42	53

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.

<b>Maximum UMS Score*</b>	<b>Level 1 Pass</b>	<b>Level 1 Merit</b>	<b>Level 1 Distinction</b>	<b>Level 2 Pass</b>	<b>Level 2 Merit</b>	<b>Level 2 Distinction</b>
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**

---

Overall, the standard of learner work was similar to that seen in the previous window in November 2020. This was despite learners in this window again suffering disruption to face-to-face teaching due to the pandemic. A smaller number of centres withdrew learners from this examination compared to the November 2020 window either because of learner absence or because of the disruption to their learning.

There was continued evidence of improved examination technique, with more learners using the stimulus to produce contextualized answers. However, there is still room for improvement in the use of the stimulus e.g., this was shown by some answers to Question 19 where learners suggested that products could be improved / made “better” by having skilled and experienced staff – this was not appropriate as the business involved was a chain of supermarkets.

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

## **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 was 1 instance 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

---

**Q1** Correct answer: D (Takes a risk by starting a business). 89% of learners provided the correct answer.

**Q2** Correct answer: C (Setting a price below the cost-price to attract new customers) 64% of learners provided the correct answer.

**Q3** Correct answer: B (Benchmarking) 52.5% of learners provided the correct answer.

**Q4** Correct answer: A (A new Health and Safety at Work Act of Parliament) 55.8% of learners provided the correct answer.

**Q5** Correct answer: B (A manufacturer) 32.9% of learners provided the correct answer.

**Q6** Correct answers: C (An increase in business costs) and E (An increase in household savings). This was a 2-mark question. The average mark was 1/2.

**Q7** Correct answer: D (Interviews with customers using open-ended questions) 44.3% of learners provided the correct answer.

**Q8** Learners were asked to Identify one feature of a partnership as a form of business organisation. This was correctly answered by 48.5% of learners. The most common correct answers identified features such as "2 or more owners"; "unlimited liability". Answers that suggested partnerships were operated / managed / run by 2 or more people were the most common incorrect answers.

**Q9** Learners were asked to state one challenge that growth can create for a business. This was correctly answered by 35.7% of learners. The most common incorrect answers were answers that could apply to a business that did not grow in size e.g., an increase in competition.

**Q10** Learners were asked to Identify two stages in the product lifecycle. A significant number of learners produced had 2 correct answers. The average mark was 1.57/2.

**Q11** Learners were asked to identify two advantages to a business from improving the ways it engages with its stakeholders. The average mark on this question was 0.79/2. The most common errors included answers such as this will attract more employees, attract more customers. Such answers are missing out a stage as learners would need to explain how this could occur e.g., current customers may be pleased with the service and recommend the business and this result in more customers. Other common errors were answers such customers will happy, workers will be happy. The advantage to the business would then have to be developed for a mark to be awarded. E.g., customer loyalty will increase, or the business reputation will improve

**Q12** Learners were asked to explain why communication might become more difficult for a business that changes from a flat organisational structure to a tall organisational structure. The average mark was 0.84/2. There were good answers seen which suggested commands have more levels to go through or there is a longer chain of command which may slow down decision-making, A common error was to simply repeat the question when developing the answer e.g., commands have more levels to go through so communication become more difficult - such answers scored 1/2 marks.

**Q13** Learners were asked to explain the term 'delaying', using information from the business's organisational chart. The average mark on this question was 0.91/2. A number of candidates correctly explained the term delaying but made no attempt to use an example from the organization chart and therefore lost a mark that they could have easily been awarded.

**Q14** Learners had to identify and explain two possible advantages to a business from changing the legal structure of a business from a sole trader to a private limited company. The most common correct answers related to the concept of limited liability and the ability of the business to raise additional finance from the sale of shares. A number of candidates referred to the idea that shares can only be sold to friends and family but often did not explain how this was a benefit to the business. The average mark on this question was 1.08/2.

**Q15** Learners had to explain one advantage of Noah using primary market research before starting his business. This proved a challenging question as many answers seen could equally have been applied to secondary market research. Answer such as the information collected would be up to date or relevant / specific to Noah's business were seen from only a minority of candidates, very few candidates could explain the benefit to the business such as "this may have improved the decisions made by Noah" or "this may have enabled Noah to produce signs that fitted the needs of his potential customers". The average mark on this question was 0.43/2.

**Q16a** Learners were asked to explain one possible impact on Noah's sign writing business of a rise in unemployment in the UK. Very few 2-mark answers were seen. Whilst candidates did often suggest sales would fall few developed this and explained that sales revenue would therefore fall. A number of candidates suggested this would allow Noah to employ more workers. As Noah was likely to see a fall in demand, he would not need to employ additional workers and therefore such answers were not rewarded. The average mark on this question was 0.35/2.

**Q16b** This question required learners to explain why a reduction in income tax rates could benefit Noah's sole trader business. The first mark was seen as accessible as most candidates correctly identified that Noah would pay less income tax, However the developed answers were often inaccurate suggesting ideas such as "costs would fall", "revenue would increase", "profits would increase". Only a minority of candidates suggested retained profits would increase and similarly few candidates developed an answer along the lines of "this would enable an increase in investment in the business or these profits could be ploughed back into the business. Imprecise answer such as "Noah will have more money" were not rewarded. The average mark on this question was 0.56/2.

**Q17** This question asked learners to identify explain, using Mayo's theory, two changes that FQTF PLC could introduce to improve the motivation of its employees. This was the first time a question has been asked about Mayo's theory. It is important that all the contents of the specification are taught, a number of learners appeared to have no knowledge of Mayo and therefore scored 0 marks on this question. Learners that knew of Mayo suggested changes such as better communication between managers and workers or working in groups or teams but the change of "greater manager involvement in employees' working lives" was seldom seen. The average mark was 0.94/2.

**Q18** This question asked learners to analyse two methods of promotion that FQTF PLC, a supermarket chain could use to increase its market share. Learners then had to choose which of these two methods was more likely to increase FQTF PLC's market share and justify their answer. The most common error was to choose two methods of advertising rather than two methods of promotion. Such answers were capped at 2/6. Learners that scored more than 2 marks suggested methods (in addition to advertising) such as use loyalty cards price reductions OR promotional pricing OR money-off coupon OR BOGOFs. The average mark was 1.86/6.

**Q19** This question asked learners to explain one potential advantage and one potential disadvantage to FQTF PLC from extending its opening hours from 6p until 10 pm. There were many 2/4 answers. Many learners identified that sales might increase but few developed this to suggest sales revenue might increase. All too often learners suggested that the sales increase would increase profits. A significant number of learners suggested that the workforce would be unhappy and tired and demotivated from having to work longer hours. Learners needed to realise that employees cannot be forced to work longer hours. Better answer suggested the increase in hours would require the business to hire more staff therefore increasing wage costs. The average mark was 1.48/4.

**Q20** This question asked learners to explain why it is important that FQTF PLC has skilled and experienced staff. A minority of e candidates ignored the stimulus and wrote about how such staff can improve the quality of the products being made, ignoring that this was a supermarket chain not a manufacturer. Better answers suggested that skilled and experienced employees would provide good or consistent customer service resulting in consumer loyalty or better reputation or increased sales. Other good answers suggested that these employees would improve the business's image which can attract more customers or improve customer retention. The average mark was 1.24/4.

**Q21a** This question asked learners to identify if FQTF Shopping app was a tangible product or an intangible product. This is the first time a question has been asked on this topic. The average mark was 0.73/1.

**Q21b** This question asked learners to explain two reasons why FQTF PLC chose outsourcing for the new app, rather than developing it themselves. Thus, was generally well answered with many candidates scoring at least 2/4 or 3/4 marks. Learners appeared to have a good grasp of the benefit of outsourcing in terms of speed and quality. The average mark was 1.8/4.

**Q22** This question asked learners to identify one method of lean production that the FQTF PLC supermarket chain could use and then explain how the method could benefit the business. Most candidates chose JIT, with a minority choosing Kaizen. Learners that chose JIT tended to score higher marks than those that chose Kaizen as they were able to link the concept to costs and storage. Learners that chose Kaizen found it more difficult to explain precisely how Kaizen benefited a business. The average mark was 0.72/4.

**Q23** This question asked learners to analyse two reasons why FQTF PLC may need to improve its customer service levels using the information provided by the marketing department. A number of learners made no use at all of the information provided by the marketing department (there were 4 bullet points of information) and produced generalised responses that were awarded 0/4 marks. This was a demanding question as learners needed to use the information provided to analyse why FQTF PLC needed to improve its customer service. The better answers seen made an explicit use of the information provided e.g., as shoppers are less loyal, they are more likely to switch to competitors which will reduce FQTF sales / sales revenues. The average mark was 0.77/4.

**Q24** This question asked learners to explain one advantage and one disadvantage of Yulo PLC changing to mass customisation and then recommend to Yulo PLC if it should change to mass customisation. This is the first time a question has been set on mass customisation and some learners appeared to have no grasp of the concept. Learners that knew the concept were generally able to explain the advantage in terms of the business can now tailor cars to consumer's personal tastes so will improve customer retention / increase sales / attract more customers or suggested it would give the business a USP enabling it to increase sales. In terms of the disadvantage learners seldom explained the impact of the large loan in terms of interest charges but many did suggest correctly it could leave the business in debt and at increased risk. The average mark was 1.56/6.

**Q25** This question asked learners to explain two possible effects on Yulo PLC's customers if it introduces e-commerce and then recommend to Yulo PLC whether it should introduce e-commerce. A number of learners did not explain the impacts on Yulo's customers and instead focused the whole answer on whether Yulo should introduce e-commerce. Such answers could only achieve 2/6 marks. Learners that did attempt to explain the possible effects on Yulo's customers seldom produced answers that were detailed, or precise enough to be awarded more than 2./4 marks available. The better answer seen suggested:

- Will have to wait to have the item delivered, which may mean their car is out of use longer
- Can order anytime as previously could only obtain parts 5 days a week between the hours of 9 am and 5 pm.

The average mark was 1.1/6.

**Q26** This question asked learners to discuss two pricing strategies that a new window cleaning could use to set prices. Learners had to explain one advantage and one disadvantage of each of the chosen pricing strategies and justify which one was better. The majority of candidates could identify two relevant pricing strategies. Learners generally were better at explaining an advantage rather than a disadvantage of a pricing strategy. Good answers seen included:

- Penetration pricing should enable Ayesha to attract customers because price is lower than existing business, however this will result in low profit margins
- Promotional pricing should enable Ayesha to attract some of competitor's customers because the price will be lower, but these customers may desert Ayesha when the offer ends.

A minority of candidates incorrectly suggested the use of price skimming, believing that price skimming was charging a very low, initial price. The average mark was 1.64/9.

**Chief Examiner: Peter O'Loughlin**

**Date: 4<sup>th</sup> February 2022**

---