



A Level **Business**

7132/2

Report on the examination

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Overall

Overall, this paper was accessible to all students and had a good range of content. The majority of students were able to attempt all questions with very few occasions of a 'not attempted' mark. Furthermore, there was a good range of knowledge and application in relation to the case studies and wider context. Where students knew the subject content for example, calculations, Herzberg, segmentation, decision trees or non-current assets high marks could be gained. Application, especially in the 16-mark questions seemed to be strong with students able to bring and use their knowledge of a wide range of business or industries.

The calculations were often not well done, with the exception of the decision tree, which was generally calculated well. Analysis was often the weakest skill demonstrated, with students too often relying on assertions or assumption in the chains of argument or failing to identify relevant factors/issues and therefore drift away from the demands of the question.

Question 1.1

This question proved to be a good discriminator with students either understanding how to complete the calculation or not. There were relatively few awards for partial marks as students did not offer the formula or label their workings correctly. Where partial marks were achieved this was usually due to a single arithmetic error in calculation or the failure to identify the final answer as £m. The common error was many students did not pick on the information that credit payment terms were changing.

On any calculation question it is useful for students to carefully lay out and label workings to gain at least process marks.

Question 1.2

This question was quite variable in its responses but noticeably very few students achieved level 3 as they were unable to give a good context as to why this fall in inventory turnover should have occurred.

Most understand that inventory turnover had fallen and gave a possible reason as being falling sales, gaining Knowledge and Understanding (A01) marks easily.

Question 1.3

Most students did well with the quantitative side of this answer and found the data accessible. It was pleasing to see the number of students who could successfully undertake the calculations for the decision tree and where they did this and developed a qualitative issue alongside analysing this information of why option 2 should be selected, they easily entered level three.

Some students did not subtract the initial cost. A smaller number of students could not use the decision tree; where they did not know the calculation for net gain it became descriptive just stating the differences in the options. The main way in which a number responses could have been improved was by ensuring qualitative factors were included not just quantitative, as the question required.

Question 1.4

This question demonstrated a mixture of responses with many students being able to produce a well-developed and detailed response. The volume of data allowed students to form a balanced argument on threats versus opportunities. The better responses were able to link the data from different tables together in their arguments to show depth in their chains of analysis. The most effective responses were those that wrote a whole paragraph about threats and a whole paragraph about opportunities, setting themselves up for a strong evaluation. The best responses were thoughtful and selective as to which data best suited the arguments they were making, with effective conclusions seen both agreeing and disagreeing with the statement in the question.

Responses that tackled the question by looking through each of the factors in appendix E were often less effective. Some responses considered information from Appendix E only. Some students didn't provide balance; for example, some responses just focussed on threats. The reference to 'and the other information available' in the question was often overlooked or forgotten while writing about Appendix E.

This question did demonstrate some students' lack of understanding of external economic variables. A number of students also had inadequate understanding of the impact of changes in exchange rates. More surprisingly it was not uncommon to see UK GDP being described as falling when it is rising just at a slower rate. Most worrying was the unclear use of the rising unemployment data, with this being interpreted as less people being available for work.

Question 2.1

For what seemed a very straightforward calculation, there were still a number of students who were unable to do it correctly. In many of these cases students' workings were not clear and marks for the process could not be given. Students should be encouraged to ensure their workings are clearly presented, enabling marks to be gained even if an error is made at some stage in the calculation.

Having said this, there were many students who scored full marks.

Question 2.2

This was a well answered question on the whole. Many students were able to demonstrate correct knowledge of just in time. They could also explain a reason why Seabus would use this system of inventory management; for example, because it had perishable goods, there was a need for high quality or there was a desire for high gross profit margins.

Some students struggled with application to the business. For example, some students did not consider Seabus was a retailer and framed their answers around a manufacturing process.

Question 2.3

The responses to this question were mixed. Some students had a good understanding of Herzberg and therefore were able to successfully apply the theory to the context. Students who properly understood Herzberg generally scored very well on this question, integrating the theory effectively to aspects of Ajinder's plan and the business situation.

However, less successful responses were either struggling to distinguish between hygiene factors and motivators or were simply able to show an understanding of motivation but none of theory. Some students confused Herzberg with Maslow's Hierarchy of Needs or Taylor's Scientific Management theory.

Less successful responses often incorrectly categorised the motivating and hygiene factors with a common misconception being that training was a hygiene factor.

Question 2.4

This question was well answered with many students able to produce a well-developed, detailed, and balanced response that led to an effective conclusion. Most students were able to correctly apply the case and other wider contexts to help them achieve the higher levels of response marks. Many were able to suggest other types of segmentation, such as geographical or demographic, and explain why these were more suitable to some businesses than income segmentation. Some students were able to conclude that even if you segment in a different way you may have income as a factor as well e.g. clothes aimed at male / female segments but also income – a multi segment approach. A wide range of supporting examples were used such as watches, supermarkets, cars, toys, soft drinks, hiking gear, the NHS and even plumbers.

Less successful answers still managed to have some knowledge of target marketing and segmenting by income but often focused solely on targeting higher income groups or focused only on income segmentation.

Question 3.1

This was an accessible question. Stronger responses applied the two HR objectives successfully to the case, often focussing on the low-cost model or the types of employees needed.

Where students did not gain high marks, it was often because they did not focus on the context of a growing low-cost airline, did not really pick up on airline context in relation to the objectives or did not use the targets given in the question.

Question 3.2

This was generally a very well answered question. The majority of students were able to analyse effectively how the two quality measures related to an airline. Very good answers were able to apply their response directly to Dodo, its low-cost model and/or the competitive marketplace.

A few students did not pick up on the quality measures in the case and gave very generic responses about quality.

Question 3.3

Overall, this was question was one of more the difficult questions for students to access, as a number were unable to effectively demonstrate understanding of non-current assets. Alternatively, students could define and give examples but then struggled to develop the argument effectively to clearly show how a low-cost advantage is generated by using the non-current assets fully. Other students developed a response along the lines of capital v labour intensive. A few students could not distinguish between current and non-current assets.

For students who demonstrated a knowledge of what non-current assets are, this was an accessible question. Many were able to use the case to support their response. There was good balance and use of a wider context, bringing in examples of alternative methods such as outsourcing, purchasing economies of scale or lean production.

Unfortunately, for this question some issues of time management seem to be apparent with students sometimes giving brief or one-sided responses and a few not attempting the question at all.

Mark Ranges and Award of Grades

Grade boundaries and cumulative percentage grades are available on the [Results Statistics](#) page of the AQA Website.