



A-level **Business**

7132/1

Report on the Examination

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Section A

The average score on the multiple-choice questions in 2024 was the same as in 2023 (9 marks out of 15). The facility of the two sets of questions were broadly comparable. However, there was a wider spread of marks on individual questions this year. Six questions were correctly answered by more than 70% of the entry in 2024 (in comparison to only two questions in 2023); However, this was balanced by some more challenging questions, with six questions being answered incorrectly by more than half of the entry.

Question 9, on 'decision trees' proved to be the easiest question, followed closely by question 3, on layering. Two popular topics –

SWOT analysis and Ansoff's matrix – were also answered correctly by more than three-quarters of the entry.

Students often find data interpretation challenging, but most of these questions were answered well. Question 4, on budget variances, proved to be the most difficult of this type of question in this paper.

The two most challenging questions were question 12 and question 7. Both of these questions were based on economic concepts - exchange rates and elasticity of demand. However, unlike previous years, all of the questions were correctly answered by at least one-third of the cohort of students.

For every question in section A, the most popular answer was the correct response.

Section B

These questions proved to be marginally more challenging than their counterparts in 2023, but overall performances were broadly comparable between the two years.

Question 16

This was the hardest question on this section of the paper. Many students were able to calculate the break-even output and thus secure 2 marks. Those students who were then able to calculate the actual output tended to go on to achieve full marks. Many students calculated the answer as a sum of money rather than in terms of units of output – adding a £ sign to their final calculated answer.

Question 17

The vast majority of students were able to calculate the NPV for the two years. However, some students did not include the initial cost in their calculation. Of more concern was the tendency for students to deduct the NPV for years 1 and 2 from the initial cost, rather than the other way round. The more able students were able to recognise that the final NPV was negative.

All three of the 9-mark questions yielded similar results, with a mean in the region of half marks for each question. However, the standard deviation for Q18 was much lower, with fewer students reaching Level 3, but a significant majority able to reach Level 2.

Question 18

Most students showed a clear understanding of bank loans but their knowledge of share capital as a source of finance was less certain. Better answers (those that tended to reach Level 3) tended to take the approach of presenting an advantage of using share capital and a disadvantage of using bank loans. A number of students argued in favour of both types and were consequently not rewarded for suggesting why a bank loan would be the best option. The vast majority of students achieved Level 2 by presenting a relevant argument against the use of the bank loan, but provided no more or undeveloped analysis.

Question 19

Discrimination on this question tended to be provided by the student's understanding of role culture. Most students showed a better understanding of power culture than role culture and there were some excellent uses of context in the analysis presented. Role culture was understood, but students tended to find it more difficult to integrate this knowledge into their answer to the question set. Stronger answers were often those that were able to explain why a role culture might lead to underperformance, and how a power culture could rectify this issue. Where both cultures were utilised in the analysis there was a tendency to reach Level 3

Question 20

This question seemed to discriminate well. Most students reached Level 2 by recognising the impact of higher interest rates on their costs. Most students incorporated the significance of high gearing into their responses. Attempts to integrate the high level of exporting into the answer met with mixed success. Students who recognised the correct impact on the exchange rate (an increase) tended to then achieve strong Level 3 responses. However, many answers to this aspect of the question demonstrated fundamental flaws in logic and received no credit. An alternative route to a high mark, taken by a number of students, was to analyse the impact of the rise in interest rates on consumer demand – in effect, focusing on the impact on the 40% of goods that were sold domestically.

Essays**Section C**

Question 22 was much more popular with students than question 21. Overall, students who chose question 22 performed better than those opting for question 21.

Question 21

This was the least popular and the most challenging essay question. In part, its lack of popularity was due to the accessibility of the alternative essay choice (Q22). The average mark was lower than for the other three essays, although this might have been a reflection of the students who chose to answer this question. Students understood the concept of non-profit organisations and most argued that financial ratios were not the best way to measure success. However, the commentary on alternative methods was often vague or uncertain. Discussions on financial ratios tended to be generic and, where specific ratios were selected, the analysis of their role often lacked clarity. Better responses tended to utilise concepts such as Elkington's Triple Bottom Line or Kaplan & Norton's Balanced Scorecard. Where these ideas were

integrated into the essay, some excellent arguments were presented. Consequently, the chances of a student achieving Level 5 was very similar on this question to the other three essay titles.

Question 22

This was a very popular essay on a topic area that most students understand well. A key feature of the answers given was the integration of other business theories into the answer in a relevant manner, invariably enhancing the quality of answers. Most students were able to develop answers by using examples of contexts in order to extend their logic. The main issue with the answers was a tendency for students to go beyond the scope of the question. This involved losing a focus on the impact on employee motivation and arguing about the impact on company sales volume or profits or growth.

Section D

Question 23 and question 24 proved to be equally popular. Overall, the average mark and mark range/standard deviation for these two questions were almost identical. However, the average mark for Section D was lower than for Section C and also lower than Section D in 2023.

Question 23

There was a range of responses to this question. Most answers showed a good understanding of external changes and their impact on business strategy. However, the understanding of the concept of strategic drift was less clear. Many students appeared to perceive it to be a deliberate and planned change in strategy. Nevertheless, overall performance was comparable to other questions because of the strength of the analysis of external change.

Question 24

Nearly all students showed an understanding of lean production, although there was some occasional confusion with other concepts, notably capital-intensive production. The vast majority of students understood the concept of reducing waste and were able to present sound arguments to show contexts where this might (or might not) lead to lower unit costs. Stronger answers tended to be those that incorporated JIT and kaizen into their answers and/or recognised where lower unit costs might not result.

Overall, the mean mark was three marks lower than in 2023. Two of these three marks can be attributed to the Section D essays. It is possible that students tended to be running out of time this year, in comparison to 2023.

Mark Ranges and Award of Grades

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