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# Business

7131/2 Business 2  
Report on the Examination

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Specification 7131  
June 2018

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**Overview**

The paper proved to be accessible to students with all questions providing opportunities for students to demonstrate their knowledge, understanding and skills.

Most students used skills from across the range of assessment objectives. Weaker responses tended to demonstrate misconceptions and confusion, sometimes in relation to basic content. The stronger responses contained thoughtful and well-developed arguments that focused directly on answering the question set.

Planning was evident in many of the best responses to longer questions. Time spent planning is useful in allowing the selection of the most pertinent points to include and, equally important, which points to exclude.

There was no evidence that students struggled to complete the paper in the time available. The stronger students did not see the need to fill all the space available – effective answers being clear, concise and focused consistently on the question.

As in previous years the quality of handwriting remains a concern – it is difficult for examiners to follow an argument that is difficult to read and illegible numbers are impossible to credit.

In preparing students for future examinations teachers should encourage students to:

- be clear and precise in their use of business terminology
- practise developing supported judgements that relate directly to the question set
- develop arguments in the context of situations – using numerical and non-numerical information from the case study
- think about the timelines of events within the case study to help focus clearly on specific parts of a case
- ensure that there is a balance in arguments and counter arguments when responding to evaluative questions
- build clear judgements focused on the question set rather than generic unspecific conclusions. In particular students using predetermined structures to longer questions tended to limit themselves as the focus of the response is sometimes lost.
- provide judgements that reflect and weigh up preceding arguments but do not simply repeat issues.

**Question 1**

It was expected that this question would be very accessible. The information necessary to calculate breakeven was clearly presented in the case. Break-even is a core concept that should be widely understood, although this was not the case. Many students found ways to create alternative methods to calculate the answer and there were several common incorrect answers. Students need to have a thorough knowledge of formulae from the specification. When calculating break-even they should not express break even output as a partial fraction or decimal, it should be a whole number (rounded up).

**Question 2**

Calculating profit should be fundamental to studying business. It was pleasing that most students were able to perform well on this question with many scoring full marks. On all calculation questions it is wise to lay answers out clearly and show workings – this gains credit for processes even when an error may have led to an incorrect final answer.

**Question 3**

This question related to the promotional mix and revealed a gap in the knowledge of many students taking the paper. A surprising number of students thought that the marketing mix and the promotional mix are the same. It was common for weaker responses to make a relevant point or state a factor, but students needed to address all the elements of the question. Better responses used the context effectively and linked their explanations to increasing demand for the business's products.

**Question 4**

The case material had information about the structure of the workforce and about the variations taking place in demand within the day and across seasons. Good responses used this information well as the context; explaining how its flexible workforce helped the business to meet demand and linked this through to a financial benefit such as reducing costs. Weaker responses saw flexible workforce as multi-skilling – which is not then in context.

**Question 5**

Good responses analysed the opposition to the proposal from the perspective of clearly specified stakeholder groups. There was plenty of information in the case to support points which were selected effectively. It was not uncommon for students to respond by using a general 'stakeholder group'. Some students wasted time in formulating a counter argument as to why specific groups may be in favour – this was not answering the question set. It is important to focus on the demands of the question.

**Question 6**

There were a good number of well-developed and focused responses considering the importance of profit to HS as a charity. It was pleasing to see many balanced responses building to thoughtful judgements. A significant weakness was confusing profits with revenue: too often students stating 'profits needed to pay costs', even after defining profits as Total Revenue – Total Costs in the opening sentence. This emphasises the need for clarity and precision in the use of business terminology. Occasionally the idea of a 'charity' led to some confusion – with some claiming profits were not important due to a charity being an organisation run by the government. However, the question differentiated well, and the majority demonstrated a good understanding of charities.

**Question 7**

Good responses to this question provided clear and well-developed arguments for and against the decision leading to the overall judgement called for by the question. The students faced a direct question 'Was HS right to sell the three hostels in 2016' and a focused response needed a direct judgement. This style of question worked well as it directed students to make a clear conclusion. It was not important which decision they made so long as their position was supported. A few students applied their answers to different parts of the case – failing to keep focused on the 2016 decision. This shows the importance of understanding the timeline in the case material.

**Question 8**

The best responses focused their answers on 'businesses generally' – and this provided an opportunity for a wide range of examples and situations to be used to illustrate arguments. Theory was often used effectively and selectively to focus on how motivational theorists viewed money.

It was not an expectation that specific business theories would be used – though good responses often made good use of Maslow, Herzberg and Taylor. At times understanding of theory was imprecise – mixing names and theories. When used, McGregor's theory X and Y was

misunderstood – it is not a motivational theory and is not directly on this specification (though would be credited if relevant and used accurately).

Weaker responses were based on unsophisticated assertions based on what the student thought, often based on personal experience, rather than a supported judgement based on relevant arguments.

### **Use of statistics**

Statistics used in this report may be taken from incomplete processing data. However, this data still gives a true account on how students have performed for each question.

### **Mark Ranges and Award of Grades**

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