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L3 Certificate

Applied Business

ABS2 (Business Dynamics)

Report on the Examination

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General comments

This session was the first January assessment of Business Dynamics (ABS2). Entries were low and consisted mainly of re-sits.

As in the June 2017 session, the skills of application, analysis and evaluation were uppermost in the moderator's mind: this is an **applied** qualification and evidence that fails to consider the business being investigated is **not** valid evidence.

To repeat the information provided in previous reports, the following table details the standards expected for pass, merit and distinction criteria. This table does **not** replace the grading criteria detailed on pages 37 and 38 of the specification.

PASS	MERIT	DISTINCTION
The evidence shows that the student understands the concept/theory specified by the criterion.	The student has evidenced the pass criterion.	The student has evidenced the merit criterion.
The student has successfully used his/her understanding in a suitable **context** (has an ability to apply).	The student has addressed the issue raised by the merit criterion and has demonstrated an ability to **analyse the question/issue in context**.	The student has made judgements, required by the distinction criterion, that are **supported by a valid analysis of context**.
The **breadth of coverage** is sufficient, as required by the criterion (has the necessary range of understanding).	The student has used at least **one significant chain of argument** to address the question/issue successfully.	The student has considered the **relative importance** of at least one judgement **against** another judgement.

Assessor annotation

Overall, annotation was more than acceptable with nearly all the centres providing succinct commentaries focussing on the qualities noted by the table above. Where annotation was lacking it was often the case that these qualities were not understood by the assessors. Inevitably, this resulted in marks being out of tolerance.

PO1 – Understand business organisations

Whilst significant improvement was demonstrated, it remains the case that some centres continue to misinterpret aspects of the PO1 criteria:

- P2, where the focus was sometimes on how stakeholders benefit the business rather than, as required, the interests of stakeholders
- P2, where **generic** stakeholder interests were identified rather than, as required, the **specific** interests of these stakeholders given the context of the business investigated
- M1, where students focussed entirely on raising finance rather than the wider considerations clearly stated on page 35 of the specification
- P3, where students restricted their response to listing functional areas rather than, as stated, the **organisation** of functional activities which requires a description of the organisational structure (as indicated by the unit content on page 35 of the specification)

Successful students did not evidence these misinterpretations. Less successful ones did.

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PO2 – Investigate business advantages

As in June 2017, successful students carried out effective research and reflected on its meaning by using the concepts supporting the performance outcome – in particular, Mintzberg's organisational types and the concept of a competitive advantage. Less successful students struggled to gather sufficient information and/or had an uncertain understanding of Mintzberg and/or competitive advantage.

Fewer significant misinterpretations of PO2 criteria were evidenced in this session. It was very clear that many centres had responded to their June 2017 feedback. Criteria coverage was much more accurate and very few misinterpretations were observed. However, in a few cases, Mintzberg's organisational types was even ignored (in favour of a general discussion of the organisational structure) or mis-directed by focussing on the 'five parts' of an organisation (operating core, techno-structure etc) rather than, as required, the organisational types characterised by Mintzberg.

PO3 – Consider business dynamics

As in June 2017, successful learners carried out sufficient research to focus on the raised by the criteria. These candidates had a good understanding of factors affecting competitive position and used their research to construct analytical responses. Less successful students struggled to focus on the merit and distinction criteria – they often described rather than analysed and assumed rather than evaluated.

Significant misinterpretations of PO3 criteria by a very small minority of centres include:

- P8/M7, where the policies were too general and 'over-arching' such that students found it difficult, understandably at this level, to focus on an analysis of how they could improve competitive position. Centres are advised that these management policies are more likely to be management **tactics**, such as opening new stores, as opposed to more nebulous strategies, such as market development.
- D4, where students ignored a key aspect of this requirement ie 'Evaluate the extent to which the policies **improved** the competitive position of the business'. This requires evidence of what **has** happened to the competitive position of the business, which can then be used to consider the extent to which the management policies contributed to this.

PO4 – Assess business potential

As in June 2017, all centres understood the requirements of this performance outcome. Successful students evaluated the evidence they had already amassed (in PO1 to PO3) on the business's strengths and weaknesses. They then went on to collect focussed evidence on the business's external environment and provided a balanced evaluation of the business's potential. Less successful students struggled to provide more than a few chains of argument when addressing the merit criteria. Consequently, having just managed to achieve M8 and/or M9, they ran out of analytical support for a successful attempt on D5 and/or D6. The least successful students struggled to make sense of the data they had described/collated in P9 and P10. This made it difficult for them to successfully tackle M8 and/or M9.