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# A-LEVEL **BUSINESS**

7132/3 Business 3  
Report on the Examination

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Specification 7132  
June 2017

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Version: 1.0

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## Overview

The case study offered a scenario that the students found accessible, offering plenty of opportunities to contextualise answers. The six question structure to the paper meant that a range of specification topics were covered by the case, and the accompanying questions. Only a small proportion of candidates seemed to suffer from timing issues to the extent that it prevented them from completing the six questions.

Successful students maintained a tight focus on the question asked. On evaluative questions, well developed, contrasting arguments that were weighed up in a conclusion which provided a clear judgement responding to the question scored well. The ability to take and use information from the case study proved to be a common feature of better student responses.

Less successful students tended to make descriptive use of the case study, rather than embedding their arguments in the context, using information from the case and appendices to drive their arguments forward. Overall judgements often lacked balance, or failed to fully address all aspects of the question asked. There was also a tendency among less successful students to drift from the question, often through a desire to use a piece of knowledge that did not help to address the question asked. Some lower scoring students did not possess the necessary subject knowledge to respond to all the questions. Others opted to make references to concepts which were not relevant to the questions.

It should be remembered that Paper 3 has a number of evaluative questions. These require students to take a view on e.g. the relative importance of a factor or influence. The questions require supported judgement. Analysing how a failure to control costs and how a slowdown in the economy can affect profits in question 5 for example is not the same as making a judgement on which is the main cause of the fall in profits. Analysing how the power of buyers and the likelihood of new entrants are threats to KMH in question 4 is not the same as deciding which is the bigger threat and explaining why. Students need to think about the judgement they have to make in these questions, be clear what their judgement is and defend it. Planning answers before writing seems to be important so that students know where they are going from the outset and their answers have a logic and a focus.

## Question 1

The best responses to this question showed a clear understanding of Kotter and Schlesinger's barriers to change. Focusing on two barriers, successful students identified the barrier, analysed why this barrier was likely to arise in the case of KMH and considered the consequences. A number of less successful responses drifted away from the focus of the question to explain how barriers could be overcome.

Less successful responses often showed little or no understanding of Kotter and Schlesinger's work on barriers to change, and instead analysed barriers that did not relate to why people in an organisation resist change.

## Question 2

Many students showed the ability to address the demands of this question fully, scoring well by calculating two appropriate financial ratios, then using the results to analyse the potential difficulties of raising finance. However, a worrying number of students were unable to calculate any relevant ratios listed on the specification. A further concern arose from those who showed no

understanding of the results that their calculations had generated. The Own Figure Rule was applied to credit arguments that logically flowed from incorrectly calculated ratios.

### **Question 3**

This question proved particularly accessible. The approach to managing Human Resources seemed comfortable ground for most students. Better responses sought to draw a contrast between the existing soft approach and a hard approach as an alternative. Many students did support their arguments with data from the case study and appendices. Where separate pieces of data were combined, such as the amount spent on training and a declining operating profit margin, arguments were well supported by the evidence.

The best responses were those that retained a focus on the full demands of the question – by ensuring they considered the likelihood of a change in HR approach improving profit. These responses often sought to weigh up the overall financial impact of a change in HR approach – comparing potential cost savings with the impact on revenues and costs of less engaged staff.

Less successful responses tended to make a judgement on whether a change to the Human Resources approach was generally a good or a bad thing with no reference to profits. In some cases, students did not attempt to make a judgement, or failed to make links from their analysis to the judgement offered. These evaluative questions require an answer to the question for the highest levels – students cannot afford to ignore parts of the question such as the financial impact or fail to make and support a judgement.

### **Question 4**

The structure provided by this question helped to prevent students wandering too far from the demands of the question. Better responses showed both a clear understanding of the two forces examined a clear understanding of the context faced by KMH. Some excellent responses were able to contrast the likely impact of each force on KMH, weighing up the likelihood of each being a negative influence implied by the case study. Again the key was the supported judgement on which force had the greater impact. Weaker responses tended to misunderstand the power of buyers and/or make limited judgements which did not answer the question.

### **Question 5**

Most students were able to find data from the case study to support their arguments. The very best responses supported their judgements by quantifying the changes in revenue and costs, clearly noting the far greater magnitude of the decline in revenue. Using the data as a way to weigh up two arguments provided to be an excellent way to gain top level marks and students should not be afraid of making a clear judgement that one factor is more important than another.

Less successful responses often failed to make a judgement, or struggled to justify any judgement made. As with question three, this was especially disappointing in those cases where excellent analysis had been produced.

**Question 6**

The best students managed to get to grips with the demands of the question well, weighing up the influence of the target market on the marketing mix with other possible influences, such as competitors' actions. What marked out the best responses was a willingness to contrast KMH's position with that of one or more other contexts which were used to support counter arguments. This allowed effective judgements to be made and justified. Good judgement weighed up the relative importance of the target market compared to other influences by highlighting how this might vary according to the circumstances of a business.

Weaker students showed difficulty understanding influences on the marketing mix, frequently analysing just the target market, or, in a minority of cases, drifting away from the question to discuss the most important element of the marketing mix.

**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.