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# TECH LEVEL BUSINESS

Competitive Business Environment  
Report on the Examination

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## **General Comments**

The examination performed as expected. Most students demonstrated a basic understanding of the content. Successful students applied this understanding to the contexts. They took time to read the questions and the most able also demonstrated an ability to analyse and evaluate. The least successful students found it difficult to apply their understanding.

## **Section A**

### **Questions 1-8 (multiple choice)**

These questions were answered well, with the majority of students gaining at least five of the eight marks available. Questions 2 and 3 proved to be more challenging. However, students seemed to have a limited understanding of risk and that it refers to the future and has a quantifiable probability of occurring.

### **Question 9**

Successful responses included defined segmentation, provided an example and explained how its use could encourage greater sales and higher profit. Less able students could identify a method of segmentation, but often struggled to explain how it could improve sales and profits. The least successful students had a restricted understanding of the concept.

### **Question 10**

The majority of students struggled with Ansoff's competitive strategies. Successful students understood the meaning of diversification (new product and new market) and went on to explain how competition can be avoided by entering less contested markets. Less successful students tended to avoid the issue of competition and struggled to define diversification.

### **Question 11**

Successful students understood the meaning and purpose of long-term aims. They used the information available to analyse whether the cooperative was on the way to achieving the two aims. Less successful students could access the information but tended to ignore the fact that these were long-term aims and that immediate achievement of related objectives was not necessary. The minority of students, failed to use the information in any productive way.

### **Question 12**

Successful students understood the meaning of physical resources. They recognised that this related to stores and rapidly moved on to an analysis of the data which suggested that two stores be closed in the UK and two stores in total be opened in France and/or the USA.

Less successful students understood the concept but struggled to reach a logical conclusion. The minority failed to use the information within the table but did demonstrate a generic understanding of physical resources.

### **Question 13**

This question was successfully answered by the majority of students. They recognised the need to balance competition, cost and ease of recruitment when considering the location of the new store. These students analysed the ranking table to support a choice of either location A or C. Less successful students struggled to analyse the table to support an answer. The minority failed to use the ranking table but did understand the meaning of location.

**Question 14**

Successful students considered **trends** rather than simply quantifying changes. They compared these trends and identified key points, eg the rapid decline in Great Britain's unemployment compared with Germany. Less successful students tended to identify individual trends but failed to compare these. Although they attempted the question, they failed to identify any trends but did provide definitions of unemployment.

**Question 15**

The ability to analyse information continued with this question and it proved to be a reliable differentiator of student performance. Successful students understood the meaning of household income and increasing importance to business sales of retired households, as illustrated by the data. Less successful students understood the meaning of the income data but struggled to connect this convincingly to business sales and failed to demonstrate an understanding of household income or make sense of the data provided.

**Question 16**

This question was answered by the majority of students. The most successful analysed the data in the customer satisfaction survey and then went on to make a logical recommendation. Less successful students understood the data but failed to provide a logical recommendation or use the data.

**Section B****Question 17**

Successful students had a good understanding of innovation as a concept. They recognised the need to consider **both** aspects of the question, ie establishing **and** maintaining a competitive advantage. These students also kept their responses to issues relating to the market for **wearable** technology and analysed issues relating to competitive advantage in **this** market. They used the item, and went on to provide a balanced evaluation.

Less successful students tended to blur the distinction between establishing and maintaining a competitive advantage. This resulted in restricted analysis which meant that the responses were characterised as either explanatory or, at best, limited analysis. The least successful students failed to keep their responses to wearable technology and had an uncertain understanding of innovation, all of which resulted in descriptive responses which lacked focus and purpose.

**Question 18**

When students carefully read the question and understood the theoretical ways in which businesses can respond to opportunities and threats, the answers were successful. Differentiation was based on the extent to which students focused their answers on Apple's responses to its opportunities and threats.

The majority of students allowed themselves to lose focus by concentrating excessively on the opportunities and threats, in a **descriptive** way, rather than **analysing** the appropriateness of Apple's responses. The least successful students struggled to make any use of the data in relation to Apple's responses.